



National Grid North America Inc.

(incorporated in the State of Delaware, United States of America)

Euro 8,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), National Grid North America Inc. ("**NGNA**" and the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt instruments (the "**Instruments**") denominated in any currency agreed between the Issuer, the Trustee and the relevant Dealer (as defined below). The aggregate nominal amount of Instruments outstanding will not at any time exceed Euro 8,000,000,000 (or its equivalent in other currencies). The Instruments may be issued in registered form only.

Application has been made to the Financial Conduct Authority (the "**FCA**") under Part VI of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") for Instruments issued under the Programme for the period of 12 months from the date of this Prospectus to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Instruments to be admitted to trading on either the London Stock Exchange's regulated market (the "**Market**") or the London Stock Exchange's Professional Securities Market (the "**PSM**"). References in this Prospectus to Instruments being "**listed**" (and all related references) shall mean that such Instruments have been admitted to trading on the Market or the PSM, as the case may be, and have been admitted to the Official List. The Market is a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MIFIR**"). The PSM is not a UK regulated market for the purposes of UK MIFIR. In the case of Instruments issued under the Programme which are listed on the Official List and admitted to trading on the PSM (the "**PSM Instruments**"), references to the Final Terms (as defined below) contained in this Prospectus shall be construed as references to the pricing supplement substantially in the form set forth in this Prospectus (the "**Pricing Supplement**").

References in this Prospectus to PSM Instruments are to Instruments for which no prospectus is required to be published under the UK Prospectus Regulation (as defined below). For the purposes of any PSM Instruments issued pursuant to this Programme, this document does not constitute a base prospectus within the meaning of Article 1 of the UK Prospectus Regulation and will instead constitute Listing Particulars (as defined below).

This Base Prospectus (as defined below) has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation; such approval should not be considered as (a) an endorsement of the Issuer; or (b) an endorsement of the quality of any Instruments that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Instruments.

This Listing Particulars is neither (i) a prospectus for the purposes of Part VI of the FSMA nor (ii) a prospectus for the purposes of the UK Prospectus Regulation. The FCA only approves this Listing Particulars as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation, as required by LR 4.2.3; such approval should not be considered as (a) an endorsement of the Issuer; or (b) an endorsement of the quality of any Instruments that are the subject of this Listing Particulars. Investors should make their own assessment as to the suitability of investing in the Instruments.

The Instruments have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"). The Instruments may not be offered or sold within the United States ("**U.S.**") or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on offers and sales of Instruments and on distribution of this Prospectus or any Final Terms, see "**Plan of Distribution**".

Each Series (as defined in "**Overview of the Programme**") of Instruments will be represented by registered certificates (each, a "**Certificate**" and, together, the "**Certificates**"). One Certificate will be issued in respect of each Instrumentholder's holding of Instruments of each Series. Instruments issued in global registered form will initially be represented by a temporary registered global certificate ("**Temporary Global Certificate**"). Beneficial interests in a Temporary Global Certificate will be exchangeable for a permanent registered global certificate ("**Permanent Global Certificate**") and, together with the Temporary Global Certificate, "**Global Certificate**") not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership. If a Global Certificate is to be held under the New Safekeeping Structure (the "**NSS**") it will be delivered on or prior to the original issue date of the relevant Tranche (as defined on page 3) to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or such other clearing systems as may be agreed upon by the Issuer, the Trustee and the relevant Dealer(s).

Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**") or a depository for such other clearing systems as may be agreed upon by the Issuer, the Trustee and the relevant Dealer(s).

The provisions governing the exchange of interests in any Global Certificate for definitive Instruments are described in "**Summary of Provisions Relating to the Instruments while in Global Form**".

The senior unsecured debt of NGNA has been rated "Baa2" by Moody's Investors Service Ltd. ("**Moody's**") and "BBB" by S&P Global Ratings Europe Limited ("**S&P**"). Credit ratings included or referred to in this Prospectus have been issued by Moody's and S&P. S&P is not established in the UK but the rating it is expected to give to the Instruments issued by NGNA under the Programme will be endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Moody's is established in the UK and registered under the UK CRA Regulation. Tranches (as defined in "**Overview of the Programme**") of Instruments to be issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating will be specified in the relevant Final Terms. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Prospectus will be valid as a base prospectus under the UK Prospectus Regulation for 12 months from 4 August 2023. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

An investment in Instruments issued under the Programme involves certain risks. For a discussion of such risks, see the section headed "**Risk Factors**" in this Prospectus.

Programme Arranger

HSBC

Programme Dealers

Barclays
Goldman Sachs International
ING
Morgan Stanley

BofA Securities

HSBC

Lloyds Bank Corporate Markets
Société Générale Corporate & Investment Banking

IMPORTANT NOTICES

This Prospectus comprises (i) a base prospectus (the “**Base Prospectus**”) for the purposes of the UK Prospectus Regulation and for the purpose of giving information with regard to the Issuer and each of its subsidiary undertakings (together, the “**Group**”) and (ii) listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the FCA and Section 80(1) of the FSMA with regard to the Group (the “**Listing Particulars**”). For the avoidance of doubt, the form of Pricing Supplement forms part of the Listing Particulars and does not form part of the Base Prospectus.

The Issuer accepts responsibility for the information contained in the Base Prospectus, the Listing Particulars, the Final Terms and the Pricing Supplement. To the best of the knowledge of the Issuer, such information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

This Prospectus has been prepared on the basis that any offer of Instruments in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Instruments. Accordingly, any person making or intending to make an offer in the UK of Instruments which are the subject of an offering contemplated in this Prospectus as completed by the Final Terms in relation to the offer of those Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. None of the Issuer or any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*” below).

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, any websites or uniform resource locators (“**URLs**”) referred to in this Prospectus and the contents of any such website or URL shall not form part of this Prospectus.

This Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche (as defined herein) of Instruments, should be read and construed together with the Final Terms.

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus in connection with the issue or sale of the Instruments and, if given or made, any such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “*Overview of the Programme*”).

Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Instrument shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof, that there has been no change (or any event reasonably likely to involve a change) in the affairs of the Issuer since the date of this Prospectus or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change (or any event reasonably likely to involve any adverse change) in the financial position of the Issuer since the date of this Prospectus or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of Instruments which are to be admitted to trading on a UK regulated market within the UK, or offered to the public in the UK in circumstances which require the publication of a prospectus under the UK Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Instruments).

The distribution of this Prospectus and the offering, distribution or sale of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms come are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

Neither this Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Instruments.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any parent company or affiliate of the Dealers is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Dealers or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Final Terms in respect of any Instruments includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**EU Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRiIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Final Terms in respect of any Instruments includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the PRiIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRiIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRiIPs Regulation.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Instruments may include a legend entitled “*MiFID II Product Governance*” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments,

but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Instruments may include a legend entitled “*UK MiFIR Product Governance*” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Save for the Issuer, no other party has separately verified the information contained in this Prospectus. None of the Dealers, the Arranger or the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. Neither this Prospectus nor any other financial statement is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Trustee, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Instruments. Each potential purchaser of Instruments should determine for itself the relevance of the information contained in this Prospectus and its purchase of Instruments should be based upon such investigation as it deems necessary. None of the Dealers, the Arranger or the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the Instruments of any information coming to the attention of any of the Dealers, the Arranger or the Trustee.

Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Instruments, the merits and risks of investing in the relevant Instruments and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Instruments and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Instruments, including where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understand thoroughly the terms of the relevant Instruments and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) understand the accounting, legal, regulatory and tax implications of purchasing, holding and disposing of an interest in the relevant Instrument.

Certain Instruments may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial

instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to local investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Instruments are legal investments for it, (ii) Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “**Euro**” and “**€**” are to the currency of those member states of the European Union which are participating in European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended, to “**Japanese yen**” and “**yen**” are to the lawful currency of Japan, to “**£**” and “**Sterling**” are to the lawful currency of the UK, to “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency of the United States of America, to “**Canadian dollars**” and “**CAD**” are to the lawful currency of Canada, to “**Australian dollars**” are to the lawful currency of Australia, to “**New Zealand dollars**” are to the lawful currency of New Zealand, to “**Swedish krona**” are to the lawful currency of Sweden, to “**Danish krone**” are to the lawful currency of Denmark, to “**Hong Kong dollars**” are to the lawful currency of Hong Kong and to “**Swiss francs**” are to the lawful currency of Switzerland.

In connection with the issue of any Tranche (as defined in “*Overview of the Programme – Method of Issue*”), the Dealer or Dealers (if any) may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) or person(s) acting on behalf of any Stabilising Manager(s) in accordance with all applicable laws and rules.

BENCHMARKS REGULATION – Interest and/or other amounts payable under Floating Rate Instruments may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the “**UK BMR**”). If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK BMR. Transitional provisions in the UK BMR may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the UK BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Instruments, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice

on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

FORWARD-LOOKING STATEMENTS

This announcement contains certain statements that are neither reported financial results nor other historical information. For the purposes of securities to be listed or traded in the United States of America, these statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to the Issuer's financial condition, its results of operations and businesses, strategy, plans and objectives. Words such as "anticipates", "expects", "should", "intends", "plans", "believes", "outlook", "seeks", "estimates", "targets", "may", "will", "continue", "project" and similar expressions, as well as statements in the future tense, identify forward-looking statements.

These forward-looking statements are not guarantees of the future performance of the Issuer and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements. Many of these assumptions, risks and uncertainties relate to factors which are beyond the ability of the Issuer to control or estimate precisely, such as changes in laws or regulations and decisions by governmental bodies or regulators; breaches of, or changes in, environmental, climate change and health and safety laws or regulations, including breaches arising from the potentially harmful nature of its activities; network failure or interruption, the inability to carry out critical non-network operations and damage to infrastructure, due to adverse weather conditions as well as the results of climate change, or due to unauthorised access to or deliberate breaches of IT systems belonging to the Issuer, or otherwise; performance against regulatory targets and standards and against the Issuer's peers with the aim of delivering stakeholder expectations regarding costs and efficiency savings, including those related to investment programmes, restructuring and internal transformation projects; customers and counterparties failing to perform their obligations to the Issuer; or risks related to health epidemics and other outbreaks, such as the coronavirus disease ("COVID-19"), including responses by governmental bodies or regulators.

Other factors that could cause actual results to differ materially from those described in this announcement include fluctuations in exchange rates, interest rates and commodity price indices; restrictions in the borrowing and debt arrangements of the Issuer, funding costs and access to financing; regulatory requirements that enable the Issuer to maintain financial resources in certain parts of its business and restrictions on some subsidiaries' transactions, such as paying dividends, lending or levying charges; inflation; the delayed timing of recoveries and payments in regulated businesses of the Issuer; the funding requirements of any pension schemes and other post-retirement benefit schemes that the Issuer may have; the loss of key personnel or the ability to attract, train or retain qualified personnel and any disputes arising with employees or the breach of laws or regulations by employees of the Issuer; and incorrect or unforeseen assumptions or conclusions (including financial and tax impacts and other unanticipated effects) relating to business development activity, including assumptions in connection with joint ventures.

The effects of these factors are difficult to predict. For further details regarding these and other assumptions, risks and uncertainties please read the section entitled "*Risk Factors*". In addition, new factors emerge from time to time and the Issuer cannot assess the potential impact of any such factor on their activities or the extent to which any factor, or combination of factors, may cause actual future results to differ materially from those contained in any forward-looking statement. Except as may be required by law or regulation, the Issuer undertakes no obligation to update any of its forward-looking statements, which speak only as of the date of this announcement. The content of any website references herein do not form part of this announcement.

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) the audited consolidated financial statements of the Issuer and its subsidiaries for the years ended 31 March 2023 and 31 March 2022, together with the audit report thereon (<https://www.nationalgrid.com/document/149971/download>);
- (ii) the terms and conditions set out in pages 19 to 40 of the prospectus dated 9 December 2016 relating to the Programme (<https://www.nationalgrid.com/document/139476/download>);
- (iii) the terms and conditions set out in pages 19 to 40 of the prospectus dated 21 December 2017 relating to the Programme (<https://www.nationalgrid.com/document/138946/download>); and
- (iv) the terms and conditions set out in pages 25 to 55 of the prospectus dated 22 October 2021 relating to the Programme (<https://www.nationalgrid.com/document/144336/download>),

each of which have been previously published or are published simultaneously with this Prospectus and which have been approved by the FCA. Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Those parts of the prospectuses dated 9 December 2016, 21 December 2017 and 22 October 2021 which are not specifically incorporated by reference in this Prospectus are either not relevant for the investor or are covered elsewhere in the Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained without charge from the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

SUPPLEMENTAL PROSPECTUS

In respect of any Instruments to be listed on the Market, if at any time the Issuer shall be required to prepare a supplemental prospectus pursuant to Article 23 of the UK Prospectus Regulation (**“Supplemental Prospectus”**), the Issuer will prepare and make available to the public an appropriate amendment or supplement to this Prospectus or a further prospectus which shall constitute a Supplemental Prospectus as required by the FCA and Article 23 of the UK Prospectus Regulation.

SUPPLEMENTARY LISTING PARTICULARS

In respect of any PSM Instruments, if at any time the Issuer shall be required to prepare supplementary listing particulars pursuant to Section 81 of the FSMA, the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus or further listing particulars which, in respect of any subsequent issue of PSM Instruments, shall constitute supplementary listing particulars as required by the FCA and Section 81 of the FSMA.

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Prospectus.

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|---|---|
| Issuer | National Grid North America Inc. |
| Issuer Legal Entity Identifier (LEI) | 5Q3U0WRKWZZGRMPYFT08 |
| Description | Euro Medium Term Note Programme |
| Size | Up to Euro 8,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Instruments outstanding at any one time. |
| Arranger | HSBC Bank plc |
| Dealers | Barclays Bank PLC Goldman Sachs International HSBC Bank plc ING Bank N.V. Lloyds Bank Corporate Markets plc Merrill Lynch International Morgan Stanley & Co. International plc Société Générale |
| | <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to the “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> |
| Trustee | The Law Debenture Trust Corporation p.l.c. |
| Issuing and Paying Agent | The Bank of New York Mellon, London Branch |
| Canadian Paying Agent | BNY Trust Company of Canada |
| Other Paying Agent | Quintet Private Bank (Europe) S.A. |
| Method of Issue | Instruments issued under the Programme will be issued on a syndicated or non-syndicated basis. The Instruments will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Instruments of each Series being intended to be interchangeable with all other Instruments of that Series. Each Series may be issued in tranches (each a “ Tranche ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms document (the “ Final Terms ”) or, in the case of PSM Instruments, the Listing |

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| | Particulars will be completed by the pricing supplement (the “Pricing Supplement”). |
| Issue Price | Instruments may be issued at their nominal amount or at a discount or premium to their nominal amount. |
| Form of Instruments | The Instruments will be issued in registered form and represented by registered Certificates. One Certificate will be issued in respect of each Instrumentholder’s holding of Instruments of each Series. Certificates representing Instruments that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates” and will initially be represented by a Temporary Global Certificate. Beneficial interests in a Temporary Global Certificate will be exchangeable for a Permanent Global Certificate not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership. |
| Clearing Systems | Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s). |
| Initial Delivery of Instruments | On or before the issue date for each Tranche, if the relevant Global Certificate is to be held under the NSS, the Global Certificate will be delivered to the Common Safekeeper. On or before the issue date for each Tranche, if the relevant Global Certificate is not to be held under the NSS, the Global Certificate representing the Instruments may be deposited with the Common Depositary. Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Instruments that are to be credited to one or more clearing systems on issue will be registered in the name of the relevant nominee or a common nominee for such clearing systems. |
| Currencies | Subject to compliance with all applicable legal and/or regulatory requirements, Instruments may be issued in Euro, Japanese yen, Sterling, U.S. dollars, Canadian dollars, Australian dollars, New Zealand dollars, Swedish krona, Danish krone, Hong Kong dollars or Swiss francs or in other currencies if the Issuer and the relevant Dealer(s) so agree. |
| Maturities | Any maturity, subject to compliance with all applicable legal and/or regulatory requirements. Any Instruments having a maturity of less than one year from their date of issue must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the |

purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of Section 19 of the FSMA by the Issuer.

Denominations

Instruments will be denominated in the Specified Denominations set out in Part A of the relevant Final Terms, save that, in the case of Instruments which are to be admitted to trading on a UK regulated market within the UK, or offered to the public in the UK in circumstances which require the publication of a prospectus under the UK Prospectus Regulation, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Instruments).

Fixed Rate Instruments

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms and at maturity.

Floating Rate Instruments

Floating Rate Instruments will bear interest set separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to the Sterling Overnight Interest Average (“**SONIA**”) or the Canadian Overnight Repo Rate Average (“**CORRA**”) or the Euro Interbank Offered Rate (“**EURIBOR**”) or the Canadian Dollar Offered Rate (“**CDOR**”) as adjusted for any applicable margin (and subject to the Benchmark Discontinuation provisions set out in Condition 3.10, if applicable). Interest periods will be selected by the Issuer prior to issue and specified in the relevant Final Terms. Floating Rate Instruments may also have a maximum interest rate, a minimum interest rate, or both.

Benchmark Discontinuation

On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions and following consultation with an Independent Adviser) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments in accordance with Condition 3.10.

Zero Coupon Instruments

Zero Coupon Instruments may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Rates of Interest

The length of the interest periods for the Instruments and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Instruments may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Instruments to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

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| Redemption | Unless permitted by then current laws and regulations, Instruments which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). |
| Optional Redemption | <p>The Final Terms issued in respect of each issue of Instruments will state whether such Instruments may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Instrumentholders, and if so the terms applicable to such redemption.</p> <p>If specified in the relevant Final Terms, the Issuer will have the option to redeem or purchase the Instruments early at a Make-whole amount, or otherwise at any other amount specified, and at the time(s) specified in such Final Terms.</p> <p>If specified in the relevant Final Terms, the Issuer may elect to redeem all, but not some only, of the Instruments of any Series at their Residual Holding Redemption Amount at any time if the Residual Holding Percentage or more of the aggregate nominal amount of such Instruments originally issued shall have been redeemed or purchased and cancelled.</p> |
| Status of Instruments | The Instruments will constitute unsubordinated and unsecured obligations of the Issuer, all as described in " <i>Terms and Conditions of the Instruments — Status</i> ". |
| Negative Pledge | The Instruments will have the benefit of a negative pledge as described in " <i>Terms and Conditions of the Instruments — Status and Negative Pledge</i> ". |
| Cross Acceleration | The Instruments will have the benefit of a cross acceleration provision as described in " <i>Terms and Conditions of the Instruments — Events of Default</i> ". |
| Other Events of Default | The other events of default under the Instruments are as specified below under " <i>Terms and Conditions of the Instruments — Events of Default</i> ". |
| Early Redemption | Except as provided in " <i>Optional Redemption</i> " and " <i>Redemption</i> " above, Instruments will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See " <i>Terms and Conditions of the Instruments — Redemption, Purchase and Options</i> ". |
| Withholding Tax | All payments of principal and interest in respect of the Instruments will be made free and clear of withholding taxes of the United States of America or any political sub-division of the United States of America or any authority in or of the United States of America having power to tax, unless compelled by law. In that event, the Issuer will, subject to certain exceptions, pay such additional amounts as will result in the payment to the Instrumentholders of the amounts which would otherwise have been received in respect of the Instruments had no withholding or deduction been made, all as described in " <i>Terms and Conditions of the Instruments — Taxation</i> ". |

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| Governing Law | English |
| Listing | Each Series may be admitted to the Official List and admitted to trading on the Market or the PSM and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s). |
| Ratings | <p>The senior unsecured debt of NGNA has been rated “Baa2” by Moody’s and “BBB” by S&P. Credit ratings included or referred to in this Prospectus have been issued by Moody’s and S&P. Moody’s is established in the UK and is registered under the UK CRA Regulation. S&P is not established in the UK but the rating it is expected to give to the Instruments issued by NGNA under the Programme will be endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.</p> <p>Tranches of Instruments (as defined in “<i>Overview of the Programme</i>”) may be rated or unrated. Where a Tranche of Instruments is rated, such rating will be specified in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> |
| Selling Restrictions | <p>U.S., UK, Prohibition of Sales to EEA Retail Investors, Prohibition of Sales to UK Retail Investors, Canada, Japan and Singapore. See “<i>Plan of Distribution</i>”.</p> <p>Category 3 selling restrictions will apply to the Instruments for the purposes of Regulation S under the Securities Act.</p> |
| Terms and Conditions | The Terms and Conditions applicable to each Series will be as agreed between the Issuer, the Trustee and the relevant Dealer(s) or other subscriber at or prior to the time of issuance of such Series and will be specified in the relevant Final Terms. |

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Instruments issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Instruments for other reasons. If this occurs, prospective investors may lose the value of their entire investment or part of it. Prospective investors should read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision in connection with the Instruments.

1 **Factors that may affect NGNA's ability to fulfil its obligations under Instruments issued under the Programme**

A. Operational risks relating to NGNA and its business

NGNA is dependent upon receiving funds from its subsidiaries to fulfil its obligations under the Instruments issued under the Programme.

NGNA's only business is to act as a vehicle for acquisition financing for its ultimate parent company, National Grid plc, in the U.S. through intercompany lending arrangements. NGNA's debt, primarily in the form of intercompany loans from National Grid plc and other UK affiliates, is paid back in a variety of ways including through dividend payments from NGNA's wholly-owned subsidiary, National Grid USA ("NGUSA"), intercompany facilities with its other U.S. subsidiaries, and external borrowings. NGNA, as a holding company, does not conduct any business other than through its U.S. subsidiaries and is dependent on dividends or distributions from its U.S. subsidiaries to provide the funds necessary to meet its debt and contractual obligations. The U.S. subsidiaries' legal authority to pay dividends or make other distributions to NGNA is subject to regulation by the various state regulatory authorities in the U.S. No member of the Group is currently prohibited from paying a dividend.

NGNA is therefore dependent upon receipt of funds from its subsidiaries, including NGUSA, in order to fulfil its obligations under the Instruments. The obligations of NGNA under the Instruments are therefore structurally subordinated to any liabilities of NGNA's subsidiaries.

NGNA's wholly-owned subsidiary, NGUSA, is an intermediate holding company which also has no business operations of its own and depends on the earnings and cash flow of, and dividends or distributions from, its subsidiaries. NGUSA in turn conducts all of its businesses through its subsidiaries, many of which are public utilities that are subject to regulation by federal and state regulatory agencies and other authorities. Each of NGUSA's public utility subsidiaries is subject to various dividend restrictions contained in federal and state regulatory approvals, financing instruments and organisational documents which, under certain circumstances, may limit the ability of these subsidiaries to pay a dividend. NGUSA's utility subsidiary's legal authority to operate as a public utility in the state in which it operates, including the legal authority to pay dividends or make other distributions to NGUSA (and, in turn, to NGNA), is subject to regulation by the state public utility commissions of the states in which it operates.

B. Operational risks relating to the Group and its business

Network failure or the inability to carry out critical non-network operations may have significant adverse impacts on both the Group's financial position and its reputation.

The Group may suffer a major network failure or interruption, or may not be able to carry out non-network operations. Operational performance could be materially adversely affected by a failure to maintain the health of the system or network, inadequate forecasting of demand, inadequate record keeping or failure of information systems and supporting technology. This could cause the Group to fail to meet agreed standards of service, incentive and reliability targets, or be in breach of regulatory requirements or contractual obligations, and even incidents that do not amount to a breach could result in adverse regulatory and financial consequences, as well as harming the Group's reputation. The operation of complex electricity transmission, natural gas transportation and electricity and gas distribution systems and generation facilities involves many operating uncertainties and events beyond the Group's control such as the impact of weather (including as a result of climate change), unlawful or intentional acts of third parties or force majeure. Weather conditions, including as a result of climate change and prolonged periods of adverse weather or "adverse weather conditions", can affect financial performance and severe weather that causes outages or damages infrastructure will adversely affect operational and, potentially, business performance. Catastrophic force majeure type events such as severe storms, fires, earthquakes, or intentional acts such as wars, insurrections, strikes, lockouts, terrorist attacks, breaches of cyber security, sabotage or vandalism may also physically damage the Group's assets. The occurrence of any one of these events could cause a breakdown or failure of transmission and distribution lines or other equipment or processes, unscheduled facility outages, interruption or unavailability of critical equipment, materials and supplies and reduced levels of capacity or efficiency which otherwise may significantly affect corporate activities and as a consequence have an adverse impact on the Group's results of operations, financial condition and its reputation. In addition, the Group's insurance may not adequately provide coverage for certain hazards, such as unexpected outages at critical facilities, damage to pipelines, equipment, properties and people. The occurrence of any of these risks or other operational risks could cause the Group to fail to meet the various standards of service requirements expected of utilities as established by the various state public utility commissions and/or significantly reduce or eliminate the Group's revenues or significantly increase its expenses due to the cost of repairing damage to the Group's operating facilities which could be substantial. The occurrence or risk of occurrence of future terrorist attacks or related acts of war or violence may lead to increased political, economic and financial market instability and volatility in prices which could materially adversely affect the Group in ways it cannot predict at this time. A lower level of economic activity for these or other reasons could result in a decline in energy consumption, which could adversely affect the Group's net revenues. In addition to these risks, the Group may be affected by other potential events that are largely outside the Group's control, such as the impact of the COVID-19 pandemic (including on the Group's operations and as a result of large-scale working from home by its employees), unlawful or unintentional acts of third parties, insufficient or unreliable supply, or force majeure.

In addition, the Group could be subject to regulatory penalties if it fails to meet certain service quality standards resulting from, for example, an interruption of service. Any reduction of revenues or increase in expenses resulting from the risks described above could adversely affect the Group's business, results of operations and reputation.

The Group's results of operations depend on maintaining business and operational performance, including performance against regulatory targets.

Earnings maintenance and growth from NGNA's businesses will be affected by the Group's ability to meet or exceed efficiency and integration targets and service quality standards set by or agreed with the Group's regulators under the various regulatory rate plans affecting the types of business in which the Group operates. Levels of earnings also depend on meeting service quality standards set by U.S. regulators. In addition, from time to time, the Group publishes cost and efficiency savings targets for its

businesses. To meet these cost and efficiency savings targets and standards, the Group must continue to improve operational performance, service reliability and customer service. If the Group does not meet these targets and standards and/or does not complete implementation of reorganisation as envisaged, the Group's business may be adversely affected and its performance, results of operations and its reputation may be harmed.

Pandemics – The Group faces risks related to health epidemics and other outbreaks.

As seen in the context of COVID-19, pandemics and their associated countermeasures may affect countries, communities, supply chains and markets, including the U.S. and the Group's service territory in the U.S. The spread of such pandemics could have adverse effects on the Group's workforce, which could in turn affect the Group's ability to maintain its networks and provide its service. Disruption of supply chains could also adversely affect the Group's systems or networks.

Pandemics such as the COVID-19 pandemic may also result in extraordinary economic circumstances in the Group's markets which could negatively affect the Group's customers' ability to pay their energy bills in the U.S. for transportation, distribution delivery services and/or commodity supply services. The suspension of debt collection and customer termination activities across the Group's service area in response to such pandemic(s) is likely to result in near-term lower customer collections, and could result in increasing levels of bad and doubtful debt and associated provisions.

The Group continues to work with regulators and other relevant authorities in progressing the Group's capital expenditures and investments; however, the Group is seeing some delays and disruption. Changes in law or regulation, or decisions by governmental bodies or regulators and increased political and economic uncertainty, including responses to COVID-19, could materially adversely affect the Group. The extent to which pandemics such as the COVID-19 pandemic may affect the Group's liquidity, business, financial condition, results of operations and reputation will depend on future developments, which are highly uncertain and cannot be predicted, and will depend on the severity of the relevant pandemic, the scope, duration and cost to the Group and overall economic impact of actions taken to contain it or mitigate its effects.

Failure to deliver anticipated cost and efficiency savings from business development activities may adversely affect the Group's business and its performance, results of operations and reputation. Conversely, new businesses or activities that the Group undertakes alone or with partners may not deliver target outcomes and may expose it to additional operational and financial risks.

The Group previously completed the reorganisation of its U.S. operations from a global business model to a regional model. If the regional model does not consistently deliver greater customer alignment, efficiencies and cost savings and the Group is not able to effectively manage its operating model to deliver success under its existing rate plans then: (i) the Group may not achieve the expected benefit of such reorganisation; (ii) the Group's business may be materially adversely affected; (iii) the Group's performance, results of operations and reputation may be materially harmed; and/or (iv) the Group may be in breach of regulatory or contractual obligations.

Business development activities, and the delivery of growth ambitions, including acquisitions, disposals, joint ventures, partnering and organic investment opportunities (including organic investments made as a result of changes to the energy mix) are subject to a wide range of both external uncertainties and internal uncertainties which entail a number of risks including decisions based upon incorrect assumptions or conclusions, inability to integrate acquired businesses effectively with existing operations, failure to realise planned levels of synergy and efficiency savings from acquisitions, unanticipated operational, financial and tax impacts (including unanticipated costs) and other unanticipated effects. The Group may be liable for the past acts and errors and omissions of companies or businesses acquired which may be unforeseen or greater than anticipated at the time of the acquisition. Under the Group's state regulatory rate plans earnings, maintenance and growth from the Group's regulated gas and electricity businesses will be affected by its ability to realise and deliver

expected integration and operational efficiency synergies from completed acquisitions as set by or agreed with its state and federal regulators. Many of these risks and uncertainties are similar to those that are faced by the Group's pre-existing businesses; however, there are some that are not. The occurrence of any such event could affect the Group's ability to realise synergies required under its regulatory rate plans which could have a material adverse impact on the Group's results of operations or financial condition under its regulatory rate plans. See also the section entitled "*Pandemics – The Group faces risks related to health epidemics and other outbreaks*".

The Group's reputation and long-term financial condition may be harmed if consumers of energy suffer a disruption to their supply even if this disruption is outside the Group's control.

The Group's energy delivery businesses are responsible for arranging for the transportation and distribution of available electricity and gas to its customers. The development of additional gas reserves requires significant capital expenditure by others for exploring, drilling and installing production, gathering, storage, transportation and other facilities that permit gas to be produced and delivered to the Group's distribution systems. Low prices for gas, regulatory restrictions, or the lack of available capital for these projects could adversely affect the development of additional gas reserves and may also result in potential write-downs of the Group's investment in gas properties. Additional gas reserves may not be developed in sufficient amounts to fill the capacities of the Group's distribution systems, thus limiting the Group's prospects for long-term growth. Such supply issues could hinder the Group's ability to successfully contract for gas and electricity supplies required to meet the needs of its customers. Significant downward revisions in the Group's estimated proved gas reserves may further impact the long-term financial health of the Group. In addition, the Group consults with and provides information to regulators, governments and industry participants about future demand and the availability of supply. However, where there is insufficient supply the Group's role is to manage the relevant distribution and transportation network safely, which in extreme circumstances may require the Group to disconnect customers, which may damage the Group's reputation.

Customers and counterparties to the Group's transactions may fail to perform their obligations, which could harm NGNA's results of operations and loss of substantial revenue if discontinued.

NGNA's subsidiary operations are exposed to the risk that customers and counterparties to the Group's transactions that owe money, commodities or supplies to the Group will not perform their obligations. For example, the Group's downstate New York generation subsidiary derives a substantial portion of revenues from the supply of wholesale generation capacity and energy from one customer, the Long Island Power Authority ("**LIPA**") under a power purchase agreement that was renewed in May 2013. LIPA in turn provides retail electricity to communities and businesses on Long Island. Should the counterparties to certain bilateral arrangements with the Group fail to perform, the Group might be forced to enter into alternative hedging arrangements or honour its underlying commitment at then-current market prices that may exceed the Group's contractual prices. In such event, the Group might incur additional losses to the extent of amounts, if any, already paid to counterparties. This risk is most significant where the Group's energy delivery businesses have concentrations of receivables from gas and electric utilities and their affiliates, as well as industrial customers, energy marketers, customers and other purchasers that are unable to pay as a result of increasing commodity costs throughout the northeast of the U.S. In addition to these risks, the Group may be affected by other potential events that are largely outside the Group's control such as the impact of the COVID-19 pandemic, including its negative impact on customer collections and levels of bad debts. See also the section entitled "*Pandemics – The Group faces risks related to health epidemics and other outbreaks*".

Prolonged disruptions of the Group business operations due to work stoppages or strikes could adversely affect its business.

Most of the Group's operations workforces are covered by various collective bargaining agreements, which affect its labour costs. The Group believes that it has satisfactory relations with the various unions.

The Group cannot assure investors that it will reach a new agreement with its unions on satisfactory terms when a collective bargaining agreement expires. Furthermore, the Group cannot assure investors that it would reach a new bargaining agreement without work stoppages, strikes or similar industrial actions. If industrial actions substantially obstructed any of the Group's operations for an extended period, the Group's business and results of operations would suffer material harm. Disruptions of the business operations, strikes or similar measures at customer or supplier sites could also have a material adverse impact on the Group's business and results of operations.

C. Strategic and regulatory risks relating to the Group and its business

The Group is subject to extensive and complex laws, regulations and legislation and changes in law or regulation and decisions by governmental bodies or regulators could have a material adverse effect on the Group's business, financial position and results of operations.

The Group is subject to extensive regulations and legislation enforced by various regulatory agencies. These regulatory agencies include the Federal Energy Regulatory Commission (the "FERC"), the federal Environmental Protection Agency (the "EPA") and various federal, state and local agencies including the various state public utility commissions. Changes in federal law, state or local law, decisions by governmental bodies or regulatory policy regulators in the states and jurisdictions in which the Group operates could adversely affect its business, financial position and results of operations. Regulations affect almost every aspect of the Group's business and limit its ability to independently make and implement management decisions regarding business combinations, disposing of operating assets, setting rates charged to customers, issuing debt and engaging in transactions between the Group and its subsidiaries and affiliates. Moreover, regulatory decisions and legislation also affect matters unique to the Group's businesses, including for example whether franchises to operate are granted or renewed, decoupling of energy usage and revenue, timely recovery of incurred expenditure or obligations, the ability to pass through commodity costs, and other decisions relating to the impact of general economic conditions on the Group, its markets and customers, implications of climate change and remuneration for stranded assets. The Group is increasingly subject to regulation in relation to climate change and is affected by requirements to reduce greenhouse gas emissions and pipeline methane leaks and energy use by the Group's customers. Regulations and legislation are subject to ongoing changes and policy initiatives, and NGNA cannot predict the future course of regulations or legislation and their respective ultimate effect. Such changes could materially impact the Group's businesses, financial position and results of operations.

A significant portion of the Group's revenues and its opportunity to recover costs in its utility businesses is directly dependent on rates established by federal or state regulatory authorities, and any change in these rates and regulatory structure could significantly impact the Group's financial results. Increases in utility costs, not otherwise offset by increases in revenues or reductions in other expenses, could have an adverse effect on earnings due to the time lag associated with obtaining regulatory approval to recover such increased costs and expenses in rates. Regulatory decisions concerning the level of permitted revenues for the Group's businesses and proposed business development activities could have an adverse impact on its results of operations, cash flows, the financial condition of its businesses and the ability to develop those businesses in the future.

As a result of these deficiencies, NGNA may be unable to provide accurate and timely regulatory reporting for its U.S. businesses, which may include the provision of U.S. subsidiary financial reports. This could result in regulatory fines, penalties, and other sanctions which may adversely impact the Group's operations, its reputation and its relationship with relevant U.S. regulators and other stakeholders.

Breaches of, or changes in, environmental, climate change or health and safety laws or regulations could expose the Group to increased costs, claims for financial compensation

and adverse regulatory consequences, as well as adversely affecting the Group's business, financial position, results of operations and damaging the reputation of the Group.

The Group's activities are potentially harmful, such as the activities that arise in connection with its business including generation transmission and distribution of electricity and the storage, transmission and distribution of gas and as such are subject to numerous environmental, health and safety regulations that affect many aspects of its operation. In addition, electricity and gas utilities also typically use and generate in their operations hazardous and potentially hazardous products and by-products and the Group is subject to laws and regulations relating to pollution, the protection of the environment and the use and disposal of hazardous wastes and materials. In addition, certain activities of electricity and gas utilities may not currently be subject to environmental, health or safety regulations because such activities are not currently regarded or proven to have adverse effects but may in the future be subject to regulation or to more extensive regulation, for example, the effects of electric and magnetic fields and greenhouse gas emissions. Compliance with current and future regulations, including regulation in relation to climate change, can require significant capital and operating expenditures, including expenditures for new equipment, inspection and clean-up costs and damages arising out of contaminated properties. The Group commits significant resources and expenditures toward complying with these laws and regulations and meeting the Group's obligations under existing laws and regulations and in some cases negotiated settlements. If additional requirements are imposed on the Group's ability to recover such costs and expenses under relevant regulatory framework changes, this could have a material adverse impact on the Group's businesses, reputation, results of operation and financial position.

The Group may not be able to obtain or maintain all required environmental regulatory approvals for its facilities. As a result, some facilities may be required to shut down or alter their operations. If the Group's conduct and activities fail to comply with any applicable environmental requirements, the Group may be subject to penalties and fines or other sanctions. In addition, the Group could suffer damage to its reputation.

Environmental regulations also impose obligations to remediate contaminated properties (for example manufactured gas plant ("MGP") sites) or to require payment for the cost of such remediation, often from parties that did not actually cause the contamination, including current and prior owners and operators of property. The Group generally is responsible for on-site liabilities, and in some cases off-site liabilities, associated with the environmental condition of its current and former assets, regardless of when the liabilities arose and when they are discovered. In connection with acquisitions, the Group may obtain or require indemnification against some environmental liabilities. If the Group incurs a material liability, or the other party to a transaction fails to meet its indemnification obligations, the Group could suffer material losses. In addition, future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities that may be material. While some of the Group's businesses have regulatory rate plans or similar type cost recovery mechanisms, generally allowing for recovery of the costs of investigation and remediation of contaminated sites (i.e., state site investigation and remediation ("SIR") programmes and the FERC contract termination charge), the current cost recovery mechanisms may change in the future. If the cost recovery mechanisms change in the future, or if additional environmental matters arise in the future at the Group's currently or historically owned facilities, at sites the Group may acquire in the future or at third-party waste disposal sites, costs associated with investigating and remedying these sites could have a material adverse effect on the Group's results of operations, cash flows and financial condition.

The Group is increasingly subject to regulation in relation to climate change and is affected by requirements to reduce its carbon emissions as well as to enable reduction in energy use by its customers. If more onerous requirements are imposed or the Group's ability to recover these costs under regulatory frameworks changes, this could have a material adverse impact on the Group's business, financial condition, results of operations and reputation.

The Group's risk mitigation techniques such as hedging and current regulatory arrangements may not adequately provide protection.

To the extent the Group has unhedged positions or its hedging strategies do not work as planned, fluctuating commodity prices could cause the Group's sales and net income to be volatile and could potentially impact the Group's business. To mitigate the Group's financial exposure related to commodity price fluctuations, the Group routinely enters into various contracts to hedge a portion of purchase and sale commitments, weather fluctuations, electricity sales, gas supply and other commodities. In addition, the Group's current regulatory arrangements provide the ability to pass through virtually all of the increased costs related to commodity prices to consumers. However, if the Group's regulators were to restrict this ability, it could have an adverse effect on the Group's operating results. Moreover, the Group does not always cover the entire exposure of its assets or its positions to market price volatility and the coverage will vary over time.

The Group's results of operations could be affected by inflation.

The Group's income under the Group's businesses' rate plans in the various states in which it operates is not typically linked to inflation. In periods of inflation in the U.S., the Group's operating costs may increase by more than its revenues. Such increased costs may materially adversely affect the Group's results of operations. In addition, even where increased costs are recoverable under the Group's various regulatory rate plans of its various businesses that provide for various tracking and true-up mechanisms for cost recovery, there may be a delay (i.e. regulatory lag) in the Group's ability to recover its increased costs.

D. Financial risks

NGNA's financial position may be adversely affected by a number of factors including restrictions in borrowing and debt arrangements, changes to credit ratings, effective tax rates and volatility in the global credit markets.

NGNA is subject to certain covenants and restrictions in relation to its debt securities and its bank lending facilities and those of its subsidiaries. NGNA is also subject to restrictions on financing that have been imposed by state and federal regulators. These restrictions may hinder it in servicing the financial requirements of its current businesses or the financing of newly acquired or developing businesses. For the portion of NGNA's debt or the debt of its subsidiaries that is rated by credit rating agencies, it can provide no assurances that the ratings or outlook on such debt securities will not be reduced or otherwise be negatively changed. Changes to these ratings or outlook may affect both NGNA's and its subsidiaries' borrowing capacity and the cost of those borrowings. The effective rate of tax NGNA pays may be influenced by a number of factors including changes in law and accounting standards, the results of which could increase that rate.

NGNA's businesses are partly financed through debt and the maturity and repayment profile of debt used to finance investments often does not correlate to cash flows from NGNA's assets. Accordingly, NGNA's businesses may rely on access to short-term commercial paper and money markets as a source of short-term financing and longer-term bank and capital markets as a source of long-term financing. Financial markets can be subject to periods of volatility and shortages of liquidity – for example, as a result of unexpected political or economic events or the COVID-19 pandemic. If NGNA's businesses are not able to access capital at competitive rates, their ability to finance their operations and implement NGNA's strategy will be adversely affected.

NGNA's debt agreements and banking facilities contain covenants, including those relating to the periodic and timely provision of financial information by the issuing U.S. entity and financial covenants such as restrictions on the level of subsidiary indebtedness. Failure to comply with these covenants, or obtain waivers of those requirements, could in some cases trigger a right, at the lender's discretion, to require repayment of some of the Group's debt and may restrict NGNA's ability to draw upon its facilities or access the capital markets. The impact of any of these events could adversely impact the results of operations of the Group.

NGNA's operating results may fluctuate on a seasonal and quarterly basis.

NGNA's public utility subsidiaries in the Group are seasonal businesses and are subject to weather conditions and related market issues. In particular, the Group receives most of its gas distribution revenues in the third and fourth quarters of its fiscal year, when demand for gas increases due to colder weather conditions. As a result, the Group is subject to seasonal variations in working capital because it purchases gas supplies for storage in the first and second quarters and must finance these purchases. Accordingly, the Group's results of operations for its gas distribution business fluctuate substantially on a seasonal basis. In addition, portions of the Group's electricity businesses are seasonal and subject to weather and related market conditions. Sales of electricity to customers are influenced by temperature changes. Significant changes in heating or cooling degree days, for example, could have a substantial effect. As a result, fluctuations in weather and competitive supply between years may have a significant effect on the Group's results of operations for these businesses, both gas and electric. See also the section entitled "*Pandemics – The Group faces risks related to health epidemics and other outbreaks*".

New or revised accounting standards, rules and interpretations.

The implementation of new accounting standards or changes in accounting standards or Generally Accepted Accounting Principles (GAAP) which may require adjustments to financial statements, could have significant adverse effects on NGNA's reported financial results.

2 Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme

Risks related to the structure of a particular issue of Instruments

A range of Instruments may be issued under the Programme. Certain of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Instruments subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Instruments. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Future changes or uncertainty with respect to EURIBOR, CDOR and/or other relevant benchmarks may adversely affect the value of Floating Rate Instruments which reference EURIBOR, CDOR and/or other relevant benchmarks

The Issuer may issue Floating Rate Instruments, the interest rate on which fluctuates according to fluctuations in a specified interest rate benchmark. Reference rates and indices, including interest rate benchmarks used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**") including (but not limited to) EURIBOR and CDOR, have in recent years been the subject of political and regulatory scrutiny and reform globally. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Instruments linked to or referencing such a Benchmark.

Regulation (EU) 2016/1011 (the "**EU BMR**") applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the EU. It, among other things, (i) requires

Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Similarly, the UK BMR applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark within the UK. It, among other things, (i) requires Benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by UK supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU BMR and the UK BMR could have a material impact on any Instruments linked to or referencing a Benchmark, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the requirements of the EU BMR and/or the UK BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

The potential elimination of any Benchmark, or changes in the manner of administration of any Benchmark, could require an adjustment to the Conditions, or result in other consequences, in respect of any Instruments linked to such Benchmark. Such factors may have the following effects on certain Benchmarks: (i) discourage market participants from continuing to administer or contribute to the Benchmark, (ii) trigger changes in the rules or methodologies used in the Benchmark or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Instruments linked to or referencing a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU BMR and/or the UK BMR in making any investment decision with respect to any Instruments linked to or referencing a “benchmark”.

In the EU, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new Euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

See also the risk factor headed, “*Floating Rate Instruments – Benchmark Discontinuation*” below.

The market continues to develop in relation to risk-free rates

Investors should be aware that the market continues to develop in relation to risk-free rates, such as SONIA, as reference rates in the capital markets for sterling bonds and their adoption as alternatives to the relevant interbank offered rates.

SONIA is a relatively new rate, and the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Instruments, which may adversely affect the trading prices of such Instruments. The administrator of SONIA may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SONIA, respectively, in its sole discretion and without notice and has no obligation to

consider the interests of holders of the Instruments in calculating, withdrawing, modifying, amending, suspending or discontinuing SONIA. In respect of any SONIA-referenced Instruments for which the Rate of Interest is determined by reference to the SONIA Compounded Index, the SONIA Compounded Index may be modified or discontinued, and such SONIA-referenced Instruments may bear interest by reference to a rate other than compounded SONIA, which could adversely affect the value of any such SONIA-referenced Instruments.

In addition, market conventions for calculating the interest rate for bonds referencing risk-free rates continue to develop and market participants and relevant working groups are exploring alternative reference rates based on risk-free rates. For example, on 3 August 2020, the Bank of England, as the administrator of SONIA, began publishing the SONIA Compounded Index. Accordingly, the specific formula for calculating the rate used in the Instruments may not be widely adopted by other market participants, if at all. Either Issuer may in the future also issue Instruments referencing risk-free rates that differ in terms of interest determination when compared with any previous Instruments referencing risk-free rates issued by it. If the market adopts a different calculation method, that could adversely affect the market value of Instruments.

Interest on Instruments which reference a risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Instruments which reference risk-free rates to reliably estimate the amount of interest which will be payable on such Instruments. Further, if the Instruments become due and payable under Condition 8, or are otherwise redeemed early on a date which is not an Interest Payment Date, the Rate of Interest payable shall be determined on the date the Instruments became due and payable and shall not be reset thereafter.

Each risk-free rate is published and calculated by third parties based on data received from other sources and the Issuer has no control over its respective determinations, calculations or publications. There can be no guarantee that the relevant risk-free rate (or SONIA Compounded Index) will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Instruments linked to or which reference a such risk-free rate (or that any applicable benchmark fallback provisions provided for in the Conditions will provide a rate which is economically equivalent for holders of Instruments). The Bank of England has no obligation to consider the interests of holders of Instruments in calculating, adjusting, converting, revising or discontinuing the relevant risk-free rate (or SONIA Compounded Index). If the manner in which the relevant risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Instruments and the trading prices of such Instruments.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Instruments that reference a risk-free rate. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Instruments.

Risks relating to Floating Rate Instruments linked to CDOR or CORRA

- (i) *The future discontinuance of CDOR might adversely affect the value of investments in Floating Rate Instruments that reference CDOR.*

On 16 May 2022, Refinitiv Benchmark Services (UK) Limited, the administrator of CDOR, announced that the calculation and publication of all remaining tenors of CDOR will permanently cease after 28 June 2024 (the “**CDOR Cessation Date**”). Investors should be aware that, when CDOR is discontinued or otherwise unavailable, the rate of interest on Floating Rate Instruments that reference CDOR will be determined for the relevant period by the fallback provisions applicable to such Instruments. If, during the term of any Floating Rate Instruments linked to CDOR, CDOR is no longer quoted on the designated screen page, CDOR will be determined using the alternative methods described in the Conditions. Any of these alternative methods may result in interest payments on such Instruments that are lower than or do not otherwise correlate over time with the interest payments that would have been made on the

Floating Rate Instruments if the designated CDOR screen page had remained available. Any of the foregoing may have an adverse effect on the value of and return on Floating Rate Instruments that reference CDOR.

(ii) Regulation, reform, and the potential or actual discontinuation of CDOR and CORRA may adversely affect the value of, return on and trading market for the Instruments.

CDOR and CORRA are the subject of ongoing national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, while others are still to be implemented or formulated. These reforms may cause such “benchmarks” to perform differently than in the past or to be discontinued entirely and may have other consequences that cannot be predicted.

Once CDOR is permanently discontinued on the CDOR Cessation Date, or if the Issuer determines that CORRA has been permanently or indefinitely discontinued, in relation to any Instruments referencing CDOR or CORRA, as applicable, the Issuer, the Calculation Agent or financial institution or investment bank appointed by the Issuer will determine an alternative rate and adjustments thereto in accordance with the Conditions.

After the CDOR Cessation Date or if a Benchmark Event occurs in relation to CORRA, a waterfall of alternative rates could be used to determine the rate of interest on any Instruments referencing CDOR or CORRA, as applicable. Such fallback rates may not be a suitable replacement or successor for CDOR or CORRA, as applicable. If certain of the fallback rates are not available at the applicable interest determination date, the next alternative rate in the waterfall will be used. Uncertainty with respect to market conventions related to the calculation of these fallback rates and whether any alternative reference rate is a suitable replacement or successor for CDOR or CORRA may adversely affect the value of, return on and trading market for any Instruments referencing CDOR or CORRA, as applicable.

The additional alternative rates for any Instruments referencing CDOR or CORRA, as applicable, are uncertain. In particular, the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor, has not been established as of the date hereof.

There is no assurance that the characteristics of any of the alternative rates for CDOR or CORRA will be similar to those of CDOR or CORRA prior to the CDOR Cessation Date, or prior to the date a Benchmark Event in relation to CORRA occurs, as applicable, or that any such alternative rate will produce the economic equivalent of such rates.

(iii) CORRA may not be a suitable substitute or successor for CDOR.

As a rate based on transactions secured by Government of Canada treasury bills and bonds, CORRA does not measure unsecured corporate credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of corporations. This may mean that market participants would not consider CORRA or a term adjusted CORRA a suitable substitute or successor for CDOR, which may, in turn, lead to lessened market acceptance of CORRA. Further, multiple market conventions with respect to the implementation of CORRA as a base rate for floating rate Instruments or other securities may develop. The manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in floating rate bond markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in other markets, such as the derivatives and loan markets. Uncertainty with respect to market conventions related to the implementation of CORRA and whether CORRA or a term adjusted CORRA is a suitable replacement or successor for CDOR may adversely affect the value of, return on and trading market for any Instruments referencing CDOR or CORRA, as applicable.

- (iv) *The administrator of CORRA may make methodological or other changes that could change the value of CORRA and may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of CORRA.*

The Bank of Canada has only been the administrator of CORRA since June 2020. The Bank of Canada may make methodological or other changes that could change the value of CORRA, including changes related to the method by which CORRA is calculated, eligibility criteria applicable to the transactions used to calculate CORRA or timing related to the publication of CORRA. In addition, CORRA is published by the Bank of Canada based on data received from sources other than the Issuer, and the Issuer has no control over the methods of calculation, publication schedule, rate revision practices or availability of CORRA. If interest payable during a floating rate period of any Instruments references CORRA and the manner in which CORRA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Instruments during such period, which may adversely affect the trading prices on such Instruments. The administrator of CORRA may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of CORRA in its sole discretion and without notice and has no obligation to consider the interests of holders of the Instruments or beneficial owners of interests in the Instruments in calculating, withdrawing, modifying, amending, suspending or discontinuing CORRA. Any of the factors noted above could adversely affect the rate of interest on Instruments linked to CORRA, which could adversely affect the return on, value of and market for the Instruments.

Floating Rate Instruments – Benchmark Discontinuation

- (i) *Temporary unavailability of the Relevant Screen Page.*

Where Screen Rate Determination is specified as the manner in which the Rate of Interest (or any component part thereof) (as defined in Condition 3.8) in respect of Floating Rate Instruments is to be determined, the Terms and Conditions provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (as defined in Condition 3.8) (or its successor or replacement). In circumstances where such Original Reference Rate (as defined in Condition 3.10.7) is discontinued, neither the Relevant Screen Page nor any successor or replacement may be available, as to which see the risk factor headed “*Floating Rate Instruments – Benchmark Discontinuation – (ii) Benchmark Events*” below.

Where the Relevant Screen Page is not available, and no successor or replacement for the Relevant Screen Page is available but a Benchmark Event has not occurred, the Terms and Conditions provide for the Rate of Interest to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent.

Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Original Reference Rate) but a Benchmark Event has not occurred, the Rate of Interest may ultimately revert to the Rate of Interest applicable as at the last preceding Interest Determination Date (as defined in Condition 3.8). Uncertainty as to the continuation of the Original Reference Rate, the availability of quotes from reference banks, and the rate that would be applicable if the Original Reference Rate is discontinued may adversely affect the value of, and return on, the Floating Rate Instruments.

- (ii) *Benchmark Events.*

If a Benchmark Event (as defined in Condition 3.10.7) (which, amongst other events, includes the permanent discontinuation of an Original Reference Rate) occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 3.10.7). After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or, failing which, an Alternative Rate (each as defined in Condition 3.10.7) to be used in place of the Original Reference Rate.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Terms and Conditions provide that the Issuer may vary the Terms and Conditions, the Agency Agreement and/or the Trust Deed as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Instrumentholders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions also provide that an Adjustment Spread (as defined in Condition 3.10.7) may be determined by the Issuer and applied to such Successor Rate or Alternative Rate. The aim of the Adjustment Spread is to reduce or eliminate, to the extent reasonably practicable, any economic prejudice or benefit (as the case may be) to Instrumentholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate. However, it may not be possible to determine or apply an Adjustment Spread and even if an Adjustment Spread is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to Instrumentholders. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest.

The use of any Successor Rate or Alternative Rate to determine the Rate of Interest and the application of any Adjustment Spread (or the non-application of an Adjustment Spread in these circumstances) may result in the Instruments performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

(iii) Potential for a fixed rate return.

The Issuer may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Instruments.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or is unable to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period (as defined in Condition 3.8) will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Interest Period, it will continue to attempt to appoint an Independent Adviser before the next succeeding Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply to the next succeeding and any subsequent Interest Periods, as necessary, together with any Adjustment Spread which may be applied as set out above.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Instruments linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

If the Issuer is unable to appoint an Independent Adviser or fails to determine a Successor Rate or Alternative Rate for the life of the relevant Instruments, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This risks the Floating Rate Instruments, in effect, becoming fixed rate Instruments.

(iv) ISDA Determination.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Instruments is to be determined, the Terms and Conditions provide that the Rate of Interest in respect of the Instruments shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may adversely affect the value of, and return on, the relevant Floating Rate Instruments.

Fixed/Floating Rate Instruments

Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than the prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Instruments.

Instruments issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange rate risks and exchange controls may impact the Instruments

The Issuer will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Instruments. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks relevant to Fixed Rate Instruments

The Issuer may issue Instruments which pay a fixed rate of Interest. Investment in Fixed Rate Instruments involves the risk that if market interest rates increase during the life of the Instruments (for example, if the prevailing bank interest rate in the relevant investor's jurisdiction were to increase), this could result in the rate of interest for the time being payable under the terms of the Instruments becoming relatively less attractive which may in turn adversely affect the value of Fixed Rate Instruments.

*Instruments issued as “green”, “sustainable” or other equivalently-labelled bonds (“**Eligible Bonds**”) may not be a suitable investment for all investors seeking exposure to eligible assets*

The Final Terms relating to any specific Tranche of Instruments may provide that it will be the Issuer’s intention to apply an amount equal to the net proceeds from an offer of those Instruments specifically for a portfolio of eligible green projects (“**Eligible Projects**”) as described in the green financing framework (the “**Green Financing Framework**”) published on National Grid’s website at <https://investors.nationalgrid.com/debt-investors/green-financing/greenfinancing> and as updated from time to time. Prospective investors should have regard to the information set out in this Prospectus, the relevant Final Terms and the Green Financing Framework regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Instruments together with any other investigation such investor deems necessary. In connection with the issuance of Eligible Bonds, ISS-ESG (a sustainability consulting firm) has evaluated the Green Financing Framework and has issued an independent opinion confirming that the Eligible Green Projects described in the Green Financing Framework are aligned with the International Capital Market Association Green Bond Principles 2021 (the “**ICMA Green Bond Principles 2021**”).

No assurance or representation is given by the Issuer or any Dealer that the use of such proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. None of the Dealers shall be responsible for the ongoing monitoring of the use of proceeds in respect of any such Instruments.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time.

Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment or Regulation (EU) 2020/852 as it forms part of UK domestic law by virtue of the EUWA) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects.

No assurance or representation is given by the Issuer or any Dealer as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Instruments and in particular with any Eligible Projects to fulfil any environmental, sustainability, social and/or other criteria and the Instrumentholders shall have no recourse against the Issuer or any of the Dealers in respect of the contents of any such opinion or certification. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Instruments. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Instruments. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Instruments are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or

securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Instruments or, if obtained, that any such listing or admission to trading will be maintained during the life of the Instruments.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Instruments so specified for Eligible Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Projects. Nor can there be any assurance given by the Issuer, the Dealers or any other person that such Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Instruments.

Any such event or failure to apply an amount equal to the net proceeds of any issue of Instruments for any Eligible Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Instruments no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Instruments and also potentially the value of any other Instruments which are intended to finance Eligible Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks related to all Instruments issued under the Programme

Set out below is a description of material risks relating to the Instruments generally:

Modification, waiver and substitution

The Terms and Conditions of the Instruments contain provisions for calling meetings (including meetings held by way of audio or video conference) of Instrumentholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Instrumentholders including Instrumentholders who did not attend (or participate remotely in) and vote at the relevant meeting and Instrumentholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Instruments also provide that the Trustee may, without the consent of Instrumentholders, agree to (a) any modification of any of the provisions of the Trust Deed (as defined herein) that is of a formal, minor or technical nature or is made to correct a manifest error, (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Instrumentholders, (c) any Benchmark Amendments (as defined in the Conditions) required by the Issuer pursuant to Condition 3.10.1 or 3.10.4, or (d) the substitution of another company as principal debtor under any Instruments in place of the Issuer, in the circumstances described in Condition 10.

Change of law

The Terms and Conditions of the Instruments are based on English law in effect as at the date of issue of the relevant Instruments. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Instruments and any such change could materially adversely impact the value of any Instruments affected by it.

Specified Denominations

The Instruments are issued in the Specified Denomination shown in the relevant Final Terms. Such Final Terms may also state that the Instruments will be tradable in the Specified Denomination and integral multiples in excess thereof but which are smaller than the Specified Denomination. Where such Instruments are traded in the clearing systems, it is possible that the clearing systems may process trades which could result in amounts being held in denominations smaller than the Specified Denomination.

If definitive Instruments are required to be issued in relation to such Instruments, a holder who does not hold a principal amount of Instruments at least equal to the Specified Denomination in his account at the relevant time, may not receive all of his entitlement in the form of definitive Instruments and, consequently, may not be able to receive interest or principal in respect of all of his entitlement, unless and until such time as his holding becomes at least equal to the Specified Denomination.

The secondary market for Instruments issued under the Programme

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. If a Tranche of Instruments is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Instruments. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rates, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or an issue of Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Instruments issued by NGNA under the Programme are expected to be rated BBB by S&P and Baa2 by Moody's.

S&P is not established in the UK but the rating it is expected to give to the Instruments issued by NGNA under the Programme will be endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation. S&P is established in the European Union and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**"). Moody's is established in the UK and registered under the UK CRA Regulation. Moody's Deutschland GmbH currently endorses ratings issued by Moody's for regulatory purposes in the EEA in accordance with the EU CRA Regulation. Moody's Deutschland GmbH is established in Germany and has been registered under the EU CRA Regulation. There can be no assurance that S&P Global Ratings UK Limited and Moody's Deutschland GmbH will continue to endorse ratings issued by S&P and Moody's, respectively.

In general, UK regulated investors are restricted under the UK CRA Regulation from using ratings for regulatory purposes in the UK unless such ratings are issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or

suspended). Such general restriction will also apply in the case of ratings issued by non-UK rating agencies, unless the relevant ratings are endorsed by a UK-registered rating agency or the relevant non-UK rating agency is certified in accordance with the UK CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published on the FCA register in accordance with the UK CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated FCA register.

Similarly, EEA regulated investors are restricted under the EU CRA Regulation from using ratings for regulatory purposes in the EEA unless such ratings are issued by a rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of ratings issued by non-EEA rating agencies, unless the relevant ratings are endorsed by an EEA-registered rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published on the European Securities and Markets Authority ("**ESMA**") register in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA register.

If the status of the rating agency rating the Instruments changes for the purposes of the UK CRA Regulation or the EU CRA Regulation, UK and/or EEA regulated investors may no longer be able to use the rating for regulatory purposes in the UK or the EEA, as applicable, which may impact the value of the Instruments and their liquidity in the secondary market.

TERMS AND CONDITIONS OF THE INSTRUMENTS

The full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms shall be endorsed on the Certificates relating to the Instruments. All capitalised terms which are not defined in these terms and conditions will have the meanings given to them in the Trust Deed or Part A of the relevant Final Terms. Those definitions will be endorsed on the Certificates. References in these terms and conditions to “Instruments” (as defined below) are to the Instruments of one Series only of the Issuer, not to all Instruments that may be issued under the Programme. In the case of PSM Instruments issued under the Programme, references to the Final Terms in these Conditions shall be construed as references to the Pricing Supplement.

National Grid North America Inc. (“**NGNA**” and, the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to Euro 8,000,000,000 in aggregate principal amount of debt instruments (the “**Instruments**”). The Instruments are constituted by an amended and restated Trust Deed (as amended or supplemented from time to time, the “**Trust Deed**”) dated 4 August 2023 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Instrumentholders (as defined below). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed which includes the form of the Certificates. An amended and restated Agency Agreement (as amended or supplemented from time to time, the “**Agency Agreement**”) dated 4 August 2023 has been entered into in relation to the Instruments between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent, calculation agent and transfer agent, The Bank of New York Mellon SA/NV, Dublin Branch as the registrar and transfer agent, Quintet Private Bank (Europe) S.A. as paying agent and transfer agent, BNY Trust Company of Canada as Canadian paying agent and the other agent(s) named in it. The issuing and paying agent, the paying agent(s), the registrar, the transfer agents, the calculation agent(s) and the Canadian paying agent for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) the “**Calculation Agent(s)**” and the “**Canadian Paying Agent**”. Electronic copies of the Trust Deed and the Agency Agreement may be provided by email to an Instrumentholder following such Instrumentholder prior written request to the Trustee, any Paying Agent or the Registrar, in any such case upon provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Paying Agent or the Registrar, as the case may be).

1 **Form, Denomination and Title**

The Instruments are issued in registered form in the Specified Denomination(s) specified in the relevant Final Terms and are serially numbered. Instruments of one Specified Denomination are not exchangeable for Instruments of another Specified Denomination.

This Instrument is a Fixed Rate Instrument, a Floating Rate Instrument, a Zero Coupon Instrument, or a combination of any of the preceding kinds of Instruments, depending upon the Interest and Redemption Basis specified in the relevant Final Terms.

Instruments are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 17(a), each Certificate shall represent the entire holding of Instruments by the same holder. Certificates will initially be represented by a Temporary Global Certificate. Beneficial interests in a Temporary Global Certificate will be exchangeable for a Permanent Global Certificate not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership.

Title to the Instruments shall pass by registration in the register (the “**Register**”) that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and the Paying Agents shall be entitled to treat the holder (as defined below) of any Instrument as the absolute owner of that

Instrument, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and shall not be required to obtain any proof of ownership as to the identity of the holder.

In these Conditions, “**Instrumentholder**” and “**holder**” means the person in whose name an Instrument is registered and capitalised terms have the meanings given to them herein, the absence of any such meaning indicating that such term is not applicable to the Instruments.

2 Status and Negative Pledge

2.1 Status

The Instruments constitute direct, unconditional and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves. The payment obligations of the Issuer under the Instruments shall, subject to such exceptions as are from time to time applicable under the laws of England, rank equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the Issuer.

2.2 Negative Pledge

So long as any Instrument remains outstanding (as defined in the Trust Deed) the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Security**”) upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Indebtedness, or any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer’s obligations under the Instruments and the Trust Deed (a) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, in each case to the satisfaction of the Trustee, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Instrumentholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Instrumentholders.

For the purposes of these Conditions, “**Relevant Indebtedness**” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which (in each case, with the agreement of the Issuer) is quoted, listed or ordinarily dealt in on any stock exchange.

3 Interest

3.1 Interest on Fixed Rate Instruments

Each Fixed Rate Instrument bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, payable in arrear on each Interest Payment Date. The amount of Interest payable shall be determined in accordance with Condition 3.6.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount, or, if applicable, the Broken Amount so specified and in the case of a Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

3.2 Interest on Floating Rate Instruments

3.2.1 Interest Payment Dates

Each Floating Rate Instrument bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of Interest payable shall be determined in accordance with Condition

3.6. Such Interest Payment Date(s) is/are either specified in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown on this Instrument as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

3.2.2 Business Day Convention

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (a) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (b) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (c) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in that event such date shall be brought forward to the immediately preceding Business Day or (d) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

3.2.3 Rate of Interest for Floating Rate Instruments

The Rate of Interest in respect of Floating Rate Instruments for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified on this Instrument.

- (a) ISDA Determination for Floating Rate Instruments: Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (a), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate which would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (a), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

- (b) Screen Rate Determination for Floating Rate Instruments not referencing SONIA or CORRA:
- (i) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, and unless the Reference Rate in respect of the relevant Series of Floating Rate Instruments is specified in the relevant Final Terms as being “SONIA

Compounded Index Rate”, “SONIA Compounded Daily Reference Rate” or “CORRA”, the Rate of Interest for each Interest Accrual Period will, subject to Condition 3.10 and as provided below, be either:

- (x) the offered quotation; or
- (y) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. Brussels time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (ii) If the Relevant Screen Page is not available or if, sub-paragraph (i)(x) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(y) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer shall request the principal Euro-zone office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (iii) if paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at

the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(c) Screen Rate Determination for Floating Rate Instruments referencing SONIA:

(A) SONIA Compounded Index Rate

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being “SONIA Compounded Index Rate”, the Rate of Interest for each Interest Accrual Period will, subject to Conditions 3.5 and 3.10, be the SONIA Compounded Index Rate, where:

“**SONIA Compounded Index Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1 \right) \times \left(\frac{365}{d} \right)$$

provided, however, that, and subject to Condition 3.10, if the SONIA Compounded Index Value is not available in relation to any Interest Accrual Period on the Relevant Screen Page or on the Bank of England’s website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Rate of Interest shall be calculated for such Interest Accrual Period on the basis of the SONIA Compounded Daily Reference Rate as set out in Condition 3.2.3(c)(B) as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified in the relevant Final Terms and the Relevant Screen Page shall be deemed to be the Relevant Fallback Screen Page as specified in the relevant Final Terms,

where:

“**d**” means the number of calendar days in the relevant Observation Period;

“**London Business Day**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“Observation Period” means, in respect of an Interest Accrual Period, the period from (and including) the date falling “p” London Business Days prior to the first day of such Interest Accrual Period (and the first Observation Period shall begin on and include the date which is “p” London Business Days prior to the Interest Commencement Date) and ending on (but excluding) the date which is “p” London Business Days prior to the relevant Interest Payment Date (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“p” means, for any Interest Accrual Period the whole number specified in the relevant Final Terms (or, if no such number is so specified, five London Business Days, provided that a number lower than five shall only be so specified with the prior agreement of the Calculation Agent) representing a number of London Business Days;

“SONIA Compounded Index” means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

“SONIA Compounded Index_{END}” means the SONIA Compounded Index Value on the last day of the relevant Observation Period;

“SONIA Compounded Index_{START}” means the SONIA Compounded Index Value on the first day of the relevant Observation Period; and

“SONIA Compounded Index Value” means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England’s Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

(B) SONIA Compounded Daily Reference Rate

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being SONIA Compounded Daily Reference Rate, the Rate of Interest for each Interest Accrual Period will, subject to Conditions 3.5 and 3.10, be the SONIA Compounded Daily Reference Rate as follows,

“SONIA Compounded Daily Reference Rate” means, in respect of an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

“**London Business Day**”, “**Observation Period**” and “**p**” have the respective meanings set out under Condition 3.2.3(c)(A);

“**d**” is the number of calendar days in the relevant:

- (i) Observation Period, where Observation Shift is specified in the relevant Final Terms; or
- (ii) Interest Accrual Period, where Lag is specified in the relevant Final Terms;

“**d_o**” is the number of London Business Days in the relevant:

- (i) Observation Period, where Observation Shift is specified in the relevant Final Terms; or
- (ii) Interest Accrual Period, where Lag is specified in the relevant Final Terms;

“**T**” is a series of whole numbers from one to **d_o**, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

- (i) Observation Period, where Observation Shift is specified in the relevant Final Terms to, and including, the last London Business Day in the relevant Observation Period; or
- (ii) Interest Accrual Period, where Lag is specified in the relevant Final Terms to, and including, the last London Business Day in the relevant Interest Accrual Period;

“**n**”, for any London Business Day “**T**”, means the number of calendar days from, and including, such London Business Day “**T**” up to, but excluding, the following London Business Day;

“**SONIA_i**” means, in relation to any London Business Day, the SONIA reference rate in respect of:

- (i) that London Business Day “**i**”, where Observation Shift is specified in the relevant Final Terms; or
- (ii) the London Business Day (being a London Business Day falling in the relevant Observation Period) falling “**p**” London Business Days prior to the relevant London Business Day “**i**”, where Lag is specified in the relevant Final Terms; and

the “**SONIA reference rate**”, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from the Relevant Screen Page, as published on the Bank of England’s Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate).

- (C) Subject to Condition 3.10, where either (i) SONIA Compounded Daily Reference Rate is specified in the relevant Final Terms, or (ii) the SONIA

Compounded Index Rate is specified in the relevant Final Terms and Condition 3.2.3(c)(B) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such Reference Rate shall be:

- (i) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
- (ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), and

in each case, SONIA_i shall be interpreted accordingly.

- (D) If the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 3.10, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Instruments for the first Interest Accrual Period had the Instruments been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).
- (E) If the relevant Series of Instruments become due and payable prior to the Maturity Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be

deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(d) Screen Rate Determination for Floating Rate Instruments referencing CORRA

Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being “CORRA”, the Rate of Interest for each Interest Accrual Period will, subject to Conditions 3.5 and 3.10, be Compounded Daily CORRA as follows:

“**Compounded Daily CORRA**” means, in respect of an Interest Accrual Period, the rate of return of a daily compounded interest investment (with the daily Canadian Dollar overnight repurchase rate as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{CORRA_{i-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” is the number of Toronto Business Days in the relevant Interest Accrual Period;

“**r**” means a series of whole numbers from one to **d₀**, each representing the relevant Business Day in chronological order from, and including, the first Toronto Business Day in the relevant Interest Accrual Period to, and including, the last Toronto Business Day in the relevant Interest Accrual Period;

“**n_i**” for any Toronto Business Day “**r**”, means the number of calendar days from, and including, such Business Day “**r**” to, but excluding, the following such Business Day (which is “**r** + 1”);

“**Observation Period**” means the period from, and including, the date falling “**p**” Toronto Business Days prior to the relevant Interest Payment Date (and the first Interest Accrual Period shall begin on and include the Issue Date) and ending on, but excluding, the date falling “**p**” Toronto Business Days prior to the next Interest Payment Date for such Interest Accrual Period (or the date falling “**p**” Toronto Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“**Toronto Business Day**” a day on which Schedule I banks under the Bank Act (Canada) are open for business in the city of Toronto, Canada;

“**CORRA_{r-pTBD}**” means the CORRA rate for the Toronto Business Day falling “**p**” number of Toronto Business Days prior to the relevant Toronto Business Day “**i**”; and

“**CORRA**” with respect to any Toronto Business Day is a reference rate equal to the daily Canadian Overnight Repo Rate Average rate for that day, as published by the Bank of Canada, as the administrator of such rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website, in

each case as it appears on the Bank of Canada website at 11:30 am, Toronto time, on the Toronto Business Day immediately following that day.

If, in respect of any Toronto Business Day in the relevant Observation Period, the applicable CORRA reference rate is not available or has not otherwise been published by the authorised administrator and there has been no Benchmark Event, then (i) the CORRA reference rate shall be equal to the prevailing Bank of Canada target for the overnight rate as displayed on the Bank of Canada website (or any successor website or official publication of the Bank of Canada) on such Toronto Business Day or, if the Bank of Canada does not target a single rate, the mid-point of the target range set by the Bank of Canada and so published (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place, 0.005 being rounded upwards), and (ii) if no such overnight rate exists the CORRA reference rate in respect of such Toronto Banking Day shall be the CORRA reference rate in respect of the last Toronto Business Day for which such CORRA reference rate was published by the authorised administrator.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions and there has not been a Benchmark Event, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Instruments for the first Interest Accrual Period had the Instruments been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

If the Instruments become due and payable prior to the Maturity Date, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Final Terms, be deemed to be the date on which the Instruments became due and payable and the Rate of Interest on the Instruments shall, for so long as any such Instruments remain outstanding, be the Rate of Interest determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.

(e) CDOR Rate Determination

Where CDOR Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be the sum of the Margin and the average bid rate (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of one per cent. (with 0.000005 per cent. being rounded up) for bankers' acceptances in Canadian dollars for the relevant Interest Accrual Period which appears on the Reuters Screen CDOR Page (being the Relevant Screen Page) as of approximately 10:15 a.m. (Toronto time) (or the amended publication time for CDOR, if any, specified by Refinitiv Benchmark Services (UK)

Limited (or any successor thereto) as CDOR administrator (the “**Administrator**”) in accordance with its CDOR methodology, as amended from time to time) on the Interest Determination Date, all as determined by the Calculation Agent; provided that if such rate does not appear on the Relevant Screen Page on such day and such day is on or before the CDOR Cessation Date, then CDOR for such Interest Determination Date will be determined using an Alternative CDOR Page as of an Alternative Time on such day. If no such Alternative CDOR Page is available on such day and such day is on or before the CDOR Cessation Date, CDOR for such Interest Determination Date shall be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian dollar bankers’ acceptances with maturities equal to the relevant Interest Accrual Period for same day settlement as quoted by such of the Schedule I banks (as defined in the Bank Act (Canada)) as may quote such a rate as of approximately 10:15 a.m., Toronto time, on such Interest Determination Date.

As used in the foregoing terms and provisions relating to the determination of CDOR:

“**Alternative CDOR Page**” shall mean the display, designated as page “CDOR” on Bloomberg, or an equivalent service that displays average bid rates of interest for Canadian dollar bankers’ acceptances having the index maturity specified in the applicable supplement;

“**Alternative Time**” for any Alternative CDOR Page, shall mean the time of day at which such Alternative CDOR Page becomes available; and

“**Reuters Screen CDOR Page**” means the display designated as page “CDOR03” on the Refinitiv Benchmark Services (UK) Limited (or such other page as may replace the CDOR page on that service) for purposes of publishing or displaying, among other things, Canadian dollars bankers’ acceptance rates.

If CDOR cannot be determined as described above on any Interest Determination Date and such Interest Determination Date is on or before the CDOR Cessation Date, then CDOR for that Interest Determination Date will be equal to CDOR in effect for the prior Interest Accrual Period or, in the case of the first Interest Accrual Period during the Floating Rate Period, the most recent rate that could have been determined in accordance with the first sentence of the preceding paragraph had the interest rate been a floating rate during the Fixed Rate Period.

Notwithstanding the foregoing, if the Issuer or its designee determines that any of the events described below in paragraphs (i), (ii), (iii), (iv) or (v) have occurred, the Calculation Agent shall substitute for CDOR the alternative rates contemplated by paragraphs (i), (ii), (iii), (iv) or (v), but subject to the provisions of paragraph (vi) as applicable, provided that: (a) the rate set out in paragraph (ii) shall only apply if the rate set out in paragraph (i) is not available, (b) the rate set out in paragraph (iii) shall only apply if neither rate set out in paragraphs (i) or (ii) is available, (c) the rate set out in paragraph (iv) shall only apply if none of the rates set out in paragraphs (i), (ii) or (iii) are available, and (d) the rate set out in paragraph (v) shall only apply if none of the rates set out in paragraphs (i), (ii), (iii) or (iv) are available.

(i) *CDOR Cessation Date*

After the CDOR Cessation Date, the Rate of Interest will, subject to the provisions of paragraph (vi) below as applicable, be determined as if references to CDOR were references to Fallback Rate (CORRA) for the Original IBOR

Rate Record Day that corresponds to the first Toronto Business Day of a relevant Interest Accrual Period (each a “**Reset Date**”), as most recently provided or published as at 11:30 a.m., Toronto time, on the related Fallback Observation Day. If neither Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) provides, nor authorised distributors publish, Fallback Rate (CORRA) for that Original IBOR Rate Record Day at, or prior to, 11:30 a.m., Toronto time, on the related Fallback Observation Day and a Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) has not occurred, then the rate for that Reset Date will be Fallback Rate (CORRA) as most recently provided or published at that time for the most recent Original IBOR Rate Record Day, notwithstanding that such day does not correspond to the Reset Date.

(ii) *Fallback Rate (CORRA)*

Upon the occurrence of a Fallback Index Cessation Event with respect to Fallback Rate (CORRA), the rate for a Reset Date for a relevant Interest Accrual Period in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) will be the Canadian Overnight Repo Rate Average (“**CORRA**”) administered by the Bank of Canada (or any successor administrator), to which the Calculation Agent shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA), referred to in the definition of “Fallback Rate (CORRA)” after making such adjustments to CORRA as are necessary to account for any difference in term structure or tenor of CORRA by comparison to Fallback Rate (CORRA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

(iii) *CORRA*

If neither the administrator nor authorised distributors provide or publish CORRA and a Fallback Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

If a Fallback Index Cessation Effective Date occurs with respect to each of Fallback Rate (CORRA) and CORRA, then the rate for a Reset Date for a relevant Interest Accrual Period in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) (or, if later, the Fallback Index Cessation Effective Date with respect to CORRA) will be the CAD Recommended Rate, to which the Calculation Agent shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA), referred to in the definition of “Fallback Rate (CORRA)” after making such adjustments to the CAD Recommended Rate as are necessary to account for any difference in term structure or tenor of the CAD Recommended Rate by comparison to Fallback Rate (CORRA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

(iv) *CAD Recommended Rate*

If there is a CAD Recommended Rate before the end of the first Toronto Business Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) (or, if later, the end of the first Toronto Business Day following the Fallback Index Cessation Effective Date with respect to CORRA) but neither the administrator nor authorised distributors provide or publish the CAD Recommended Rate and a Fallback Index Cessation Effective Date with respect to it has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.

If there is no CAD Recommended Rate before the end of the first Toronto Business Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) (or, if later, the end of the first Toronto Business Day following the Fallback Index Cessation Effective Date with respect to CORRA); or there is a CAD Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, then the rate for a Reset Date for a relevant Interest Accrual Period in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) (or, if later, the Fallback Index Cessation Effective Date with respect to CORRA) or the Fallback Index Cessation Effective Date with respect to the CAD Recommended Rate (as applicable) will be the Bank of Canada's Target for the Overnight Rate as set by the Bank of Canada and published on the Bank of Canada's Website (the "**BOC Target Rate**"), to which the Calculation Agent shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA), referred to in the definition of "Fallback Rate (CORRA)" after making such adjustments to the BOC Target Rate as are necessary to account for any difference in term structure or tenor of the BOC Target Rate by comparison to Fallback Rate (CORRA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

(v) *BOC Target Rate*

If neither the administrator nor authorised distributors provide or publish the BOC Target Rate and a Fallback Index Cessation Effective Date with respect to the BOC Target Rate has not occurred, then, in respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate.

(vi) Notwithstanding the foregoing, in connection with the implementation of an Applicable Fallback Rate, the Issuer or its designee may make such adjustments to the Applicable Fallback Rate or the spread thereon, as well as the business day convention, Reset Dates and related provisions and definitions including the Fallback Observation Day, in each case that are consistent with accepted market practice for the debt obligations such as the Instruments in such circumstances.

(vii) *Definitions*

For the purposes of paragraphs (i)-(vi) above, the following terms shall have the meaning set out below:

“Applicable Fallback Rate” means one of Fallback Rate (CORRA), CORRA, the CAD Recommended Rate, or the BOC Target Rate, as applicable;

“Bloomberg IBOR Fallback Rate Adjustments Rule Book” means the IBOR Fallback Rate Adjustments Rule Book published by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time) as updated from time to time in accordance with its terms;

“CAD Recommended Rate” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor;

“CDOR Cessation Date” means, in respect of one or more Index Cessation Events, the first date on which CDOR is no longer provided. If CDOR ceases to be provided on the Relevant Original Fixing Date but it was provided at the time at which it is to be observed pursuant to the terms of the Instruments, then the CDOR Cessation Date will be the next day on which the rate would ordinarily have been published;

“Fallback Index Cessation Effective Date” means, in respect of a Fallback Index Cessation Event, the first date on which the Applicable Fallback Rate is no longer provided. If the Applicable Fallback Rate ceases to be provided on the same day that it is required to determine the rate for a Reset Date pursuant to the terms of the Instruments but it was provided at the time at which it is to be observed pursuant to the terms of the Instruments (or, if no such time is specified in the Instruments, at the time at which it is ordinarily published), then the Fallback Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published;

“Fallback Index Cessation Event” means:

(A) a public statement or publication of information by or on behalf of the administrator or provider of the Applicable Fallback Rate announcing that it has ceased or will cease to provide the Applicable Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Fallback Rate; or

(B) if the Applicable Fallback Rate is:

(1) Fallback Rate (CORRA), a public statement or publication of information by the regulatory supervisor for the administrator of Fallback Rate (CORRA), the Bank of Canada, an insolvency official with jurisdiction over the administrator for Fallback Rate (CORRA), a resolution authority with jurisdiction over the administrator for Fallback Rate (CORRA) or a court or an entity with similar insolvency or resolution authority over the administrator for Fallback Rate (CORRA), which states that the administrator of Fallback Rate (CORRA) has ceased or will cease to provide the Fallback Rate (CORRA) permanently or indefinitely, provided that, at the time of the statement or publication, there is

no successor administrator that will continue to provide Fallback Rate (CORRA); or

(2) CORRA, the CAD Recommended Rate, or the BOC Target Rate, a public statement or publication of information by the regulatory supervisor for the administrator or provider of the Applicable Fallback Rate, the Bank of Canada, an insolvency official with jurisdiction over the administrator or provider for the Applicable Fallback Rate, a resolution authority with jurisdiction over the administrator or provider for the Applicable Fallback Rate or a court or an entity with similar insolvency or resolution authority over the administrator or provider for the Applicable Fallback Rate, which states that the administrator or provider of the Applicable Fallback Rate has ceased or will cease to provide the Applicable Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Fallback Rate;

“Fallback Observation Day” means, in respect of a Reset Date and the relevant Interest Accrual Period to which that Reset Date relates, the day that is two Toronto Business Days preceding the related interest payment date;

“Fallback Rate (CORRA)” means the term adjusted CORRA plus the spread relating to CDOR, in each case, for a relevant Interest Accrual Period provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time), as the provider of term adjusted CORRA and the spread, on the Fallback Rate (CORRA) Screen (or by other means) or provided to, and published by, authorised distributors;

“Fallback Rate (CORRA) Screen” means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for CDOR for a relevant Interest Accrual Period accessed via the Bloomberg Screen Page (or, if applicable, accessed via the Bloomberg Screen) or any other published source designated by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time);

“Index Cessation Event” means:

(A) a public statement or publication of information by or on behalf of the Administrator announcing that it has ceased or will cease to provide CDOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide CDOR; or (B) a public statement or publication of information by the regulatory supervisor for the Administrator, the Bank of Canada, an insolvency official with jurisdiction over the administrator for CDOR, a resolution authority with jurisdiction over the administrator for CDOR or a court or an entity with similar insolvency or resolution authority over the administrator for CDOR, which states that the Administrator has ceased or will cease to provide CDOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide CDOR;

“Original IBOR Rate Record Day” means Original IBOR Rate Record Date as that term is used on the Fallback Rate (CORRA) Screen; and

“Relevant Original Fixing Date” means, unless otherwise agreed, the day on which CDOR would have been observed.

Any decision or determination pursuant to the terms and provisions set forth in the preceding paragraphs not made by the Calculation Agent will be made by the Issuer in its sole discretion (or its agent or financial adviser) and will be conclusive and binding on the Agent, the Calculation Agent, the Trustee, the holders of the Instruments and the beneficial owners of interests in the Instruments, absent manifest error. In addition, the Issuer may designate an entity (which may be its affiliate, agent or financial adviser) to make any determination or decision that it has the right to make in connection with such terms and provisions. In any circumstances where under the terms and provisions set forth in the preceding paragraphs The Bank of New York Mellon, London Branch acting in its capacity as the Calculation Agent would be required to exercise any discretion when calculating the relevant Rate of Interest, the relevant determination(s) shall instead be made by the Issuer or its designee.

(f) **Linear Interpolation**

Where Linear Interpolation is specified in the relevant Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Final Terms as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Final Terms as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Issuer shall determine, or shall appoint an agent to determine, such rate at such time and by reference to such sources as it determines appropriate, acting in good faith and in a commercially reasonable manner.

“Applicable Maturity” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate and (b) in relation to ISDA Determination, the Designated Maturity.

3.3 Zero Coupon Instruments

Where an Instrument, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Instrument. As from the Maturity Date, the Rate of Interest for any overdue principal of such an Instrument shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 4.4.1(b)).

3.4 Accrual of Interest

Interest shall cease to accrue on each Instrument on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 3 to the Relevant Date (as defined in Condition 6).

3.5 Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding

- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 3.2.3(b), Condition 3.2.3(c), Conditions 3.2.3(d) or Condition 3.2.3(e) above, as applicable, by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency which is available as legal tender in the country of such currency.

3.6 Calculations

The amount of interest payable per Calculation Amount in respect of any Instrument for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount as specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Instrument for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

3.7 Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts

The Calculation Agent shall as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, or any Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Instrumentholders, any other Calculation Agent appointed in respect of the Instruments that is to make a further calculation upon receipt of such information and, if the Instruments are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the

commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 3.2.2, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Instruments become due and payable under Condition 8, the accrued interest and the Rate of Interest payable in respect of the Instruments shall, subject, in the case of each of the SONIA Compounded Index Rate and the SONIA Compounded Daily Reference Rate, to Condition 3.2.3(c)(E), and in the case of CORRA, to the last paragraph of Condition 3.2.3(d), nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

3.8 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (a) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (which in the case of Canadian dollars is Toronto); and/or
- (b) in the case of Euro, any day on which T2 is open for the settlement of payments in euro (a **“TARGET Business Day”**); and/or
- (c) in the case of a currency and/or one or more Business Centres as specified in the relevant Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Instrument for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the **“Calculation Period”**):

- (a) if **“Actual/Actual”** or **“Actual/Actual-ISDA”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **“Actual/365 (Fixed)”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (c) if **“Actual/360”** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (d) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (e) if “30E/360” or “Eurobond Basis” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (f) if “30E/360 (ISDA)” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (g) if “**Actual/Actual-ICMA**” is specified in the relevant Final Terms:
- (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Determination Period and (y) the number of Determination Periods in any year; and
 - (ii) if the Calculation Period is longer than one Determination Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (a) the actual number of days in such Determination Period and (b) the number of Determination Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (a) the actual number of days in such Determination Period and (b) the number of Determination Periods in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date; and

- (h) if “**Actual/Actual Canadian Compound Method**” is specified in the relevant Final Terms, it means, in respect of an Interest Amount other than a Fixed Coupon Amount or Broken Amount, the actual number of days in the relevant period from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by 365.

“**Euro-zone**” means the region comprising of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (a) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Instruments, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (b) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (a) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (b) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (c) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified in the relevant Final Terms.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

“ISDA Definitions” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., as may be supplemented or amended from time to time.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Instrument and that is either specified on, or calculated in accordance with the provisions of, the relevant Final Terms.

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of the relevant Final Terms.

“Reference Banks” means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market selected by the Issuer or as specified in the relevant Final Terms.

“Reference Rate” means the rate specified as such in the relevant Final Terms.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms.

“Specified Currency” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Instruments are denominated.

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

3.9 Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Instrument is outstanding. Where more than one Calculation Agent is appointed in respect of the Instruments, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as specified in this paragraph.

3.10 Benchmark Discontinuation

This Condition 3.10 applies only where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined.

3.10.1 Independent Adviser

Notwithstanding Conditions 3.2.3(b)(ii), 3.2.3(b)(iii), 3.2.3(c)(C), 3.2.3(c)(D) and 3.2.3(d) if the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 3.10.2) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 3.10.4).

In making such determination and any other determination pursuant to this Condition 3.10, the Issuer shall act in good faith and in a commercially reasonable manner. In the absence of fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Paying Agents, or the Instrumentholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 3.10.

If the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3.10.1 prior to the date three Business Days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Instruments in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are

subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 3.10.

3.10.2 Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser or acting alone, as the case may be, determines that:

- (a) there is a Successor Rate, then such Successor Rate and any applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the operation of this Condition 3.10); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and any applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Instruments (subject to the operation of this Condition 3.10).

3.10.3 Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

3.10.4 Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, any applicable Adjustment Spread is determined in accordance with this Condition 3.10 and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) any applicable Adjustment Spread (provided that the amendments do not, without the consent of the Calculation Agent, impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions attached to it) (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3.10.5, without any requirement for the consent or approval of Instrumentholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Issuing and Paying Agent of a certificate signed by two Directors of the Issuer pursuant to Condition 3.10.5, the Trustee and the Issuing and Paying Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Instrumentholders, be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) and the Trustee and the Issuing and Paying Agent shall not be liable to any party for any consequences thereof, provided that the Trustee and the Issuing and Paying Agent shall not be obliged so to concur if in the opinion of the Trustee or the Issuing and Paying Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these

Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 3.10.4, the Issuer shall comply with the rules of any stock exchange on which the Instruments are for the time being listed or admitted to trading.

3.10.5 Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3.10 will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 13, the Instrumentholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Issuing and Paying Agent of the same, the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by two Directors of the Issuer:

- (a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) any applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 3.10; and
- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) any applicable Adjustment Spread.

The Trustee and the Issuing and Paying Agent shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Instrumentholders.

3.10.6 Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 3.10.1, 3.10.2, 3.10.3 and 3.10.4, the Original Reference Rate and the fallback provisions provided for in Condition 3.2.3 will continue to apply unless and until the Issuer determines that a Benchmark Event has occurred and the relevant Paying Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 3.10.5.

3.10.7 Definitions

As used in this Condition 3.10:

"Adjustment Spread" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

- (b) the Issuer, following consultation with the Independent Adviser or acting alone, as the case may be, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied) the Issuer, following consultation with the Independent Adviser or acting alone, as the case may be, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser, determines is customarily applied in international debt capital markets transactions for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Instruments.

“Benchmark Amendments” has the meaning given to it in Condition 3.10.4.

“Benchmark Event” means:

- (1) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Instruments; or
- (5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (6) it has or will become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Instrumentholders using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, respectively, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 3.10.1 and notified in writing to the Trustee.

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Instruments or, if applicable, any other Successor or Alternative Rate (or any component part thereof) determined and applicable to the Instruments pursuant to the earlier operation of Condition 3.10.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

4 Redemption, Purchase and Options

4.1 Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, this Instrument will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified in the relevant Final Terms.

4.2 Redemption for Taxation Reasons

If, on the occasion of the next payment in respect of the Instruments the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that it would be unable to make such payment without having to pay additional amounts as described in Condition 6, and such requirement to pay such additional amounts arises by reason of a change in the laws of the United States of America or any political sub-division of the United States of America or any authority in or of the United States of America having power to tax or in the interpretation or application of the laws of the United States of America or any political sub-division of the United States of America or any authority in or of the United States of America having power to tax or in any applicable double taxation treaty or convention, which change becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Instruments, and such requirement cannot be avoided by the Issuer taking reasonable measures (such measures not involving any material additional payments by, or expense for, the Issuer), the Issuer may, at its option, at any time, having given not less than 30 nor more than 60 days' notice to the Instrumentholders in accordance with Condition 13, redeem all, but not some only, of the Instruments at their Early Redemption Amount together with interest accrued to the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 4.2, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the requirement referred to above cannot be avoided by the Issuer taking reasonable

measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above in which event it shall be conclusive and binding on Instrumentholders.

4.3 Purchases

The Issuer and any of its Subsidiaries may at any time purchase Instruments in the open market or otherwise at any price.

“**Subsidiary**” means any corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Issuer.

4.4 Early Redemption

4.4.1 Zero Coupon Instruments

- (a) The Early Redemption Amount payable in respect of any Zero Coupon Instrument upon redemption of such Instrument pursuant to Condition 4.2 or upon it becoming due and payable as provided in Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Instrument.
- (b) Subject to the provisions of sub-paragraph (c) below, the Amortised Face Amount of any such Instrument shall be the scheduled Final Redemption Amount of such Instrument on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Instruments if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount payable in respect of any such Instrument upon its redemption pursuant to Condition 4.2 or, if applicable, Condition 4.5 or upon it becoming due and payable as provided in Condition 8, is not paid when due, the Early Redemption Amount due and payable in respect of such Instrument shall be the Amortised Face Amount of such Instrument as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the reference in that sub-paragraph to the date on which the Instrument becomes due and payable was replaced by a reference to the Relevant Date as defined in Condition 6. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Instrument on the Maturity Date together with any interest that may accrue in accordance with Condition 3.2.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

4.4.2 Other Instruments

The Early Redemption Amount payable in respect of any Instrument (other than Instruments described in Condition 4.4.1), upon redemption of such Instrument pursuant to this Condition 4.4 or upon it becoming due and payable as provided in Condition 8, shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.

4.5 Redemption at the Option of the Issuer and Exercise of Issuer’s Options

- 4.5.1** If (i) Residual Holding Call Option is specified in the relevant Final Terms, and (ii) if at any time the Residual Holding Percentage or more of the aggregate nominal amount of Instruments originally issued shall have been redeemed or purchased and cancelled, the Issuer shall have the option to redeem such outstanding Instruments in whole, but not in

part, at their Residual Holding Redemption Amount. Unless otherwise specified in the relevant Final Terms, the Residual Holding Redemption Amount will be calculated by the Calculation Agent by discounting the outstanding nominal amount of the Instruments and the remaining interest payments (if applicable) to the Maturity Date by a rate per annum (expressed as a percentage to the nearest one hundred thousandth of a percentage point (with halves being rounded up)) equal to the Benchmark Yield, being the yield on the Benchmark Security at the close of business on the third Business Day prior to the date fixed for such redemption, plus the Benchmark Spread. Where the specified calculation is to be made for a period of less than one year, it shall be calculated using the Benchmark Day Count Fraction. The Issuer will give not less than 15 nor more than 30 days' irrevocable notice to the Instrumentholders and the Trustee of any such redemption pursuant to this Condition 4.5.1.

- 4.5.2 If Call Option is specified in the relevant Final Terms, the Issuer may, unless an Exercise Notice has been given pursuant to Condition 4.6, on giving not less than 15 nor more than 30 days' irrevocable notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms), redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of such Instruments on any Optional Redemption Date(s) or Option Exercise Date, as the case may be. Any such redemption of Instruments shall be at their Optional Redemption Amount together with interest accrued to but excluding the date fixed for redemption. Any such redemption or exercise must relate to Instruments of a nominal amount at least equal to the minimum nominal amount (if any) permitted to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount (if any) permitted to be redeemed specified in the relevant Final Terms.

All Instruments in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of the Issuer's option, the notice to Instrumentholders shall also specify the nominal amount of Instruments drawn and the holder(s) of such Instruments, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws, listing authority and stock exchange requirements.

- 4.5.3 If Make-whole Redemption Option is specified in the relevant Final Terms as applicable, the Issuer may, unless an Exercise Notice has been given pursuant to Condition 4.6, on giving not less than 15 nor more than 30 days' irrevocable notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms), redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of such Instruments on any Make-whole Redemption Date(s). Any such redemption of Instruments shall be at an amount equal to the higher of the following, in each case together with interest accrued to but excluding the date fixed for redemption:

- (i) the nominal amount of the Instrument; and
- (ii) (A) the nominal amount of the Instrument multiplied by the price (as reported in writing to the Issuer and the Trustee by a financial adviser (the "**Financial Adviser**") appointed by the Issuer and approved by the Trustee) and confirmed in writing by the Issuer to the Trustee expressed as a percentage (rounded to the nearest five decimal places, 0.000005 being rounded upwards) at which the Gross Redemption Yield to maturity on such Instrument (or, if a Par Call Commencement Date is specified in the relevant Final Terms, the Gross Redemption Yield to the Par Call Commencement Date) on the Determination Date specified in the relevant Final

Terms is equal to the Gross Redemption Yield at the Quotation Time specified in the relevant Final Terms on the Determination Date of the Reference Bond specified in the relevant Final Terms (or, where the Financial Adviser advises the Trustee that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus any applicable Redemption Margin specified in the relevant Final Terms; or (B) if Canada Yield Price is specified in the relevant Final Terms, (I) at any time prior to the Par Call Commencement Date, the Canada Yield Price and (II) at any time on or after the Par Call Commencement Date, but prior to the Maturity Date, the nominal amount of the Instruments.

Any such redemption or exercise must relate to Instruments of a nominal amount at least equal to the minimum nominal amount (if any) permitted to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount (if any) permitted to be redeemed specified in the relevant Final Terms.

All Instruments in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Instrumentholders shall also contain the serial numbers of the Instruments to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate (or the Instruments to be redeemed will be selected by the Canadian Paying Agent in such manner as the Canadian Paying Agent deems appropriate and as approved by the Trustee), subject to compliance with any applicable laws, listing authority and stock exchange requirements.

In this Condition:

"Canada Yield Price" means the price, calculated on the business day preceding the redemption date of the Instruments (the **"Yield Determination Date"**) equal to the net present value of all scheduled payments of outstanding principal and interest on the Instruments to be redeemed (not including any portion of the payment of interest accrued as of the redemption date) from the redemption date of the Instruments to be redeemed to the Par Call Commencement Date specified in the relevant Final Terms (and assuming, for this purpose, that the Instruments are scheduled to mature on the Par Call Commencement Date) using as a discount rate the Government of Canada Yield plus any applicable Redemption Margin specified in the relevant Final Terms.

"Government of Canada Yield" means with respect to any redemption date, the arithmetic average (rounded to the nearest 1/100 of 1 per cent.) of the yield to maturity, provided by two major Canadian investment dealers selected by the Issuer as at noon (Toronto time) on the Yield Determination Date, as the yields which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100 per cent. of its principal amount on such date with a term to maturity which most closely approximates the remaining term to the Par Call Commencement Date.

"Gross Redemption Yield" means a yield calculated in accordance with generally accepted market practice at such time, as advised to the Trustee by the Financial Adviser.

4.6 Redemption at the Option of Instrumentholders

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of any Instrumentholder, upon such Instrumentholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Instrument on the Optional Redemption Date(s) (as specified in the relevant Final

Terms) at its Optional Redemption Amount (as specified in the Final Terms) together with interest accrued to the date fixed for redemption.

To exercise such option (which must be exercised on an Option Exercise Date) the holder must deposit the Certificate representing the Instrument(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Instrumentholders' Option Period (as specified in the Final Terms). No Instrument so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

4.7 Cancellation

All Instruments redeemed pursuant to any of the foregoing provisions will be cancelled forthwith. All Instruments purchased by or on behalf of the Issuer or any of its Subsidiaries may, at the option of the Issuer be held by or may be surrendered for cancellation, but may not be resold and when held by the Issuer or any of its Subsidiaries shall not entitle the holder to vote at any meeting of Instrumentholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Instrumentholders or for the purposes of Condition 10. Instruments may be surrendered for cancellation by surrendering the Certificate representing such Instruments to the Registrar and, in each case, if so surrendered, shall, together with all Instruments redeemed by the Issuer, be cancelled forthwith.

5 Payments

5.1 Payments in respect of Instruments

Payments of principal in respect of Instruments shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

Interest on Instruments shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Instrument shall be made in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Instrument at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

5.2 Payments subject to Fiscal Laws etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 to 1474 (inclusive) of the Code, any United States Treasury Regulations or agreements thereunder, any official interpretations thereof, any successor, substitute or similar legislation or law or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Instrumentholders in respect of such payments.

5.3 Appointment of Agents

The Issuing and Paying Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the

Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (a) an Issuing and Paying Agent, (b) a Paying Agent (which may be the Issuing and Paying Agent) having its specified office in a major European city, (c) a Calculation Agent where the Conditions so require one, (d) so long as the Instruments are listed on any stock exchange or admitted to listing by any other relevant authority, a Paying Agent having a specified office in such place as may be required by the rules and regulations of any other relevant stock exchange or other relevant authority and (e) a Registrar and a Transfer Agent. As used in these Conditions, the terms “**Issuing and Paying Agent**”, “**Calculation Agent**”, “**Registrar**”, “**Transfer Agent**” and “**Paying Agent**” include any additional or replacement Issuing and Paying Agent, Calculation Agent, Registrar, Transfer Agent or Paying Agent appointed under this Condition.

Notice of any such change or any change of any specified office shall promptly be given to the Instrumentholders in accordance with Condition 13.

5.4 Non-business days

If any date for payment in respect of any Instrument is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located, in such jurisdictions as shall be specified as “Financial Centres” in the relevant Final Terms and:

5.4.1 (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

5.4.2 (in the case of a payment in Euro) which is a TARGET Business Day.

6 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Instruments will be made without withholding or deduction for or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United States of America or any political subdivision of the United States of America or any authority in or of the United States of America having power to tax, unless such withholding or deduction is compelled by law. In that event, the Issuer will pay such additional amounts of principal and interest as will result in the payment to the Instrumentholders of the amounts which would otherwise have been receivable in respect of the Instruments had no withholding or deduction been made, except that no such additional amounts shall be payable in respect of any Instrument (or the Certificate representing it) held or presented for payment:

- (a) by or on behalf of, a person who is liable to such taxes or duties in respect of such Instrument (or the Certificate representing such Instrument) by reason of having some connection with the United States of America other than the mere holding of such Instrument (or the Certificate representing such Instrument); or
- (b) by or on behalf of a person who would not be liable or subject to such deduction or withholding by making a declaration of non-residence or other claim for exemption to a tax authority; or
- (c) more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amounts on presenting the same (or in respect of which the Certificate representing it is presented) for payment on such 30th day; or

- (d) by a holder which is or was a controlled foreign corporation, personal holding company or passive foreign investment company with respect to the United States or a corporation that accumulates earnings to avoid United States federal income tax; or
- (e) if such tax is an estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment, or governance charge; or
- (f) by or on behalf of a holder which is or has been (i) a “10 per cent. shareholder” of the obligor of the Instruments as defined in Section 871(h)(3) of the Code or any successor provisions, (ii) a bank receiving such interest pursuant to a loan agreement entered into in the ordinary course of its trade or business as described in section 881(c)(3)(A) of the Code, or (iii) a controlled foreign corporation within the meaning of section 957 of the Code that is related to the Issuer within the meaning of section 864(d)(4) of the Code; or
- (g) by or on behalf of a holder who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements (including, without limitation, the provision of information or a United States Internal Revenue Service Form W-8 or Form W-9 (or a successor form)); or
- (h) in the case of any combination of items (a) to (g) above.

Notwithstanding the foregoing, no additional amounts shall be payable for or on account of (i) any taxes, duties, assessments or governmental charges that are imposed otherwise than by deduction or withholding from payments made under or with respect to the Instruments, (ii) any taxes, duties, assessments or governmental charges that are imposed on or with respect to any payment on an Instrument to an Instrumentholder who is a fiduciary, partnership, limited liability company, or person other than the Beneficial Owner of such payment to the extent that the Beneficial Owner with respect to such payment (or portion thereof) would not have been entitled to the additional amounts had the payment (or the relevant portion thereof) been made directly to such Beneficial Owner and (iii) any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States of America and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement). As used in clause (ii) above, “**Beneficial Owner**” means the person who is required by the laws of the relevant tax jurisdiction to include the payment in income for tax purposes.

As used in these Conditions, “**Relevant Date**” in respect of any Instrument means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Instrumentholders in accordance with Condition 13 that, upon further presentation of the Instrument being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (a) “**principal**” shall be deemed to include any premium payable in respect of the Instruments, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 or any amendment or supplement to it, (b) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (c) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

7 Prescription

Claims against the Issuer for payment in respect of the Instruments shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

8 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested by the holders of at least one-quarter in nominal amount of the Instruments then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer at its registered office that the Instruments are, and they shall accordingly immediately become due and repayable at their Redemption Amount together with accrued interest (if any) to the date of payment:

(a) **Non-Payment**

there is default for more than 30 days in the payment of any principal or interest due in respect of the Instruments; or

(b) **Breach of Other Obligations**

there is default in the performance or observance by the Issuer of any other obligation or provision under the Trust Deed or the Instruments (other than any obligation for the payment of any principal or interest in respect of the Instruments) which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Issuer by the Trustee; or

(c) **Cross-Acceleration**

if (i) any other present or future Relevant Indebtedness of the Issuer or a Principal Subsidiary becomes due and payable prior to its stated maturity by reason of any actual event of default or (ii) any amount in respect of such Relevant Indebtedness is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the Relevant Indebtedness in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$200,000,000; or

(d) **Winding-up**

a resolution is passed, or a final order of a court in the United States of America is made and, where possible, not discharged or stayed within a period of 90 days, that the Issuer be wound up or dissolved; or

(e) **Enforcement Proceedings**

attachment is made of the whole or substantially the whole of the assets or undertakings of the Issuer and such attachment is not released or cancelled within 90 days or an encumbrancer takes possession or an administrative or other receiver or similar officer is appointed of the whole or substantially the whole of the assets or undertaking of the Issuer or an administration or similar order is made in relation to the Issuer and such taking of possession, appointment or order is not released, discharged or cancelled within 90 days; or

(f) **Insolvency**

the Issuer ceases to carry on all or substantially all of its business or is unable to pay its debts; or

(g) **Bankruptcy**

the Issuer is adjudged bankrupt or insolvent by a court of competent jurisdiction in the United States of America,

provided that in the case of paragraph (b) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Instrumentholders.

For the purposes of this Condition 8, “**Principal Subsidiary**” means Niagara Mohawk Power Corporation, The Brooklyn Union Gas Company, KeySpan Gas East Corporation, Massachusetts Electric Company, National Grid USA and New England Power Company, and includes any successor entity thereto or any member of the group of companies comprising NGNA and each of its subsidiary undertakings (the “**Group**”) which the Auditors have certified to the Trustee as being a company to which all or substantially all of the assets of a Principal Subsidiary are transferred, *provided that* any such company shall cease to be a Principal Subsidiary for the purpose of this Condition if at any time the Issuer, or any Subsidiary of the Issuer, ceases to control (as defined below) such company.

In the event that all or substantially all of the assets of a Principal Subsidiary are transferred to a member of the Group as described above, the transferor of such assets shall cease to be deemed to be a Principal Subsidiary for the purposes of this Condition.

For the purposes of this Condition 8, “control” of a company means holding more than 50 per cent. of the issued or allotted ordinary shares in such company and “Auditors” means the auditors of NGNA or such other firm of accountants as may be nominated by NGNA.

9 **Enforcement**

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Instruments or under the Trust Deed, but shall not be bound to do so unless:

- (a) it has been so directed by an Extraordinary Resolution or in writing by the holders of at least one-quarter of the principal amount of the Instruments outstanding; and
- (b) it has been indemnified to its satisfaction.

No Instrumentholder shall be entitled to institute proceedings directly against the Issuer unless the Trustee, having become bound to proceed as specified above, fails to do so within a reasonable time and such failure is continuing.

10 **Meetings of Instrumentholders, Modifications and Substitution**

10.1 **Meetings of Instrumentholders**

The Trust Deed contains provisions for convening meetings of Instrumentholders (including meetings held by way of audio or video conference) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. An Extraordinary Resolution duly passed at any such meeting shall be binding on Instrumentholders (whether or not they were present at the meeting at which such resolution was passed) except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Instruments or any date for payment of interest on the Instruments, (b) to reduce or cancel the nominal amount of or any premium payable on redemption of the Instruments, (c) to reduce the rate or rates of interest in respect of the Instruments or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Instruments, (d) if a Minimum and/or a Maximum Rate of Interest is shown on the face of the Instrument, to reduce any such Minimum and/or Maximum Rate of Interest, (e) to vary any method of calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, (f) to take any steps that as specified in this Instrument may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, and (g) to modify the provisions concerning the quorum required at any meeting of Instrumentholders or the majority required to pass the Extraordinary Resolution will only be binding if passed at a meeting of the Instrumentholders (or at any adjournment of that meeting) at which a special quorum (as defined in the Trust Deed) is present. A resolution in writing signed

by the holders of not less than 95 per cent. in nominal amount of the Instruments will be binding on all Instrumentholders. The Issuer may convene a meeting of the holders of any or all Instruments issued pursuant to the Agency Agreement and not forming a single series with the Instruments to which meeting the provisions referred to above apply as if all such Instruments formed part of the same series, provided that the proposals to be considered at such meeting affect the rights of the holders of the Instruments of each series attending the meeting in identical respects (save insofar as the Conditions applicable to each such series are not identical).

10.2 Modification of the Trust Deed

The Trustee may agree, without the consent of the Instrumentholders to (a) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Instrumentholders. Any such modification, authorisation or waiver shall be binding on the Instrumentholders and, if the Trustee so requires, such modification shall be notified to the Instrumentholders as soon as practicable. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 3.10 without the consent of the Instrumentholders. Any such modification shall be binding on Instrumentholders and, unless the Trustee otherwise agrees, the Issuer shall cause notice of such modification to be given to the Instrumentholders as soon as practicable thereafter.

10.3 Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Instrumentholders, to the substitution of any other company in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Instruments. In the case of such a substitution the Trustee may agree, without the consent of the Instrumentholders, to a change of the law governing the Instruments and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Instrumentholders.

10.4 Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Instrumentholders as a class and shall not have regard to the consequences of such exercise for individual Instrumentholders and the Trustee shall not be entitled to require, nor shall any Instrumentholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Instrumentholders.

11 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, listing authority and stock exchange regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Instrumentholders, in each case on payment by the claimant of the fees and costs incurred in connection with that replacement and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Further Issues

The Issuer may from time to time without the consent of the Instrumentholders create and issue further instruments having the same terms and conditions as the Instruments and so that such further issue shall be consolidated and form a single series with such Instruments.

References in these Conditions to the Instruments include (unless the context requires otherwise) any other instruments issued pursuant to this Condition and forming a single series with the Instruments. Any such further instruments forming a single series with Instruments constituted by the Trust Deed or any deed supplemental to it shall, and any other instruments may (with the consent of the Trustee), be constituted by the Trust Deed.

The Trust Deed contains provisions for convening a single meeting of the Instrumentholders and the holders of instruments of other series if the Trustee so decides.

13 Notices

Notices to the Instrumentholders shall be mailed to them at their respective addresses shown in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

14 Indemnification of Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including but not limited to provisions relieving it from any obligation to (a) appoint an independent financial adviser and (b) take proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any of its subsidiary undertakings, parent undertakings, joint ventures or associated undertakings without accounting for any profit resulting from these transactions and to act as trustee for the holders of any other securities issued by the Issuer or any of its subsidiary undertakings, parent undertakings, joint ventures or associated undertakings.

15 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Instruments under the Contracts (Rights of Third Parties) Act 1999.

16 Governing Law and Jurisdiction

16.1 Governing Law

The Instruments and any non-contractual obligations arising out of or in connection with the Instruments are governed by, and shall be construed in accordance with, English law.

16.2 Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising from or connected with the Instruments. The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary. Nothing in this Condition 16 prevents the Trustee or any Instrumentholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Trustee or Instrumentholders may take concurrent Proceedings in any number of jurisdictions.

16.3 Process Agent

The Issuer has irrevocably appointed National Grid plc at its registered office for the time being, currently at 1-3 Strand, London WC2N 5EH as its agent in England to receive, for it and on its

behalf, service of process in any Proceedings in England. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

17 Transfers of Instruments

(a) Transfers of Instruments

One or more Instruments may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Instruments to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Instruments represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Instruments and entries on the Register will be made subject to the detailed regulations concerning transfers of Instruments scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Instrumentholder upon request.

(b) Exercise of Options or Partial Redemption

In the case of an exercise of an Issuer's or Instrumentholders' option in respect of, or a partial redemption of, a holding of Instruments represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Instruments of the same holding having different terms, separate Certificates shall be issued in respect of those Instruments of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Instruments to a person who is already a holder of Instruments, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 17(a) or (b) shall be available for delivery within three business days of receipt of the form of transfer or Exercise Notice and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 17(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Transfers Free of Charge

Transfers of Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but

upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) **Closed Periods**

No Instrumentholder may require the transfer of an Instrument to be registered (i) during the period of 15 days ending on the due date for redemption of that Instrument, (ii) during the period of 15 days prior to any date on which Instruments may be called for redemption by the Issuer at its option pursuant to Condition 4.5, (iii) after any such Instrument has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

SUMMARY OF PROVISIONS RELATING TO THE INSTRUMENTS WHILE IN GLOBAL FORM

1 Initial Issue of Instruments

If the Global Certificates are to be held under the NSS, the Global Certificates will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper. On each issue of Instruments, the Issuer shall confirm to the Issuing and Paying Agent and to the clearing systems whether or not the Global Certificates are to be held under the NSS and whether or not the Global Certificates are intended to be held in a manner which would allow recognition as eligible collateral for Eurosystem monetary policy and intra-day credit operations and if any relevant Global Certificate is to be deposited with one of the ICSDs as Common Safekeeper and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper. Depositing the Global Certificates with the Common Safekeeper does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to the Common Depository or a depository for such other clearing system indicated in the relevant Final Terms (an “**Alternative Clearing System**”).

Upon the registration of the Instruments in the name of any nominee for Euroclear and Clearstream, Luxembourg or any Alternative Clearing System and delivery of the relative Global Certificate to the Common Depository or Common Safekeeper or depository (as the case may be), Euroclear or Clearstream, Luxembourg or any Alternative Clearing System will credit each subscriber with a nominal amount of Instruments equal to the nominal amount of those Instruments for which it has subscribed and paid. Instruments which are initially deposited with the Common Depository or Common Safekeeper or depository (as the case may be) may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg or any Alternative Clearing System held by such other clearing systems. Conversely, Instruments that are initially deposited with any Alternative Clearing System may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System as the holder of an Instrument represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the underlying Instruments, and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Instruments for so long as the Instruments are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Instruments, in respect of each amount so paid.

Instruments may be represented by one or more Global Certificates. Such Global Certificates may be deposited with a common depository or a common safekeeper for the relevant Clearing System. The relevant Clearing System will maintain records of the interests in the Global Certificates. While the Instruments are represented by one or more Global Certificates, investors will be able to trade their interests only through the relevant Clearing System.

While Instruments are represented by one or more Global Certificates, the Issuer will discharge its payment obligations under such Instruments by making payments to the common depository or a

depository for the relevant Clearing System for distribution to their account holders. A holder of an interest in Instruments represented by a Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Instruments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of Global Certificates.

Holders of Instruments represented by a Global Certificate will not have a direct right to vote in respect of the relevant Instruments. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System.

3 Exchange

3.1 Temporary Global Certificates

Each Temporary Global Certificate will be exchangeable for interests in a Permanent Global Certificate, free of charge to the holder, on or after the day falling after the expiry of the 40 days after the relevant issue date, in whole or in part upon certification as to non-U.S. beneficial ownership.

3.2 Global Certificates

The following will apply in respect of transfers of Instruments held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Instruments within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Instruments may be withdrawn from the relevant clearing system.

Transfers of the holding of Instruments represented by any Global Certificate pursuant to Condition 17(a) may only be made in part:

- (i) if the Global Certificate is held by or on behalf of CDS Clearing & Depository Securities Inc. (“CDS”) and (A) CDS has notified the Issuer that it is unwilling or unable to continue to act as a depository for the Instruments and a successor depository is not appointed by the Issuer within 90 working days after receiving such notice; or (B) CDS ceases to be a recognised clearing agency under applicable Canadian securities legislation and no successor clearing system satisfactory to the Trustee is available within 90 working days after the Issuer becomes aware that CDS is no longer so recognised; or
- (ii) if the relevant clearing system (other than CDS) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3(ii) above, the holder has given the Registrar not less than 30 days’ notice at its specified office of the holder’s intention to effect such transfer.

4 Amendment to Conditions

Each Global Certificate will contain provisions that apply to the Instruments which they represent, some of which modify the effect of the terms and conditions of the Instruments set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

If the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Instruments recorded in the records of the relevant clearing system and represented by the Global Certificate will be reduced accordingly.

Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

All payments in respect of Instruments represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment (i.e. the "**Record Date**"), where Clearing System Business Day means Monday to Friday (inclusive) except 25 December and 1 January and, in respect of an Alternative Clearing System, such other dates on which the relevant Alternative Clearing System is closed.

4.2 Meetings

The holder of Instruments represented by a Global Certificate shall (unless such Global Certificate represents only one Instrument) be treated as being two persons for the purposes of any quorum requirements of a meeting of Instrumentholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Instruments for which it may be exchanged in accordance with its terms.

4.3 Issuer's Option

In the event that any option of the Issuer is exercised in respect of some but not all of the Instruments of any Series, the rights of accountholders with a clearing system or approved intermediary in respect of the Instruments will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.4 Instrumentholders' Options

Any option of the Instrumentholders provided for in the Conditions of any Instruments while such Instruments are represented by a Global Certificate may be exercised by the holder of the Global Certificate giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Instruments with a Paying Agent. Where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Instruments recorded in those records will be reduced accordingly.

4.5 Trustee's Powers

In considering the interests of Instrumentholders while any Instruments represented by a Global Certificate are registered in the name of any nominee for a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Instruments and may consider such interests as if such accountholders were the holders of the Instruments represented by such Global Certificate.

4.6 Events of Default

Each Global Certificate provides that the Trustee, at its discretion, may, and if so requested by holders of at least one-quarter in nominal amount of the Instruments then outstanding or if so directed by an Extraordinary Resolution, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) cause such Global Certificate to become due and repayable in the circumstances described in Condition 8 by stating in the notice to the Issuer the principal amount of such Instruments represented by the Global Certificate which is or are becoming due and repayable. If principal in respect of any Instrument is not paid when due, only the Trustee may enforce the rights of the Instrumentholders against the Issuer under the terms of the Trust Deed unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.

4.7 Notices

So long as any Instruments are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the holders of Instruments of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for delivery of the relevant notice to the holder of the Global Certificate. Where a Global Certificate held by CDS is exchanged for definitive Instruments in the circumstances set out in paragraph 3 (*Exchange*) above, the Issuer will provide notices to Instrumentholders in accordance with the Conditions, provided however that such notices will be published in a leading daily newspaper of general circulation in Canada (which is expected to be *The Globe and Mail*).

USE OF PROCEEDS

The net proceeds of the issue of each Series of Instruments will be used by the Issuer for its general corporate purposes.

In particular, if so specified in the Final Terms, the Issuer intends to apply an amount equal to the net proceeds from an offer of Instruments specified as “**Eligible Bonds**” for “**Eligible Green Projects**”.

“**Eligible Green Projects**” means projects within the following eligible categories: (i) renewable energy; (ii) energy efficiency; (iii) green buildings; (iv) clean transportation; (v) pollution prevention and control; and (vi) environmentally sustainable management of living natural resources and land use.

Eligible Green Projects have been (or will be, as the case may be) selected by the Issuer in accordance with the broad categorisation of eligibility for green projects set out in the ICMA Green Bond Principles 2021, and are further described in the Green Financing Framework published on National Grid’s website at <https://investors.nationalgrid.com/debt-investors/green-financing/greenfinancing> and as updated from time to time. In connection with the issuance of Eligible Bonds, ISS-ESG (a sustainability consulting firm) has evaluated National Grid’s Green Financing Framework and has issued an independent opinion confirming that the Eligible Green Projects described in the Green Financing Framework are aligned with the ICMA Green Bond Principles 2021. ISS-ESG’s independent opinion is also available for viewing at <https://investors.nationalgrid.com/debt-investors/green-financing/greenfinancing>.

According to the definition criteria set out by the ICMA Green Bond Principles 2021, only Tranches of Instruments financing or refinancing Eligible Green Projects meeting the Eligibility Criteria set out in the Green Financing Framework will be classified as “**Eligible Bonds**”.

For the avoidance of doubt, neither the Green Financing Framework, nor ISS-ESG’s independent opinion, nor the content of any of the websites referenced in this “Use of Proceeds” section are, or shall be deemed to, constitute a part of nor are incorporated into this Prospectus.

DESCRIPTION OF THE GROUP

Overview and Organisational Structure

National Grid North America Inc. (“**NGNA**”) is an indirect, wholly-owned subsidiary of National Grid plc and the top holding company in National Grid plc’s corporate structure in the United States. NGNA acts as a treasury, finance and holding company for National Grid plc in the United States and also operates as a vehicle for acquisition financing for National Grid plc in the United States through intercompany lending arrangements. NGNA, National Grid USA (“**NGUSA**”), National Grid Ventures US LLC (“**NGV**”) (as more fully described below) and other subsidiaries of NGNA have also regularly borrowed from related and unrelated third-party lenders in the normal course of business in order to fund operations and settle obligations that become due on the basis of their individual published ratings from nationally recognised rating agencies in the United States.

NGNA owns all of the outstanding common stock of NGUSA, a Delaware corporation and public utility holding company, headquartered in Waltham, Massachusetts, that primarily owns and operates, through various regulated subsidiaries, electric and natural gas transmission and distribution businesses in the north-eastern United States and also has liquefied natural gas (“**LNG**”) storage and transportation facility in the United States and a generator of electricity on Long Island, New York. Since its formation, NGNA has borrowed from National Grid plc and other UK affiliates to fund various acquisitions in the U.S.¹ NGNA has refinanced these debts with National Grid plc on several occasions. The intercompany debt arrangements described in (i), (ii) and (iv) were fully repaid in 2014, 2016 and 2018, respectively. The intercompany debt arrangement relating to the acquisition of KeySpan is expected to be repaid by 2027. NGNA was incorporated under the name “National Grid Holdings Inc.” in the State of Delaware on 16 May 2001 under the General Corporation Laws of the State of Delaware with file number 3392761. On 25 September 2012, National Grid Holdings Inc. changed its name to National Grid North America Inc. by filing an amended certificate of incorporation in the State of Delaware under the General Corporations Laws of the State of Delaware with the file number noted above. The address of NGNA is 170 Data Drive, Waltham MA 02451 and its telephone number is +1-781-907-1000. The address of NGNA’s registered office is at 251 Little Falls Drive, Wilmington, Delaware. The name of its registered agent at such address is Corporation Service Company. The website of the Issuer is <https://www.nationalgrid.com/group>. No information on such website forms part of this Prospectus except as specifically incorporated by reference, see “*Documents Incorporated by Reference*”.

As used in this section of the Prospectus, unless the context requires otherwise, any references to “**Group**” or “**NGNA**” shall mean National Grid North America Inc. and its principal public utility subsidiaries as appropriate in the context of the disclosure.

Principal Activities and Markets

U.S. Regulated Business

NGNA’s regulated businesses are:

- Electricity transmission;
- Gas distribution;
- Electricity distribution;
- Electricity generation; and
- LNG storage.

¹ (i) Niagara Mohawk Power Corporation in 2002; (ii) the gas operations of Narragansett Electric Company in 2006; (iii) KeySpan Corporation (“**KeySpan**”) in 2007; and (iv) New England Electric System and Eastern Utilities Associates in 2000. KeySpan was merged into NGUSA on 30 April 2018.

U.S. Non-regulated Business

- LNG road transportation;
- Equity investment – Electric Transmission and renewables;
- NGV – For more information regarding NGV-related activities see “*Other Activities – U.S. – Non-regulated Activities*”; and
- National Grid Partners (“**NGP**”) – For more information regarding NGP-related activities see “*Other Activities – U.S. – Non-regulated Activities*”.

NGNA’s principal public utility subsidiaries are as follows²:

| Company Name | Principal Operations | Location | Regulatory Environment |
|--|---|-----------------|--|
| Niagara Mohawk Power Corporation (“ NMPC ”) (upstate NY) | Electricity – Distribution & Transmission Natural Gas – Distribution | New York | New York Public Service Commission (“ NYPSC ”) and FERC |
| The Brooklyn Union Gas Company (“ Brooklyn Union ”) doing business as National Grid NY (also known as KEDNY) (downstate NY) | Natural Gas – Distribution | New York | NYPSC |
| KeySpan Gas East Corporation (“ Gas East ”) (also known as KEDLI) (downstate NY) | Natural Gas – Distribution | New York | NYPSC |
| Massachusetts Electric Company (“ MECO ”) | Electricity – Distribution | Massachusetts | Mass. Dept. of Public Utilities (“ MADPU ”) and FERC |
| Nantucket Electric Company (“ NEC ”) | Electricity – Distribution | Massachusetts | MADPU and FERC |
| Boston Gas Company (“ Boston Gas ”) ³ | Natural Gas – Distribution | New England | MADPU |
| New England Power Company (“ NEP ”) | Electricity Transmission | New England | FERC |
| New England Hydro-Transmission Electric Company, Inc. (“ Mass. Hydro ”) ⁴ | Electricity Transmission | Massachusetts | FERC |

² The sale of the Rhode Island utility business (i.e. NECO) was completed on 25 May 2022.

³ On 16 December 2019, MADPU approved Boston Gas’s proposal to legally merge Colonial Gas Company into Boston Gas Company. The two companies had already effectively consolidated their operations, but the legal merger of these two entities allows for certain efficiencies and cost savings. The legal merger was effective as of 15 March 2020. However, for ratemaking purposes, Boston Gas must still maintain separate rates for customers of legacy Boston Gas Company and legacy Colonial Gas Company, until otherwise approved by MADPU.

⁴ Mass. Hydro is a New Hampshire corporation where NGUSA owns 53.7 per cent, directly or indirectly. Mass Hydro owns and operates a high-voltage direct current transmission line and related facilities in New Hampshire for the second phase of the Hydro-Quebec and New England interconnection, extending to the Massachusetts border, in the United States. Mass Hydro is subject to the jurisdiction of the New Hampshire Public Utilities Commission and the Federal Energy Regulatory Commission. Mass Hydro owns approximately 50 per cent. of New England Hydro Finance Company, Inc.

| Company Name | Principal Operations | Location | Regulatory Environment |
|--|--------------------------|-------------------------------|------------------------|
| New England Electric Transmission Corporation (“NEET”) ⁵ | Electricity Transmission | Massachusetts & New Hampshire | FERC |
| New England Hydro-Transmission Corporation (“N.H. Hydro”) ⁶ | Electricity Transmission | New Hampshire | FERC |
| National Grid Generation LLC ⁷ (“GENCO”) | Generation | New York | FERC & NYSPC |

U.S. Operating Model and Key Strategic Policy Initiatives – Overview

On 1 April 2021, National Grid plc implemented a new operating model in the UK and the U.S. to streamline its business and to deliver on its strategy and clean energy vision referred to as “bringing energy to life” and described by the Group as being at the heart of a clean, fair and affordable energy future in an industry sector where the pace of change is accelerating with increasing focus on decarbonisation, digitalisation and decentralisation. As part of the new global operating model, National Grid plc and the Group adopted leadership changes that were made to further enhance the new operating model. This included a more robust Group jurisdictional model with the objective to streamline overall operational delivery, improving day-to-day operations, efficiencies, corporate activities and enhance collaboration efforts with regulatory bodies exercising jurisdiction over the activities of both National Grid plc and the Group.

National Grid plc has moved to a new global operating model as of 1 April 2022, which includes the creation of seven business units⁸ across National Grid plc. This new operating model includes two jurisdictional business units (i.e. New York and New England business units) for the Group that is designed to support the Group’s “bringing energy to life” vision, including the delivery of financial, customer, and regulatory outcomes that will be required for National Grid plc and the Group’s journey and its central role tackling climate change and in the delivery of the U.S. and the UK’s net zero targets for its own emissions by 2050 to achieve a climate resilient fossil-free future. In addition to the creation of the business units, management layers have also been removed, with each business unit having profit and loss accountability and clear responsibility for delivering the innovation and efficiencies specific to the area of the business unit. The U.S. business units are each led by a jurisdictional president in order to achieve such accountability. The two U.S. jurisdictional business units for the Group consist of (i) a New York business unit that includes the following regulated utilities: NMPC (i.e. electricity distribution, transmission and local gas distribution companies (“LDCs”)), Brooklyn Union and Gas East; and (ii) a New England business unit that includes the following regulated utilities: MECO, Nantucket (i.e. electricity distribution and transmission) and Boston Gas (LDC). The new operating model also includes a fully centralised customer organisation including billing and collections, with representation

⁵ NEET owns and operates several miles of high-voltage direct current transmission lines in New Hampshire and is subject to the jurisdiction of the New Hampshire Public Utilities Commission and the Federal Energy Regulatory Commission. NEET is a direct wholly owned subsidiary of NGUSA.

⁶ N.H. Hydro is a New Hampshire corporation in which NGUSA owns 53.7 per cent., directly or indirectly. N.H. Hydro owns and operates a high-voltage direct current transmission line and related facilities in New Hampshire for the second phase of the Hydro-Quebec and New England interconnection, extending to the Massachusetts border. N.H. Hydro is subject to the jurisdiction of the New Hampshire Public Utilities Commission and the Federal Energy Regulatory Commission.

⁷ GENCO is a New York limited liability company that owns and operates 50 electric generation units with approximately 3,800 megawatts of electric generation capacity located in Long Island. GENCO, together with its wholly-owned subsidiaries, National Grid Glenwood Energy Center LLC (“Glenwood”) and National Grid Port Jefferson Energy Center LLC (“Port Jefferson”), sell capacity, energy conversion, and ancillary services to the Long Island Power Authority (“LIPA”) (see discussion under the section entitled “Principal Operations” and “Other Activities”).

⁸ The 7 National Grid plc business units including the Group consists of the following: two U.S. business units in New York and New England (including their respective U.S. FERC transmission assets); and five UK business units consisting of Electricity Transmission, Gas Transmission, NGV; Western Power Distribution (electric distribution) and Electricity System Operator.

on jurisdictional teams and a centralised stakeholder engagement function in the corporate affairs organisation.

U.S. Energy Policy strategic initiative

National Grid plc's clean energy vision policy for a fossil-free future in the U.S., launched in April 2022, places consumer choice and affordability at the heart of fighting climate change. This clean energy vision to fully eliminate fossil fuels from the Group's U.S. gas networks, replacing it with renewable natural gas and green hydrogen, is aimed at enabling the customers and communities that the Group serves to meet their heating needs without using fossil fuels by 2050, if not sooner. Combined with targeted electrification and enhanced energy efficiency, a 100 per cent. fossil-free gas network has the potential to deliver a clean energy future that is more affordable and more reliable for more than 20 million people across New York and Massachusetts.

Business Activities and Description – Overview

Energy Delivery in the north-eastern United States

In the north-eastern United States, electricity supply is transported either directly from generators or independent suppliers into local electricity distribution networks or via electricity transmission networks similar to the ones owned and operated by NGNA, while natural gas is obtained from importation terminals, natural gas producers or independent suppliers transported on natural gas transmission pipelines and then transported through local natural gas distribution networks referred to as LDCs such as those owned and operated by NGNA.

The utility industry has undergone significant change as market forces moved towards replacing or supplementing rate regulation through the introduction of competition regarding the supply of electricity and natural gas commodity to public utility customers. In most states in the north-eastern United States, including those states where NGNA owns and operates energy delivery networks, customers are able to purchase their energy commodities either from the local public utilities (i.e. providers of last resort ("POLR")) or through independent energy suppliers or marketers participating in regulatory sanctioned state "customer retail choice" or "retail unbundling" type programmes. NGNA has taken a leadership position by advocating a well-managed energy delivery system as the key to enabling robust, competitive electricity markets that offer customers choice, savings and other benefits and supports regulatory approved retail choice initiatives/unbundling programmes. However, while a number of larger commercial customers have chosen to receive their energy commodity needs from independent energy suppliers, the majority of residential and small commercial customers still purchase their energy commodity from NGNA as the designated POLR under the applicable state public service laws regulating public utilities. If a customer opts to purchase energy commodities from an independent energy supplier, those suppliers are then responsible for sourcing that energy commodity from electricity generators or from natural gas extractors or importers as appropriate, as well as arranging for energy to be delivered through physical energy delivery networks such as those owned and operated by a regulated public utility (for example, NGNA) in the service territory.

In addition to competitive market forces driving competition described above, the utility industry is currently undergoing significant change with respect to federal and state regulatory forces that are moving towards aggressive regulatory targets in relation to climate change, greenhouse gas emissions and decarbonisation in general through less reliance on fossil fuels (e.g. natural gas and coal) in the future. NGNA is increasingly subject to regulation in relation to climate change and is affected by requirements to reduce its own carbon emissions and greenhouse gas emissions and pipeline methane leaks to enable reduction in energy use and reliance on fossil fuels by NGNA customers.

In light of the renewed interest in public policy debate about restructuring the electricity industry in the U.S., state regulators continue to strongly support current recovery of power supply costs. NGNA continues to collaborate with regulators, policy makers, and customers to advance the development of the competitive electricity marketplace. In the north-eastern U.S., where NGNA's regulated operations

are located, state governments and regulators have expressed interest in tackling issues around global climate change (e.g. elimination of fossil fuels, greenhouse gas targets, net zero targets, etc.), security of supply and the power grid in general. In addition, the state regulators in those states where NGNA and its subsidiaries operate energy delivery networks actively continue to promote and explore ways to reform the energy industry and regulatory practices, and drive regulatory change intended to promote increases in energy efficiency and tackling climate change through the delivery of U.S. net zero targets for the Group's own emissions by 2050 to achieve a climate resilient future consistent and aligned with the Group's publication of its new clean energy vision. Some of the policy initiatives include development of smart grid technologies, more efficient use of the transmission and distribution power grids, lower line losses, greater use of renewables and the provision of information to utilities and their customers that will lead to greater investment in transmission, energy efficiency reduced peak load demands and renewable generation (see "*Regulatory Initiatives and Programmes – Reforming the Energy Vision ("REV") Proceeding*" below for further information).

The UK and States of New York and Massachusetts each established legally-binding targets to achieve net zero emissions by 2050. The states of New York and Massachusetts each set an economy-wide limit of net zero carbon emissions by 2050, with at least 85 per cent. of reductions from their states' own energy and industrial emissions (and the remainder possible via carbon offsets). New York additionally legislated the target of 100 per cent. carbon-free electricity by 2040.

Principal Operations

NGNA owns, operates and maintains regulated electricity and gas infrastructure (i.e. energy delivery networks) located in the north-eastern U.S. NGNA owns and operates, through its subsidiaries, electricity distribution and transmission networks in upstate New York servicing approximately 4.1 million customers consisting of 1.6 million electric customers and 2.5 million natural gas customers, and Massachusetts servicing approximately 2.2 million customers consisting of 1.3 million electric customers and 940,000 natural gas customers. Through these networks, the Group serves a total of approximately 6.3 million customers. This consists of 2.9 million electricity consumers in New England and upstate New York and around 3.4 million consumers in its New York and New England dedicated LDC businesses across the north-eastern U.S., which utility businesses are located in service territories in upstate New York, New York City, Long Island and Massachusetts.

NGNA owns and operates, through its subsidiaries, an electricity transmission system and a distribution system consisting of approximately 14,293 kilometres (8,881 miles) of overhead lines spanning upstate New York, Massachusetts and New Hampshire located within rights-of-way corridors that traverse both public and private property. In addition, it owns and operates various transmission interconnectors including underground cable between New England and Canada. (See section entitled "*Other Activities – Other U.S. Regulated Activities – Interconnection Facilities*").

NGNA owns and operates, through its subsidiaries, natural gas LDC networks consisting of approximately 59,153 kilometres (36,756 miles) of gas pipeline serving an area of approximately 25,597 square kilometres (9,883 square miles) which includes portions of New York and Massachusetts. NGNA is responsible for customer service and supply services, while LDCs owned and operated by NGNA are responsible for billing activities. Furthermore, NGNA's LDCs forecast, plan for and procure approximately 16.5 billion standard cubic metres of gas and 27.5 TWh of electricity annually across three states.

NGNA's subsidiary, GENCO, also owns and operates 50 fossil-fuel powered units on Long Island that together provide approximately 3,800 megawatts ("**MW**") of power under contract to the Long Island Power Authority ("**LIPA**"). A 15-year power supply agreement with LIPA was renewed in May 2013 for 3,634 MW of capacity, comprising eight dual fuel (gas/oil-fired) steam units at three sites, 11 dual fuel combustion turbine units, and 27 oil-fired combustion turbine/diesel units. Under a separate contract with LIPA, four dual fuel combustion turbine units provide an additional 160 MW of capacity.

NGNA's operation of its energy delivery networks within its assigned service territory within each state is authorised, operated and governed by a mixture of statutory authority, legislative charters, tariff provisions and municipal grants and agreements (for example, franchise agreements) all of which allow NGNA to locate and operate its businesses within and across public ways including right-of-way corridors for its distribution network within privately owned land acquired in fee or by grants of perpetual easements and transmission and sub-transmission substation networks principally located on properties that are owned in fee.

As described under "Overview" above, the supply of electricity and gas is competitive in that consumers can choose their energy supplier. NGNA's energy delivery networks, however, are generally considered natural monopolies in their designated local service territories as, for the majority of customers, there are no alternative methods of receiving electricity and natural gas. As such, NGNA's utility operations are subject to various state and federal regulatory agencies charged with the responsibility to oversee NGNA's utility service to ensure that its utility customers are charged just and reasonable rates for utility services provided.

Electricity Transmission

- NMPC – Bundled electricity transmission and distribution services and operations in upstate New York; and
- NEP – New England principally through NEP.

Electricity transmission and distribution networks, including the ones NGNA owns and operates, are members of regional transmission organisations or independent system operators (i.e., "RTO" or "ISO") that have the responsibility for balancing electricity supply and demand to maintain reliability of the transmission network. NGNA transmission and distribution networks are members of the New England and New York ISOs which are responsible for (i) operating organised wholesale markets for energy, operating reserves and capacity, (ii) maintaining the operating reliability of the New England and New York transmission networks, (iii) co-ordinating the activities of the transmission owners, and (iv) managing transparent transmission expansion planning processes.

The Group purchases electricity through the New York ISO and New England ISO day-ahead and spot markets for transmission and distribution to those customers that are purchasing energy commodity from the Group. The Group also supplements its ISO purchases with electricity purchased under various bilateral power purchase contracts directly with generators.

Electricity Distribution

- NMPC – Upstate New York; and
- MECO and NEC – Massachusetts.

NGNA's electricity distribution networks owned and operated in upstate New York through NMPC and Massachusetts through MECO and NEC, provide energy delivery services to customers that include domestic homes and small and large commercial and industrial enterprises. As at 31 March 2023, NGNA's electricity distribution networks serve approximately 2.9 million electricity consumers in New England and upstate New York.

Natural Gas Distribution (LDCs)

- NMPC – LDC for the central and eastern portion of upstate New York;
- Brooklyn Union and Gas East – LDCs for portions of New York City and Long Island; and
- Boston Gas (the "**Massachusetts Gas Business**") – LDC for a portion of Massachusetts.

LDCs owned and operated by NGNA are each responsible for balancing natural gas supply with demand within their respective distribution areas. They purchase natural gas under long and short-term firm contracts, as well as on the spot market for its customers from domestic and Canadian supply basin gas producers and gas transporters and then transport this natural gas under long term contracts with interstate pipeline companies on the independent FERC regulated interstate pipeline system and then into state regulated utilities' natural gas distribution networks owned and operated by the LDCs for delivery to customers. The NGNA LDCs receive natural gas from the interstate pipeline system at various city gate stations owned and operated by NGNA's LDCs. The interstate pipeline system and local natural gas distribution networks are also used to deliver natural gas on behalf of customers who have purchased natural gas from independent suppliers or direct from natural gas producers. In addition, the NGNA LDCs manage gas assets such as natural gas transportation and storage capacity to ensure that commodity supply is adequate for delivery to customers. The NGNA LDCs also may elect to supplement gas from the interstate pipeline system with LNG and propane facilities in a number of locations where it is cost effective to do so.

The majority of natural gas supplied to customers in the United States is still sold by NGNA's LDCs (i.e. as a POLR) which is also responsible for transportation and delivery of natural gas to customers located within the LDCs service distribution territory.

Other Activities

U.S. Regulated Activities

LIPA Amended and Restated Power Supply Agreement (“A&RPSA”)

NGNA through its generation subsidiary, GENCO, owns, operates and manages a number of power plants on Long Island, with a generation capacity of 3,800 MW. It supplies wholesale capacity and energy to LIPA under an agreement with LIPA that was renewed in May 2013. LIPA, under contract with the Public Service Electric & Gas of New Jersey, currently provides retail electricity to communities and businesses on Long Island.

On 23 May 2013, the FERC approved the A&RPSA which expires on 30 April 2028 and replaces the original Power Supply Agreement (“PSA”) that was effective from May 1998 to May 2013. LIPA may terminate the agreement upon two years' advance notice which, if elected, would be in or around July 2027. The agreement sets a return on equity (“ROE”) of 9.75 per cent. and a capital structure with an equity component of 50 per cent. The A&RPSA continues certain annual rate adjustments, such as pension and other post-retirement benefit expenses, property tax true-up, adjustments for new plant in service, and certain inflationary increases. The A&RPSA allows both parties a ROE re-opener in contract years four to six depending on financial market changes, and NGNA a one-time rate re-opener in contract year six. The A&RPSA also contains new options for modernising the power plants through repowering existing facilities to reduce energy costs and improve environmental performance.

U.S. Non-regulated Businesses and Investments

Some of NGNA's U.S. businesses are not directly subject to state or federal rate-making authority. These include interests in some of NGNA's LNG road transportation and investments in solar installations, fuel cells and other new technologies that are an important part of NGNA's future.

LNG Facilities

Subsidiaries of NGNA own and operate LNG storage facilities in various locations in the north-eastern United States including in Greenpoint and Holtsville, New York, Dorchester, Salem, and Lynn, Massachusetts and Providence, Rhode Island. These facilities provide NGNA's gas operation with a local store of gas which can be vaporised into NGNA's natural gas distribution system to supplement pipeline gas in periods of high demand. NGNA's Providence, Rhode Island LNG facility is regulated by the FERC while the other LNG facilities noted herein are regulated by NYPSC and MADPU within the associated regulated gas distribution companies' rates.

Interconnection Facilities

NEET, in which NGNA indirectly holds 100 per cent. of the common stock, owns and operates a portion of the first phase of the Hydro-Quebec and New England interconnection (the “**Interconnection**”), consisting of six miles of high-voltage direct current transmission line and related facilities in New Hampshire. N.H. Hydro, in which NGNA indirectly holds 54 per cent. of the common stock, owns and operates approximately 116 miles of high-voltage direct current transmission line in New Hampshire for the second phase of the Interconnection, extending to the Massachusetts border. Mass. Hydro, in which NGNA indirectly holds 54 per cent. of the common stock, owns and operates an alternating current/direct current terminal and related facilities for the second phase of the Interconnection and 12 miles of high-voltage direct current transmission line in Massachusetts. These facilities are made available to customers under the ISO New England’s Open Access Transmission Tariff, and are subject to New England ISO operational control.

NGNA, through subsidiaries, also owns a minority equity interest in three regional nuclear generating companies: Yankee Atomic Electric Company, Connecticut Yankee Atomic Power Company and Maine Yankee Atomic Power Company whose facilities have been permanently retired and physically decommissioned.

National Grid Ventures

In fiscal year 2016/17, National Grid plc announced the creation of National Grid Ventures (“**NGV**”) to drive growth outside of its regulated core business in competitive markets across the U.S. and the UK.

NGV operates separately from National Grid’s core regulated business units and is focused on investment in a broad range of energy businesses that operate in competitive markets across the UK and the U.S. NGV’s global portfolio includes electricity interconnectors, liquefied natural gas (“**LNG**”) storage and regasification, large-scale renewable generation, conventional generation and competitive transmission.

The NGV business in the UK comprises commercial operations in LNG and electricity interconnectors, and focuses on investment and future activities in emerging growth areas. In the U.S., NGV focuses on competitive transmission and strategic growth in areas including, but not limited to, solar, on/offshore wind, and energy storage.

In the U.S., NGV manages a diverse portfolio of energy businesses that are adjacent to the core regulated operations more fully described below. The NGV platform represents the main strategic growth area outside the regulated core in competitive markets (i.e. renewable energy acquisition/investments) across the U.S. It focuses on targeted investment in the energy sector outside of NGNA’s core business. A partial listing of NGV investments and projects is as follows:

- NGV and RWE Renewables successfully secured a seabed lease as part of the U.S. Bureau of Ocean Energy Management’s New York Bight auction. Community Offshore Wind, a joint venture between the two companies, is developing the awarded seabed, which has the potential to host 3 GW of capacity.
- NGV’s National Grid Renewables business achieved commercial operation of its 274 MW Yellowbud Solar Project in Ohio and its 275 MW Noble Solar Project (with 125 MW of battery storage) in Texas and commenced construction on three utility scale solar projects and one energy storage project, totalling 545.5 MW of capacity, in South Dakota, Texas and Ohio; and
- NGV is part owner of New York Transco, which started construction of the largest transmission project in New York in 40 years to enable 1 GW of renewable energy onto the system.

National Grid Partners

National Grid Partners (“**NGP**”) was established in 2018 as the venture corporate investment and innovation arm of National Grid that focuses on investment and future activities in emerging growth

areas. Since its launch in November 2018, NGP has introduced more than 230 start-up technologies to National Grid and 80% of its existing portfolio has strategic engagements with National Grid business units, which helps National Grid plc and the Group and other critical infrastructure companies ensure their capital spending generates the highest strategic value, including planning for net zero. NGP is based in California. NGP's mission is to identify disruptive technology and new business models. NGP also supports connecting disruptive innovation more tightly with the overall corporate growth strategy. Incorporated within NGP's overall mission are corporate venture capital and incubation functions that make and manage investments in financially attractive and complementary start-up organisations at the intersection of energy and emerging tech, launching new businesses from scratch, business development, and infusing an entrepreneurial culture into the Group. NGP's objective is to create a smarter and renewable future.

NGP makes modest investments intended to help NGNA remain at the forefront of technological developments relevant for its industry. NGP's investments are focused on start-ups and small companies developing new technologies that will provide clear benefit to NGNA's existing businesses.

By way of example regarding NGP's recent activities, in the 2022/23 financial year, NGP invested more than \$72 million in start-ups, including four new portfolio companies and 12 follow-on rounds. It also saw four portfolio exits and now invests in 36 companies and four limited partner investments in strategic venture funds.

Regulatory Environment

Overview

In the U.S., NGNA's public utilities' retail transactions are regulated by state utility commissions, which include the New York Public Service Commission ("NYPSC") for NMPC, Brooklyn Union, and Gas East and the MADPU for MECO and NEC. Utility commissions serve as economic regulators in approving cost recovery and authorised rates of return. The state commissions establish the retail rates to recover the cost of transmission and distribution services and focus on services and costs within their respective jurisdictions. The FERC regulates the wholesale utility transactions of public utilities, such as interstate gas and electricity transmission and electricity generation, and provides for the cost recovery of these services.

State and Federal utility commissions regulating utility services of NGNA's utility subsidiaries in the U.S. are also charged with serving the public interest by ensuring utilities provide safe and reliable service at just and reasonable prices. They establish service standards and approve mergers and acquisitions of public utilities. The FERC also regulates public utility holding companies and centralised service companies, including those of NGNA.

NGNA's customers in all the other states in which NGNA operates have deregulated the commodity or supply component of electricity and gas utility services. Customers in deregulated states have the option to purchase electricity or gas services from competitive or independent suppliers. (See "*Business Activities and Description – Overview*").

Rate Plans and Allowed ROE in context

Rate plans are designed to produce a specific allowed ROE, by reference to an allowed operating expense level and rate base. Some rate plans include earnings sharing mechanisms that allow utilities to retain a proportion of the earnings above the allowed ROE it achieves through improving efficiency, with the balance benefiting customers. In addition, utilities' performance under certain rate plans is subject to service performance targets, and it may be subject to monetary penalties in cases where it does not meet those targets.

One measure used to monitor the performance of a regulated utility's business is by a comparison of achieved ROE to allowed ROE, with a target that the achieved should be equal to or above the allowed.

However, this measure cannot be used in isolation, as there are a number of factors that may prevent a utility from achieving that target, including the following:

- Regulatory lag – in the years following the rate year, costs may increase due to inflation or other factors. If the cost increases cannot be offset by productivity gains, the total cost to deliver will be higher as a proportion of revenue and therefore achieved ROE will be lowered.
- Cost disallowances – a cost disallowance is a decision by the regulator that a certain expense should not be recovered in rates from customers. The regulator may do this for a variety of reasons. A utility can respond to some disallowances by choosing not to incur those costs, others may be unavoidable. As a result, unless offsetting cost reductions can be found, the achieved ROE will be lowered.
- Market conditions – if a utility files a new rate case, the new allowed ROE may be below the current allowed ROE as financial market conditions may have changed. As such, a utility that appears to be underperforming the allowed ROE and files a new rate case may not succeed in increasing revenues.

Under most rate plans, to the extent that a utility earns a ROE in excess of the allowed return, the excess earnings are shared with customers by a specified ratio. Performance under certain rate plans is subject to service performance type targets (for example, service quality standards including among other things reliability levels, customer satisfaction levels and safety) that vary among various rate plans. Many of these service standards have penalties associated with them if certain specified minimum standards are not met.

Generally, utilities work to increase achieved ROEs through productivity improvements; positive performance against incentives or earned savings mechanisms such as energy efficiency programmes, where available; and filing a new rate case when achieved returns are lower than the utility could reasonably expect to attain through a new rate case.

Features of NGNA's Rate Plans

The objectives of NGNA's rate case filings are to make sure that NGNA has the right cost of service with the ability to earn a fair and reasonable rate of return, while providing safe, reliable and economical service to its customers. To achieve these objectives and to reduce regulatory lag, NGNA's rate plans often include provisions such as revenue decoupling mechanisms, capital trackers, commodity-related bad debt true-ups, and pension and other post-employment benefit ("**OPEB**") true-ups, separately from base rates. These terms are explained below in the summary rate table under the heading "*Summary of U.S. price controls and rate plans as at March 2023*".

The U.S. regulatory regime is premised on allowing the utility the opportunity to recover its cost of service and earn a reasonable return on its investments as determined by the applicable state and federal regulatory commissions. Utilities submit formal rate filings ("**rate cases**") to the relevant state regulator when additional revenues are necessary to provide safe, reliable services to customers. Utilities can be compelled to file a rate case due to complaints filed with the commission, at the commission's own discretion or as required by state law. The rate case is litigated with parties representing customers and other interests. In the states in which NGNA operates, a rate case proceeding can take 9 to 13 months for the state regulatory commission to render a final rate decision. The utility is required to prove that the requested rate change is prudent and reasonable, and the requested rate plan can span multiple years. Even in such cases where a multi-year plan has been approved, once the plan expires, rates typically remain in effect until a request is made to change them. Unlike the state processes, at the FERC there is no specified timeline or defined process for adjudicating a rate case. The FERC allows rates to be put in place before a final decision is reached, but typically makes a final decision retroactively when the case is completed, however, a refund may be required if the outcome is unfavourable.

NGNA has two electric distribution operations (upstate New York and Massachusetts) and five gas distribution networks (upstate New York, New York City, Long Island, and Massachusetts). Each operating company has a set of distribution rates for service and transmission rates for its transmission operations. NGNA currently has two sets of electricity rates covering its electric distribution operations and four sets of gas rates covering its natural gas distribution operations. Transmission electricity services in upstate New York continue to be subject to a bundled or combined rate (i.e. transmission and distribution) that is billed to end-use customers. In New England, retail transmission rates reflect the recovery from NGNA's end-use customers of wholesale transmission charges assessed to NGNA's electricity distribution companies. Wholesale rates for NGNA electricity transmission network in New England, New York and for its Long Island generation business are subject to approval by the FERC.

NGNA bills its customers for their use of electricity and gas transportation and delivery services. In addition to the customer transportation and delivery service charges, the customer bills typically comprise a commodity charge (i.e. electricity and or natural gas commodity costs). NGNA customers are allowed to select an unregulated competitive supplier for the supply component of electricity and gas utility services. A substantial proportion of NGNA's costs, in particular electricity and gas commodity purchases for its customers, are pass-through costs, meaning they are fully recoverable from its customers. These pass-through costs are recovered through separate charges to customers which are designed to recover those costs with no profit. Rates are adjusted from time to time to make sure that any over or under-recovery of these costs is returned to, or recovered from, NGNA's customers.

Gas and electricity delivery rates are established from a revenue requirement or cost of service equal to the utility's total cost of providing distribution or delivery service to its customers as approved by the commission in the rate case. This revenue requirement includes operating expenses, depreciation, taxes and a fair and reasonable return on shareholder capital invested in certain components of the utility's regulated asset base, typically referred to as its rate base. The final revenue requirement and rates for service are ultimately approved in the rate case decision. The revenue requirement is derived from a comprehensive study of the utility's total costs during a recent 12-month period of operations, referred to as a test year.

Each state regulatory commission has its own rules and standards for adjustments to the rate case test year and may include forecasted capital investments and forecasted operating expenses. These adjustments are intended to arrive at the total costs expected in the first-year new rates will be in effect.

NGNA's FERC-regulated transmission companies use formula rates (instead of rate cases) to set rates annually to recover their cost of service. Through the use of annual true-ups, formula rates recover the Group's actual costs incurred and the allowed ROE based on the actual transmission rate base each year. NGNA must make annual formula rate filings documenting the revenue requirement for an allowed ROE, which customers can review and challenge.

Revenue for the Group's wholesale transmission businesses in New England and New York is collected from wholesale transmission customers, who are typically other utilities and include the Group's own New England electricity distribution businesses. With the exception of NGNA's upstate New York utility, which continues to combine retail transmission and distribution rates to end use customers, these wholesale transmission costs are incurred by distribution utilities on behalf of their customers and are fully recovered as a pass-through from end-use customers as approved by each state commission.

The Group's Long Island generation plants sell capacity to LIPA under a power supply agreement and within wholesale tariffs approved by FERC. Through the use of cost-based formula rates, these long-term contracts provide a similar economic effect to cost of service rate regulation.

Regulatory Matters – summary of U.S. price controls and rate plans as at 31 March 2023

Along with a clear focus on productivity, the rate case filings are key to improving achieved returns in NGNA's U.S. electric and gas distribution activities. The objectives of NGNA's rate case filings are to

ensure that NGNA’s businesses have the right cost of service with the ability to earn a fair and reasonable rate of return, while providing a safe and reliable service to customers. In order to achieve these objectives and to reduce regulatory lag, NGNA has been requesting structural changes to its rate plans, such as revenue decoupling mechanisms, capital investment recovery mechanisms, commodity related bad debt true-ups, and pension and OPEB true-ups, separately from base rates. These terms are more fully explained the table below under the heading “Summary of U.S. price controls and rate plans as at 31 March 2023”.

The chart below provides a summary of NGNA’s rate plans as at 31 March 2023 and the progress that businesses have made on these regulatory principles. NGNA continues to work towards implementing these regulatory principles across its U.S. business.

Summary of U.S. Price controls and rate plans as at 31 March 2023

| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Rate base (31 Mar 2023) | Equity-to-debt ratio | Allowed Return on Equity | Achieved Return on Equity (31 Mar 2023) | Revenue decoupling† | Capital tracker‡ | Commodity – related debt true-up§ | Pension/OPEB true-up< |
|--|--|------|------|------|------|------|------|------|-------------------------|----------------------|--------------------------|---|---------------------|------------------|-----------------------------------|-----------------------|
| NYPSC | Niagara Mohawk ¹ (upstate, electricity) | | | ◆ | | | | | \$7,045m | 48:52 | 9.0% | 8.1% | ✓ | P | P | ✓ |
| | Niagara Mohawk (upstate, gas) | | | ◆ | | | | | \$1,800m | 48:52 | 9.0% | 7.1% | ✓ | P | P | ✓ |
| | KEDNY (downstate) ² | | ◆ | | | | | | \$6,048m | 48:52 | 8.8% | 9.2% | P | P | P | ✓ |
| | KEDLI (downstate) ³ | | ◆ | | | | | | \$3,774m | 48:52 | 8.8% | 9.2% | P | P | P | ✓ |
| Massachusetts Department of Public Utilities | Massachusetts Electric/Nantucket Electric | | ● | | | | | | \$3,106m | 53:47 | 9.6% | 5.9% | ✓ | P | | ✓ |
| | Massachusetts Gas | | | ● | | | | | \$4,170m | 53:47 | 9.7% | 8.6% | ✓ | P | P | ✓ |
| Federal Energy Regulatory Commission | Canadian Interconnector/Other ⁴ | | | | | | | | \$59m | 65:35 | 11.1% | 11.1% | n/a | ✓ | n/a | ✓ |
| | New England Power | | | | | | | | \$2,420m | 61:39 | 10.6% | 11.1% | n/a | ✓ | n/a | ✓ |
| | Long Island Generation | | | | | | | | \$415m | 48:52 | 9.9% | 13.9% | n/a | ✓ | n/a | ✓ |

- Both transmission and distribution, excluding stranded costs.
- KeySpan Energy Delivery New York (The Brooklyn Union Gas Company).
- KeySpan Energy Delivery Long Island (KeySpan Gas East Corporation).
- Equity ratio and Return on Equity values are for the Canadian Interconnector only.

- ⊕ Rating filing made
- ◆ New rates effective
- Rate plan ends
- - - Rates continue indefinitely
- Multi-year rate plan
- ✓ Feature in place
- P Feature partially in place

†Revenue decoupling

A mechanism that removes the link between a utility’s revenue and sales volume so that the utility is indifferent to changes in usage. Revenues are reconciled to a revenue target, with differences billed or credited to customers. This allows the utility to support energy efficiency.

‡Capital tracker

A mechanism that allows the recovery of the revenue requirement of incremental capital investment above that embedded in base rates, including depreciation and a return on the incremental investment.

§Commodity-related bad debt true-up

A mechanism that allows a utility to reconcile commodity-related bad debt either to actual commodity-related bad debt or to a specified commodity-related bad debt write-off percentage. For electricity utilities, this mechanism also includes working capital.

<Pension/OPEB true-up

A mechanism that reconciles the actual non-capitalised costs of pension and other post-employment benefits (OPEB) and the actual amount recovered in base rates. The difference may be amortised and recovered over a period or deferred for a future rate case.

Regulatory Audits

Under the various state and federal laws, the regulators are permitted to conduct periodic routine audits of various aspects of public utility’s activities (e.g. staffing, operations data management etc.). NGNA is subject to these regulatory operational audits on a regular basis.

Developments, Initiatives, Programmes and COVID-19

Massachusetts

Electric vehicles (“EV”) Initiatives

To support Massachusetts’ zero emission vehicle targets, in July 2021 NGNA, through its New England business, filed its Phase III EV charging programme with the MADPU, building on the success of two prior programmes and representing the second largest such proposal in the U.S. An order approving most of the components of the proposed Phase III EV charging programme was received on 30 December 2022. The order approved a four- year programme with an overall budget of \$206 million (\$25 million of which is capital expenditure), that is designed to enable 32,000 charging ports including targeted components for low-income households and environmental justice communities. The Phase III EV charging programme includes the following components: residential incentives to provide at-home electrical upgrades, EV charger installations and off-peak charging with targeted deployment of charging stations in environmental justice communities, public and workplace programmes for EV charger incentives to enable widespread access to charging across the Commonwealth, fleet offerings to assist with installing EV chargers and electrifying fleet vehicles, including light-, medium- and heavy-duty vehicles, as well as a managed and a demand charge alternative discount rate to reduce the operating costs of fast chargers and accelerate deployment in underserved locations (a 10-year programme). The Phase I programme for public, workplace and fleet offerings expired as of 31 December 2022 and the Phase II programme is set to expire at the end of 2024.

Grid modernisation Plan (“GMP”)

On 19 August 2015, the NGNA’s electric business MECO, together with NEC, filed a proposed GMP with the MADPU. On 10 May 2018, the MADPU issued an order in this proceeding. The order approved U.S.\$82 million in grid-facing investments over three years in: (1) conservation voltage reduction and volt/volt-amps reactive optimisation; (2) advanced distribution automation; (3) feeder monitors; (4) communications and information/operational technologies; and (5) advanced distribution management/distribution supervisory control and data acquisition. The MADPU allowed recovery of both operation and maintenance expenses and capital costs through a reconciling mechanism. The MADPU did not approve any customer-facing (i.e. advanced metering infrastructure (“AMI”)) investments; the MADPU advised it would address these in a further investigation (which it did in the NGNA’s GMP for calendar years 2022-2025). NGNA has filed annual reports and cost recovery filings with the MADPU for its GMP in 2019, 2020, 2021, 2022 and 2023.

NGNA filed its proposed four-year GMP (for calendar years 2022 – 2025) on 1 July 2021, which included proposals to continue the previously-approved investments (designated as ‘Track 1’ in the proceeding), invest in a distributed energy resource management system (“DERMS”), conduct two demonstration projects, and deploy AMI (all designated as ‘Track 2’ in the proceeding). NGNA requested authorisation for \$316.3 million in grid-facing investments over four years, consisting of \$289.3 million for Track 1 investments, \$7.9 million for DERMS investments, \$6.4 million for the two demonstration projects, and \$12.7 million to support the implementation of ‘FERC Order No. 2222’. On 7 October 2022, the MADPU issued its final order on Track 1, pre-authorising a \$300.8 million budget for NGNA’s continuing grid-facing investments in (1) monitoring and control (\$4.1 million); (2) volt/volt-amps reactive optimization (\$76.4 million); (3) advanced distribution automation (\$37.7 million); (4) an advanced distribution management system (\$61.0 million); (5) information/operational technology (\$18.8 million); and (6) communications (\$102.8 million) for its GMP for 2022-2025. On 30 November 2022, the MADPU issued its Track 2 Order, preauthorising \$35.4 million in new grid-facing investments for the years 2022-2025 GMP. Accelerated cost recovery for these investments will continue through the separate grid modernisation factor. The MADPU has also preauthorised \$391.1 million in spending for NGNA’s AMI “core” investments for the years 2023-2027, and created a new AMI factor for accelerated cost recovery for these costs. The MADPU separated some of AMI investments into a new category of “supporting” AMI investments, and provided preliminary approval for a budget of \$96.1 million for these investments. NGNA will seek cost recovery for these supporting investments through annual AMI factor filings.

MADPU investigation into the role of gas distribution companies in achieving climate change goals

On 29 October 2020, the MADPU issued an order (“**DPU 20-80**”) opening an investigation into the role of gas distribution companies in achieving Massachusetts’ 2050 climate goals. By 18 March 2022, each company was required to submit a proposal to the MADPU that includes its recommendations and plans for helping Massachusetts achieve its 2050 climate goals, supported by an independent consultant’s report, that incorporates feedback and advice obtained through a stakeholder process.

In March 2022, as part of DPU 20-80, state, NGNA and its fellow Massachusetts gas utilities filed a plan with the MADPU that outlines exactly how each gas utility planned to get to a decarbonised heating future to help Massachusetts achieve its 2050 climate goals. NGNA’s proposal envisions meeting the state’s 2050 climate goals by utilising a decarbonised and integrated gas and electric system that:

- increases investment in and adoption of energy-efficiency measures;
- eliminates fossil fuels from the Group’s gas supply by pursuing the delivery of fossil-free gas such as renewable natural gas and renewable hydrogen through the Group’s network to all the customers of the Group;
- enables customer use of hybrid heating by supporting customer adoption of heating technologies best suited to their needs; and
- utilises targeted electrification, including new solutions such as networked geothermal where safe and cost-effective.

NGNA believes that its approach will most effectively balance affordability and equity, safety, reliability, and resilience. NGNA’s plan strives to retain customer choice around heating solutions, reduce overall energy costs, increase investment and adoption of energy-efficiency measures, and make provisions for utilising non-pipe alternatives where safe and cost effective.

Pipe Replacement Programme

On 28 April 2023, the MADPU approved recovery of approximately \$131.5 million in revenue requirements, related to approximately \$427 million of anticipated investments in 2022 under an accelerated pipe replacement programme, through gas system enhancement plans. The rates are effective from May 2023 to April 2024. Pursuant to this programme, NGNA continued to reduce methane emissions from its New England gas network and improve pipeline safety.

Management Audit

On 30 September 2019, in its decision regarding MECO and NEC’s most recent request for a change in base distribution rates, the MADPU required a comprehensive independent management audit of MECO and NEC, including a review of its relationship with National Grid USA Service Company (“**NGSC**”). The final audit report was issued on 29 March 2021. On 30 April 2021, MECO and NEC filed a proposal for implementation of the audit’s recommendations. The MADPU issued a final order on 24 November 2021, directing MECO and NEC to implement the recommendations contained in the final audit report and file a comprehensive update regarding the implementation of the recommendations at or around the time of its next base rate proceeding.

New York

Downstate Gas Supply Constraints

Following Brooklyn Union and Gas East’s decision to enact a moratorium on new gas connections involving its New York downstate LDC businesses in 2019 and the resulting threat against the utilities’ licences to operate in New York, various actions have been taken to address gas supply constraints and improve stakeholder relationships. In November 2019, Brooklyn Union and Gas East entered into a settlement agreement with the State of New York that resolved all claims relating to the imposition of restrictions on service connections. A total of U.S. \$36 million in customer assistance, gas conservation measures, and clean energy investments was committed by the companies, along with the appointment

of an external monitor and the requirement to deliver a plan to address service to customers through winter 2020/21. In the interest of promoting transparency and to assure the public of NGNA's commitment to identifying long-term solutions for the region's energy challenges, NGNA extended the engagement of the external monitor, which concluded in September 2021. The settlement agreement also provided a framework for identifying longer-term solutions to address the supply constraints in downstate New York. NGNA developed a range of options to address the natural gas constraints facing the region, which were presented at a series of public meetings in the downstate New York service territory. Brooklyn Union and Gas East are now working with regulators, stakeholders, and customers to implement long-term solutions to the gas supply constraints in the region. In February 2021, the NYPSC approved an amendment to the settlement agreement, which repurposed U.S. \$20 million of shareholder funding to offset the costs of Brooklyn Union and Gas East's energy efficiency and demand response programmes.

Investigations

On 17 June 2021, five former National Grid employees in the downstate New York facilities department were arrested on federal charges alleging conspiracy and bribery. The five former employees subsequently pleaded guilty to the charges and were sentenced. National Grid was identified as a victim of the alleged crimes. The NYPSC is reviewing the matter and the MADPU issued a request for information related to the alleged criminal conduct. At this time, it is not possible to predict the outcome of the regulatory review or determine the amount, if any, of any potential liabilities that may be incurred by the subsidiaries of NGNA related to this matter. However, NGNA does not expect this matter will have a material adverse effect on the NGNA or its New York or New England utility business' results of operations, financial position, or cash flows.

Energy Efficiency and Renewable Energy Programmes

Reforming the Energy Vision ("REV"): In April 2014, the NYPSC instituted the REV proceeding, which considers options for a new regulatory and operational model for electricity utilities that includes a greater emphasis on incorporating distributed energy resources ("DER") via market mechanisms. The NYPSC envisions a new role for utilities as distributed system platform ("DSP") providers who create markets for DER and more fully integrate DER in distribution system operations and planning. The REV proceeding's objectives include: enhanced customer energy choices and control; improved electricity system efficiency, reliability, and resiliency; and cleaner, more diverse electricity generation. NGNA's updated first five-year distributed system implementation plan was filed in July 2018 and identifies incremental investments in utility infrastructure necessary for implementation of the DSP role and greater DER integration.

In addition, on 12 February 2021, the NYPSC issued white papers on gas system planning that proposed: (i) a process for modernising the long-term gas planning process in New York; and (ii) procedures for managing future moratoria on new gas service connections resulting from supply constraints.

The gas planning paper proposes significant changes to the reporting and regulatory oversight for gas supply planning, including that NYPSC directs New York's distributions companies to begin filing long-term supply plans every three years. These supply plans are similar in many respects to the NGNA's long-term report for downstate New York, in terms of identifying and analysing various supply options to address different demand scenarios.

Staff proposes potential financial incentive mechanisms for developing non-pipeline alternatives, including potential incentives for sourcing renewable natural gas and promoting electrification.

The moratorium paper proposes a roadmap for managing future moratoria, including requirements for stakeholder notifications, communications plans, and applicant management. The NYPSC is expected to consider these issues later this year.

National Grid plc is performing an internal investigation regarding certain conduct associated with energy efficiency programmes at NGNA's affiliates. At this time, it is not possible to predict the outcome of the investigation or determine the amount, if any, of any liabilities that may be incurred in connection with it by NGNA or its affiliates. However, NGNA does not expect this matter will have a material adverse effect on its results of operations, financial position or cash flows.

Advanced Metering Infrastructure

In November 2020, the NYPSC approved NGNA's filing requesting permission to deploy AMI in NMPC's upstate New York service territory. The AMI programme involves a six-year, U.S.\$640 million (20-year NPV) deployment of approximately 1.7 million electric AMI meters and 640,000 AMI-compatible gas modules, with two years of back-office system work beginning in the second quarter of 2021, and electric meter/gas module deployment to begin in the second quarter of 2023. This investment will modernise both customer and grid-facing components of the NGNA's distribution system and is considered a key enabler of NMPC's strategy to address the comprehensive clean energy goals set forth in the Climate Leadership and Community Protection Act ("**CLCPA**").

Other New York Regulatory Updates

In September 2021, the NYPSC approved Niagara Mohawk's petition seeking approval to dispatch and market the output from a NGNA-owned energy storage facility into the wholesale markets administered by the New York Independent System Operator, Inc. ("**NYISO**"). The facility consists of a single 2MW/3MWh energy storage unit that was installed to mitigate a potential thermal overload of a substation transformer but is only needed for local reliability support during the summer months of June to September. The NYPSC authorised NGNA to bid the energy, capacity, and/or ancillary services available from the facility into the NYISO-administered wholesale markets when not needed for local reliability support with the financial gains from any such market transactions accruing entirely to the benefit of NMPC's customers. This authorisation for dual participation will provide financial benefits to NGNA's NMPC customers that funded the facility and will provide valuable learning opportunities in advance of managing the third-party-owned bulk energy storage projects being procured through competitive requests for proposals pursuant to NYPSC orders.

In addition, in May 2022, the NYPSC approved Brooklyn Union and Gas East's petition to deploy unprecedented levels of non-infrastructure solutions (e.g. energy efficiency and demand response programme) to meet customers' energy needs and address a looming gas capacity shortfall on the NGNA's downstate gas systems in a manner that supports New York's aggressive climate goals.

HyGrid Project - Long Island New York

NGNA launched the HyGrid project, the largest green hydrogen-blending project for direct use by utility customers in the north-eastern U.S. and one of the first in the U.S. In the Town of Hempstead on Long Island, HyGrid is expected to heat approximately 800 homes and fuel 10 municipal vehicles at no additional cost to customers. Much of the equipment required to create zero-carbon hydrogen is already in place at the site; this includes existing wind and solar equipment for generating hydrogen fuel for vehicles, and an adjacent NGNA facility that provides energy for the local neighbourhood.

Smart Path Project

NGNA is working with New York Power Authority to build the Smart Path Connect project, a U.S.\$1 billion transmission upgrade that will enable the integration of 1 GW of renewable energy to the grid. In addition, NGNA has proposed nearly U.S.\$700 million in short-term transmission upgrades in upstate New York that would unlock roughly 2.6 GW of clean energy resources.

FERC Matters

FERC Order 1000

Issued in 2011, Order 1000 was FERC's major policy order intended to foster regional and inter-regional transmission planning, address transmission needs driven by public policy requirements and increase

competition in the electric transmission industry. Policies to comply with Order 1000 have been in effect in New York since January 2014 and became effective in New England in May 2015. The competitive transmission planning processes instituted under Order 1000 have opened NGNA's service territory to competition from non-incumbent transmission developers and also created opportunities for NGNA to compete for transmission projects outside of NGNA's current geographic footprint. In April 2022, FERC issued a Notice of Proposed Rulemaking where it acknowledged that Order 1000 has not resulted in the development of competition as intended and has proposed a partial re-instatement of incumbent transmission owner rights of first refusal for certain reliability projects. A final ruling from FERC on this issue is expected in the third quarter of 2023.

Formula Rate 206 proceeding

On 28 December 2020, FERC approved the settlement of a proceeding it had initiated against NGNA's New England Transmission business operated by NEP and other New England transmission owners in 2015 under Section 206 of the Federal Power Act. The new settlement formula rates were adopted on 1 January 2022. Permanent formula rate protocols providing for information exchange and challenges have been in effect since June 2023. As part of the settlement approved by FERC, the parties to the proceeding agreed to a moratorium which applies to Section 205 or Section 206 filings seeking to change Attachment F to the Independent System Operator – New England Open Access Transmission Tariff, its appendices or the formula rate Protocols developed as part of the settlement, subject to certain exceptions, until 31 December 2024.

FERC - Complaints on New England transmission allowed ROE

With respect to the outstanding FERC complaints that were filed against transmission owners, including NGNA's New England transmission business, to lower the base ROE of 11.14 per cent. authorised by the FERC the status remains uncertain. FERC issued orders resolving only the first complaint, with the last order in March 2015, lowering the base ROE to 10.57 per cent. which remains in effect. As of January 2021, the FERC has a full complement of commissioners and has the ability to apply the Midcontinent Independent System Operator ("MISO") orders to the New England complaint proceedings at any time but has not done so to date. Until the FERC issues a final decision regarding certain transmission owners including NGNA's New England electricity transmission business's own ROE complaints or an order applying the revised ROE methodology proposed in the MISO orders to all transmission companies, there is significant uncertainty. Given the FERC's inaction on the matter and other significant uncertainty that still remains relating to FERC's methodology, NGNA is unable to predict the potential effect of the November 2019 and 21 May 2020 MISO orders on the New England Transmission Owners ("NETO") ROE dockets or the outcome of the four complaints. Further, NGNA cannot reasonably estimate a range of gain or loss for any of the four complaint proceedings.

U.S.-Energy Policy 2022/23 Developments

The current U.S. administration continues to make climate change a top priority for the federal government.

The U.S.\$1 trillion Infrastructure Investment and Jobs Act was passed, providing roughly U.S.\$550 billion of new federal funding for roads, bridges, transit, and other physical infrastructure programmes, and contained several National Grid plc and Group related priorities.

The administration committed the U.S. to the Global Methane Pledge at COP26⁹ to cut emissions by 30 per cent. by 2030. Offshore wind is a major growth focus for the current administration, with a 30 GW goal by 2030 and 110 GW by 2050.

⁹ The 26th UN Climate Change Conference of the Parties which the UK hosted at the Scottish Event Campus in Glasgow from 1 to 12 November 2021. The climate talks brought together heads of state, climate experts and campaigners to agree coordinated action to tackle climate change. National Grid plc was a principal partner of COP26.

By 2030, New York is targeting 10 GW of solar, 9 GW of offshore wind, and 8 GW of onshore wind, and recently doubled its storage goal to 6 GW. Massachusetts' goal is to have 8 GW of solar, 4 GW of offshore wind, and 2.8 GW of storage by 2030.

The U.S. is seeing one of the world's highest levels of grid investment to meet demand for more decentralised assets such as distributed generation and EV charging. In Massachusetts, the Department of Energy Resources officially approved the doubling of the current solar programme to 3.2 GW. The Massachusetts Department of Public Utilities passed a provisional programme regarding cost allocation to support distributed generation. The state also allocated U.S.\$13.1 million in grants to install 306 direct current fast charging electric vehicle charging ports at 150 locations.

The Governor of New York called for a doubling of the energy-storage target to 6 GW by 2030 and intends to establish a world-class battery research and manufacturing centre. Proposals also included a U.S.\$1 billion investment to support EV adoption and charging, U.S.\$500 million to develop offshore wind supply chains and port infrastructure, and the creation of a green hydrogen hub to compete for U.S.\$10 billion federal funding.

COVID-19 Rate Matters

NGNA worked closely with state and federal regulators to ensure its customers and communities had access to the energy they needed through this time. Since utilities are defined under various state and federal laws as essential services, substantially all of NGNA's services are considered essential services under state and federal laws and are thus continued.¹⁰ NGNA has not seen a material impact on its financial performance as a result of COVID-19; however, due to applicable regulators' prioritisation of essential services to ensure NGNA continues to provide safe and reliable utility services to its customers, NGNA did see some delays and disruption to its capital expenditures and investments. NGNA temporarily ceased certain customer cash collection activities in response to regulatory instructions and to changes in State, Federal and City level regulations and guidance, and actions to minimise risk to the Group's employees as a result of COVID-19. At that time, the Group also ceased customer termination activities as requested by relevant local authorities and this resulted in the recognition of additional expected credit losses. Cash collection and customer termination activities subsequently resumed in New England and New York during the year ended 31 March 2022.

In September 2011, December 2012, July 2014, and April 2016, a series of four complaints were filed with FERC against certain transmission owners, including NGNA's New England electricity transmission business. These complaints aimed to lower the base ROE, which FERC had authorised at 11.14 per cent. prior to the first complaint. FERC issued orders resolving only the first complaint, with the last order in March 2015, lowering the base ROE to 10.57 per cent. A number of parties, including NGNA, appealed FERC's order on the first complaint to the U.S. federal court. On 14 April 2017, the court vacated FERC's order and remanded the first complaint back to FERC. This required FERC to reconsider the methodology it adopted in its order. On 5 June 2017, the NETOs, including NEP, the NGNA transmission operator, submitted a filing to FERC to document the reinstatement of their transmission rates that had been in effect on 15 October 2014. FERC denied this filing and stated that, until further notice, the base ROE in New England must remain at the filed rate of 10.57 per cent. On 16 October 2018, FERC issued a Preliminary Order Directing Brief on NGNA's four New England ROE

¹⁰ COVID-19 response New York - The New York State Legislature, in response to the state of emergency, enacted amendments to Section 32 of the Public Service Law, referred to as the Parker-Mosley amendments, that provided, inter alia, that no utility corporation shall terminate or discontinue service to any residential customer for non-payment of any overdue charges for the duration of the COVID-19 state of emergency. Further, for customers who attest to a change in financial circumstances due to the COVID-19 pandemic, these protections were extended to 21 December 2021, an additional 180 days following the end of the declared state of emergency.

COVID-19 response Massachusetts – On 24 March 2020, the Chairman of the MADPU issued a series of orders in response to the Governor's declaration of a state of emergency due to the COVID-19 pandemic. the MADPU prohibited the utilities from terminating service to any customer (including residential, commercial and industrial customers) for non-payment of utility bills until the state of emergency is lifted. Since that time the state has extended the moratorium for residential customers to 1 July 2021, but the moratorium for commercial and industrial (C&I) customers has since expired. On 31 December 2020, the MADPU approved the consensus implementation issues related to the ratemaking treatment of the COVID-19 customer assistance programmes and determined that the remaining contested issues, including the extent to which the companies will be allowed to recover their COVID-19 costs, should be fully adjudicated in a new proceeding which is currently pending before the MADPU.

complaints. In this, FERC proposed a new methodology for determining whether an existing ROE remains just and reasonable and also for determining a new ROE where an existing ROE is found to be unjust and unreasonable. FERC also proposed to set the base ROE in New England at 10.41 per cent. with a 13.08 per cent. cap on incentives. Briefs were due in January 2019 and responses to the briefs were filed on 8 March 2019. FERC is under no deadline to act on the briefs and it is too early to determine when or how FERC will come to a decision.

On 21 November 2019, FERC issued an order addressing customer complaints involving the transmission ROE for the transmission owners in the MISO. FERC issued an order on rehearing addressing the initial order on 21 May 2020. In those orders, FERC adopted a revised methodology for determining base ROEs for the MISO. This differed significantly from the methodology and framework set forth in its 16 October 2018 preliminary order, which proposed a new ROE methodology in the dockets covering the four ROE complaints against the NETOs. On 23 December 2019, the NETOs filed a Supplemental Paper Hearing Brief and a Motion to Supplement the Record in the NETOs' ROE dockets to respond to the new methodology adopted in the November 2019 MISO's order, as there is uncertainty as to whether the outcome in that proceeding may be applied to the NETOs' cases. Further changes to the FERC ROE methodology applicable to NGNA are possible as a result of the orders in the MISO's proceeding and the issues raised in pending pleadings in the NETOs' proceedings. Given the significant uncertainty relating to FERC's methodology, NGNA is unable to predict the potential effect of the November 2019 and 21 May 2020 MISO orders on the NETOs' ROE dockets or the outcome of the four complaints. Further, NGNA cannot reasonably estimate a range of gain or loss for any of the four complaint proceedings.

Employment Issues

NGNA negotiates with recognised unions and its policy is to maintain well-developed communications and consultation programmes. NGNA believes that it can conduct its relationships with trade unions and employees in a satisfactory manner. There have been no material disruptions to NGNA's utility operations from labour disputes during the past five years.

Environmental Regulation

The ongoing operations and historical activities of NGNA's public utility subsidiaries are subject to various federal, state, and local environmental laws and regulations including, among other things, requirements concerning air and water quality, wetlands and flood plains, endangered and threatened species, storage, transportation and disposal of hazardous wastes and substances, worker health and safety, storage tanks, climate change, pipeline leaks, and site remediation. NGNA's subsidiaries' businesses generate some hazardous and potentially hazardous waste and by-products. Under federal and state laws, potential liability for the historical contamination of property may be imposed on responsible parties jointly and severally, without fault, even if the activities were lawful when they occurred.

The EPA, various state environmental protection agencies like the New York State Department of Environmental Conservation, the Massachusetts Department of Environmental Protection, as well as private entities have alleged that certain of NGNA's subsidiaries are a potentially responsible party under state or federal law for a number of sites at which hazardous waste is alleged to have been released. NGNA's public utility subsidiaries are generally responsible for on-site liabilities, and in some cases off-site liabilities, associated with the environmental condition of their current and former assets, regardless of when the liabilities arose and whether they were known or unknown. The most significant liabilities relate to former MGP facilities. As required by the EPA, or an applicable state environmental protection agency, those MGP sites and certain other properties are currently being investigated and remediated, as necessary. Some of NGNA's utility subsidiaries have rate plans generally allowing for recovery of the costs of investigation and remediation of MGP sites.

NGNA, where possible, pursues claims against other potentially responsible parties to recover investigation and remediation costs that it believes are the obligations of those parties. NGNA cannot predict the success of any such claims. Generally, SIR costs prudently incurred at facilities associated with NGNA’s utility business operations not recoverable through insurance or some other means would be expected to be recoverable from its utility customers, in accordance with the terms of rate recovery agreements of NGNA’s utility businesses.

Climate change legislation may be considered by Congress in the future, and the EPA and various states where the Group’s businesses operate, have implemented regulations with respect to greenhouse gases or proposed regulatory changes or initiatives that could separately lead to new requirements. Pursuant to the federal Mandatory Reporting of Greenhouse Gases Rule, Group’s businesses are obligated to submit annual reports to the EPA on greenhouse gas emissions associated with certain aspects of their utility activities. In addition, the State of New York established targets under the CLCPA and the Commonwealth of Massachusetts has established a legally-binding target to achieve net zero emissions by 2050. Uncertainty about the timing and nature of any new regulatory requirements with respect to greenhouse gas emissions make any further future potential direct or indirect impacts on NGNA difficult to determine.

NGNA believes that the ongoing operations of the subsidiaries, and their approach to addressing conditions at historical sites, are in substantial compliance with all applicable environmental laws and that the obligations imposed on it because of the environmental laws will not have a material impact on its results of operations or financial position because environmental expenditures prudently incurred by NGNA and its subsidiaries are generally recoverable from its customers through a rate recovery mechanism.

Litigation

Through the ordinary course of operations, NGNA and its subsidiaries are party to various litigation, claims and investigations. NGNA does not expect the ultimate resolution of any of these proceedings to have a material adverse effect on NGNA’s or the Group’s results of operations, cash flows or financial position. See also the section entitled “*Investigations*”. For a general discussion regarding FERC - Complaints on New England transmission allowed ROE see the section entitled “*FERC Matters*”.

Board of Directors

The Directors of NGNA and their principal activities outside NGNA, are as follows:

| Name | Title | Principal activities outside NGNA | Business Address |
|----------------------------|--------------|--|---|
| Stephen Woerner | Director | President of NGUSA | 170 Data Drive Waltham Waltham, MA 02451, United States |
| Christopher McConnachie | Director | Vice President & Chief Financial Officer of NGNA and New York subsidiaries (i.e. New York business units) | 2 Hanson Place, Brooklyn New York 11217 |
| Benjamin H. Wilson | Director | President of NGV US LLC and various officer appointments in various subsidiaries and affiliates of NGV US LLC | 404 Wyman Street Waltham, MA 02451, United States |

There are no potential conflicts of interest between the duties to National Grid North America Inc. of each of the Directors listed above and his or her private interests or other duties.

TAXATION

United States Taxation

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of the Instruments by Non-U.S. Holders (defined below). This summary only addresses initial purchasers of the Instruments at the “issue price” (the first price at which a substantial amount of Instruments are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering who are Non-U.S. Holders and will hold the Instruments as capital assets for U.S. federal income tax purposes. This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. This summary does not cover all aspects of U.S. federal taxation that may be relevant to the acquisition, ownership or disposition of Instruments by particular investors and does not address state, local, non-U.S. or other tax laws.

This summary addresses only Instruments that will be treated as debt for U.S. federal tax purposes and does not address Instruments with special features such as a maturity of longer than 30 years.

As used herein, the term “**Non-U.S. Holder**” means a beneficial owner of an Instrument that is, for U.S. federal income tax purposes: (i) an individual who is classified as a non-resident alien; (ii) a foreign corporation; or (iii) a foreign estate or trust.

The term “Non-U.S. Holder” does not include any of the following holders: a holder who is an individual present in the United States for 183 days or more in the taxable year of disposition and who is not otherwise a resident of the United States for U.S. federal income tax purposes; certain former citizens or residents of the United States; an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes; a corporation that, for U.S. federal income tax purposes, is treated as either a personal holding company, a controlled foreign corporation, or a passive foreign investment company; or a holder for whom income or gain in respect of the Instruments is effectively connected with the conduct of a trade or business in the United States or is attributable to a U.S. permanent establishment that the holder maintains. Such holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the Instruments.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Instruments, the tax treatment of a partner therein will generally depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences applicable to them and their partners.

THE SUMMARY OF U.S. FEDERAL INCOME AND ESTATE TAX SET FORTH BELOW IS INCLUDED FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING INSTRUMENTS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Under current U.S. federal income and estate tax law, and subject to the discussion of backup withholding and information reporting and FATCA withholding in the following sections:

- (a) Payments of principal, original issue discount (“**OID**”), and interest by the Issuer or any paying agent to any holder of an Instrument who is a Non-U.S. Holder will not be subject to U.S. federal income or withholding tax, provided that, in the case of amounts treated as interest or OID with respect to Instruments with a maturity of more than 183 days, (i) the amount of the payment is not determined by reference to any receipts, sales or other cash flow, income or profits, change in value of any property of, or dividend or similar payment made by, the Issuer or a person related to the Issuer (a “**Contingent Payment**”), (ii) the Non-U.S. Holder does not actually or

constructively own 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, (iii) the Non-U.S. Holder is not for U.S. federal income tax purposes a controlled foreign corporation related, directly or indirectly, to the Issuer through stock ownership, (iv) the Non-U.S. Holder is not a bank receiving interest described in Section 881(c)(3)(A) of the Code and (v) the Non-U.S. Holder provides a properly completed U.S. Internal Revenue Service (“**IRS**”) Form W-8. If a Non-U.S. Holder fails to satisfy any of these requirements, payments of interest on the Instruments will be subject to U.S. withholding tax at a rate of 30 per cent. unless the Non-U.S. Holder timely provides a properly completed IRS Form W-8 appropriate to the Non-U.S. Holder’s circumstances claiming an exemption from or reduction in withholding under an applicable income tax treaty and complies with any other applicable procedures.

- (b) A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain realised upon the sale or retirement of an Instrument (including upon redemption), although any amount attributable to accrued interest will be treated as described above under paragraph (a).
- (c) An Instrument held by an individual who is a Non-U.S. Holder at the time of death will not be subject to U.S. federal estate tax as a result of the individual’s death if (i) at the time of the individual’s death payments with respect to the Instrument would not have been effectively connected with a U.S. trade or business of the individual, and (ii) with respect to Instruments with a maturity of more than 183 days, (A) the holder did not own, actually or constructively, 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, and (B) the Instrument does not provide for any Contingent Payments.

Backup Withholding and Information Reporting

Unless the payor has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a United States person (as defined in the Code), payments of principal, OID, and interest on Instruments made to a Non-U.S. Holder will not be subject to backup withholding, provided the Non-U.S. Holder provides the payor with a valid IRS Form W-8, but interest and OID paid on Instruments with a maturity of more than 183 days may be reported to the IRS as required under applicable regulations. Any amounts withheld under the backup withholding rules may be allowed as a credit against the Non-U.S. Holder’s U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is furnished to the IRS in a timely manner.

Non-U.S. Holders should consult their tax advisers regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

FATCA Withholding

Certain provisions of U.S. law commonly referred to as “**FATCA**” impose U.S. federal withholding tax at a rate of 30 per cent. on payments of U.S. source interest (including interest paid on Instruments with a maturity of more than 183 days) to certain non-U.S. entities, either as beneficial owners or as intermediaries, that fail to meet certain certification, reporting, or related requirements. Accordingly, the status and actions of entities through which a Non-U.S. Holder holds the Instruments will affect whether such withholding is required. Such 30 per cent. withholding tax was also scheduled to be applicable to gross proceeds from the sale or other disposition of an obligation that produces U.S. source interest (including the sale, exchange, redemption or other taxable disposition of Instruments with a maturity of more than 183 days) after 31 December 2018. However, proposed Treasury regulations have been issued that provide for repeal of such 30 per cent. withholding tax applicable to payments of gross proceeds. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. An intergovernmental agreement between the

United States and an applicable foreign country or future U.S. Treasury regulations or other guidance may modify these requirements.

If an amount were to be deducted or withheld from interest, principal or other payments on the Instruments as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Instruments, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. If FATCA withholding is imposed, a Non-U.S. Holder that is not a foreign financial institution may be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden), to the extent such amount withheld exceeds any U.S. federal income tax liability, if any, such Non-U.S. Holder otherwise has.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE INSTRUMENTS AND THE HOLDERS IS SUBJECT TO CHANGE. EACH HOLDER OF INSTRUMENTS SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

The Proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Instruments and other primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 should, however, be exempt.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Instruments where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the proposed FTT remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate. Prospective holders of Instruments are advised to seek their own professional advice in relation to the FTT.

PLAN OF DISTRIBUTION

Summary of Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 4 August 2023 (as amended or supplemented from time to time), between the Issuer, the Permanent Dealers and the Arranger (the “**Dealer Agreement**”), the Instruments will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to issue Instruments directly on its own behalf to dealers which are not Permanent Dealers. The Instruments may also be issued by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Instruments to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers. The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Instruments.

Selling Restrictions

United States

The Instruments have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Dealer Agreement, it has offered or sold and will offer or sell the Instruments of any identifiable Tranche, (a) as part of its distribution at any time or (b) otherwise until 40 days after completion of the distribution of such Tranche (the “**distribution compliance period**”) only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither the Dealers, their affiliates (if any) nor any persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to Instruments, and the Dealers, their affiliates (if any) and any person acting on their behalf have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer agrees that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche, an offer or sale of Instruments within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Instruments (or Pricing Supplement, as the case may be) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in the EU Prospectus Regulation; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Instruments (or Pricing Supplement, as the case may be) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA) with respect to anything done by it in relation to any Instruments in, from or otherwise involving the UK.

Canada

The Instruments have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof. Each Dealer has represented and agreed and each further Dealer

appointed under the Programme will be required to represent and agree that it has not offered, sold or distributed and will not offer, sell or distribute any Instruments, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. Each Dealer has also represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not and will not distribute or deliver this Base Prospectus, or any other offering material in connection with any offering of Instruments, in Canada other than in compliance with applicable securities laws.

Japan

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Instruments, each Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Instruments or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility for such material.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Instruments to be admitted to the Official List and traded on the Market will be substantially in the following form, duly completed to reflect the particular terms of the relevant Instruments and their issue.

Final Terms dated [●]

NATIONAL GRID NORTH AMERICA INC.

Legal Entity Identifier (LEI): 5Q3U0WRKWZZGRMPYFT08

Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]

under the Euro 8,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]/[MiFID II]; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Instruments (a “distributor”)]/[distributor] should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products))¹¹

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 4 August 2023 [and the supplemental Prospectus dated [date]] which [together] constitute[s] (i) a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”). This document constitutes the Final Terms of the Instruments described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus[es] [and the supplemental Prospectus] [is][are] available for viewing at the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated [●]. This document constitutes the Final Terms of the Instruments described herein for the purposes of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated [●] [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus dated [●] [and the supplemental Prospectuses dated [●] and [●]]. The Prospectus[es] [and the supplemental Prospectus] [is][are] available for viewing at the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

¹¹ For any Instruments to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Instruments pursuant to Section 309B of the SFA prior to the launch of the offer.

1. (i) Series Number: [●]
(ii) Tranche Number: [●]
(iii) [Date on which the Instruments become fungible: [Not Applicable/The Instruments shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] [on [●]/the Issue Date/which is expected to occur on or about [●].]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount
[(i)] Series: [●]
[(ii)] Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
5. Specified Denominations: [●]
Calculation Amount: [●]
6. [(i)] Issue Date: [●]
[(ii)] Interest Commencement Date: [[●]/Issue Date/Not Applicable]
7. Maturity Date: [●] [Interest Payment Date falling in or nearest to [●]]
8. Interest Basis: [[●] per cent. Fixed Rate]
[[SONIA][CORRA][EURIBOR][CDOR]] +/- [●] per cent. Floating Rate
[Zero Coupon]
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
10. Change of Interest or Redemption/Payment Basis: [[●]/[Not Applicable]]
11. Put/Call Options: [Investor Put]
[Issuer Call] [[●]-month] [par call]]
[Make-whole]
(see paragraph [16/17/18/19])
12. Date [Board] approval for issuance of Instruments obtained: [[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]

- (v) Day Count Fraction (Condition 3.8): [30/360 / Actual/Actual ([ICMA]/ISDA) / Actual/Actual Canadian Compound Method]
- (vi) Determination Dates (Condition 3.8): [●] in each year
- 14. Floating Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●], subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to any adjustment[, as the Business Day Convention in (iii) below is specified to be Not Applicable]
- (ii) Specified Interest Payment Dates: [Not Applicable]/[, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to any adjustment[, as the Business Day Convention in (iii) below is specified to be Not Applicable]
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention][Not Applicable]
- (iv) First Interest Payment Date: [Not Applicable]/[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iii) above/, not subject to any adjustment[, as the Business Day Convention in (iii) above is specified to be Not Applicable]
- (v) Business Centre(s) (Condition 3.8): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Interest Period Date(s): [Not Applicable]/[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iii) above/, not subject to any adjustment[, as the Business Day Convention in (iii) above is specified to be Not Applicable]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination (Condition 3.2.3(b) / 3.2.3(c) / 3.2.3(d)): [Applicable/Not Applicable]
- Reference Rate: [EURIBOR]
[SONIA Compounded Index Rate / SONIA Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where “p” is: [specify number] London Business Days [being no less than 5 London Business Days]]
[CORRA where “p” is: [specify number] Toronto Business Days [being no less than 5 Toronto Business Days]]

- Interest Determination Date(s): [Second [London][Toronto] business day prior to the start of each Interest Accrual Period]
[First day of each Interest Accrual Period]
[Second day on which T2 is open prior to the start of each Interest Accrual Period]
[[●] business day[s] prior to the start of each Interest Accrual Period]
[The date which is ["p"] [London] [Toronto] Business Days prior to each Interest Payment Date]
 - Relevant Screen Page: [●]
[[Bloomberg Screen Page: SONCINDX] / see pages of authorised distributors for SONIA Compounded Index Rate] or [Bloomberg Screen Page: SONIO/N Index] / SONIA Compounded Daily Reference Rate as applicable]
 - Relevant Fallback Screen Page: [[Bloomberg Screen Page: SONIO/N Index] / see pages of authorised distributors for SONIA Compounded Daily Reference Rate as applicable] [●]
 - Reference Banks (if Primary Source is "Reference Banks"): [●]
 - (x) ISDA Determination (Condition 3.2.3(a)): [Applicable/Not Applicable]
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - (xi) CDOR Rate Determination (Condition 3.2.3(e)): [Applicable/Not Applicable]
 - Interest Determination Date(s): [●] [[●] Business Days in [●] for [●] prior to [●]]
[Second Toronto business day prior to the start of each Interest Accrual Period] [The first day in each Interest Accrual Period]
 - (xii) Linear Interpolation (Condition 3.2.3(f)): [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation]
 - (xiii) Margin(s): [+/-][●] per cent. per annum [Not Applicable]
 - (xiv) Minimum Rate of Interest: [●] per cent. per annum [Not Applicable]
 - (xv) Maximum Rate of Interest: [●] per cent. per annum [Not Applicable]
 - (xvi) Day Count Fraction (Condition 3.8): [[Actual/Actual] [Actual/Actual-ISDA] [Actual/365(Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360(ISDA)] [Actual/Actual-ICMA]]
- 15. Zero Coupon Instrument Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield (Condition 4.4): [●] per cent. per annum
 - (ii) Day Count Fraction (Condition 3.8): [[Actual/Actual] [Actual/Actual-ISDA] [Actual/365(Fixed)] [Actual/360] [30/360] [360/360]

[Bond Basis] [30E/360] [Eurobond Basis]
[30E/360(ISDA)] [Actual/Actual-ICMA]]

PROVISIONS RELATING TO REDEMPTION

16. Residual Holding Call Option [Applicable/Not Applicable]

- (i) Residual Holding Percentage: [●] per cent.
- (ii) Party responsible for calculating the Residual Holding Redemption Amount (if not the Calculation Agent): [●]
- (iii) Benchmark Security: [●]
- (iv) Benchmark Spread: [●] per cent. per annum
- (v) Benchmark Day Count Fraction: [[Actual/Actual] [Actual/Actual-ISDA] [Actual/365(Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360(ISDA)] [Actual/Actual-ICMA]]

17. Call Option [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Instrument and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part: [Applicable/Not Applicable]
 - (a) Minimum nominal amount to be redeemed: [●]
 - (b) Maximum nominal amount to be redeemed: [●]
- (iv) Option Exercise Date(s): [●]
- (v) Notice period (Condition 4.5.2): Minimum Period: [15] [●] days
Maximum Period: [30] [●] days

18. Put Option [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Instrument: [●] per Calculation Amount
- (iii) Option Exercise Date(s): [●]
- (iv) Notice period (Condition 4.6): Minimum Period: [15] [●] days
Maximum Period: [30] [●] days

19. Make-whole Redemption Option [Applicable/Not Applicable]

- (i) Make-whole Redemption Date(s): [●]
 - (a) Reference Bond: [●]

(If a Par Call Commencement Date is specified below, the Reference Bond should most closely mature on

the Par Call Commencement Date rather than the Maturity Date)

- (b) Quotation Time: [●]
- (c) Redemption Margin: [[●] per cent.][None]
- (d) Determination Date: [●]
- (e) Par Call Commencement Date: [●]
- (f) Canada Yield Price: [Applicable/Not Applicable] *[if Canada Yield Price is specified as being applicable, a Par Call Commencement Date must also be specified]*

(ii) If redeemable in part:

- (a) Minimum nominal amount [●]
to be redeemed:
- (b) Maximum nominal amount [●]
to be redeemed:

(iii) Notice period (Condition 4.5.3): Minimum Period: [15] [●] days
Maximum Period: [30] [●] days

20. Final Redemption Amount of each Instrument: [●] per Calculation Amount

21. Early Redemption Amount

- (i) Early Redemption Amount(s) of each [●] per Calculation Amount Instrument payable on redemption for taxation reasons (Condition 4.2) or on Event of Default (Condition 8):
- (ii) Redemption for taxation reasons [Yes/No] permitted on days other than Interest Payment Dates (Condition 4.2):

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

22. Form of Instruments: **Registered Certificates:**
Temporary Global Certificate exchangeable for a Permanent Global Certificate not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership.
23. Financial Centre(s) or other special provisions relating to Payment Dates (Condition 5.3): [Not Applicable/[●]]
24. New Safekeeping Structure: [Yes/No]
25. Eligible Bonds: [Yes/No]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Reviewer(s):] *[Name of sustainability rating agencies and name of third party assurance agent, if any and details of compliance opinion(s) and availability]*
 - (ii) [Date of Second Party Opinion(s):] [●]

THIRD PARTY INFORMATION

[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of National Grid North America Inc.:

By:

Duly authorised

PART B – OTHER INFORMATION

1 Listing and trading

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from [●].]
- (iii) Estimate of total expenses[●]
related to admission to trading:

2 Ratings

- Ratings: [The Instruments to be issued [have been] [are expected to be] rated:
[S&P Global Ratings Europe Limited (“S&P”): [●]]
An obligation rated '[●]' [Insert definition of [●] available via weblink below].
The [plus (+) / minus (-)] [Delete as applicable] sign shows relative standing within the rating categories.
(Source: S&P, https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)
[Moody's Investors Service Ltd. (“Moody's”): [●]]
An obligation rated '[●]' [Insert definition of [●] available via weblink below].
The modifier ['1' indicates that the obligation ranks in the higher end of its generic category / '2' indicates a mid-range ranking / '3' indicates a ranking in the lower end of that generic rating category] [Delete as applicable].
(Source: Moody's, <https://www.moody.com/ratings-process/Ratings-Definitions/002002>)
[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
[The Instruments have not been specifically rated.]

3 Interests of natural and legal Persons involved in the Issue

Save for any fees [of [●]] payable to the Dealers, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4 **Reasons for the Offer and Estimated Net Proceeds**

(i) Reasons for the offer/use of [●]
proceeds:

(ii) Estimated net proceeds: [●]

5 **[Fixed Rate Instruments only – Yield**

Indication of yield: [●] per cent. per annum. This is calculated on the Issue Date, and is not an indication of future yield.

6 **Operational Information**

ISIN: [●]

Common Code: [●]

Trade Date: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[●]]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

Name(s) of [relevant Dealer/Managers]: [●]

The aggregate principal amount of the Instruments issued has been translated into Euro at the rate of [●], producing a sum of (for Instruments not denominated in Euro): [Not Applicable/Euro [●]]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will

depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Relevant Benchmark[s]:

Amounts payable under the Instruments will be calculated by reference to [[*specify benchmark*] which is provided by [*administrator legal name*]]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by the Financial Conduct Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK BMR**”)/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] [does not fall within the scope of the UK BMR][by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of the UK BMR apply such that [*administrator legal name*] is not currently required to obtain authorisation or registration (or if located outside the United Kingdom, recognition, endorsement or equivalence)]]/[Not Applicable]

7 Distribution

| | |
|---|-------------------------------------|
| U.S. Selling Restrictions: | Regulation S; Compliance Category 3 |
| Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] |
| Prohibition of Sales to UK Retail Investors | [Applicable/Not Applicable] |
| Method of distribution: | [Syndicated/Non-syndicated] |
| If syndicated, names of Managers: | [Not Applicable/give names] |
| Stabilisation Manager(s) (if any): | [Not Applicable/give names] |
| If non-syndicated, name of Dealer: | [Not Applicable/give name] |

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of PSM Instruments will be substantially in the following form, duly completed to reflect the particular terms of the relevant Instruments and their issue.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 20, FOR THE ISSUE OF THE INSTRUMENTS DESCRIBED BELOW.

Pricing Supplement dated [●]

NATIONAL GRID NORTH AMERICA INC.

Legal Entity Identifier (LEI): 5Q3U0WRKWZZGRMPYFT08
Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]
under the Euro 8,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]/[MiFID II]; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its

own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Instruments (a "distributor")]/[distributor] should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[s/s'] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]¹²

Any person making or intending to make an offer of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus or supplement a prospectus pursuant to Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, in each case, in relation to such offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Listing Particulars dated 4 August 2023 [and the supplemental Listing Particulars dated [date]] which [together] constitute[s] listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the Financial Conduct Authority (the "Listing Rules"). This document constitutes the Pricing Supplement of the Instruments described herein for the purposes of Listing Rule 4.2.3 of the Listing Rules and must be read in conjunction with such Listing Particulars [as so supplemented]. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of this Pricing Supplement and the Listing Particulars [as so supplemented]. The Listing Particulars [and the supplemental Listing Particulars] [is]/[are] available for viewing at the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

The following alternative language applies if the first Tranche of an issue which is being increased was issued under a Listing Particulars with an earlier date.

¹² For any Instruments to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Instruments pursuant to Section 309B of the SFA prior to the launch of the offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Trust Deed dated [original date] and set forth in the Listing Particulars dated [original date] and incorporated by reference into the Listing Particulars dated [current Listing Particulars date]. This document constitutes the Pricing Supplement of the Instruments described herein for the purposes of Listing Rule 4.2.3 of the Listing Rules of the Financial Conduct Authority (the “**Listing Rules**”) and must be read in conjunction with the Listing Particulars dated [current date] [and the supplemental Listing Particulars dated [●]], which [together] constitute[s] listing particulars for the purposes the Listing Rules. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of this Pricing Supplement and the Listing Particulars dated [current Listing Particulars date] [and the supplemental Listing Particulars dated [●] and [●]]. The Listing Particulars [and the supplemental Listing Particulars] [is][are] available for viewing at the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1. (i) Series Number: [●]
- (ii) Tranche Number: [●]
- (iii) [Date on which the Instruments become fungible: [Not Applicable/The Instruments shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] [on [●]/the Issue Date/which is expected to occur on or about [●]].]
2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount
 - [(i)] Series: [●]
 - [(ii)] Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
5. Specified Denominations: [●]
- Calculation Amount: [●]
6. [(i)] Issue Date: [●]
- [(ii)] Interest Commencement Date: [[●]/Issue Date/Not Applicable]]
7. Maturity Date: [●] [Interest Payment Date falling in or nearest to [●]]
8. Interest Basis: [[●] per cent. Fixed Rate]
[[SONIA][CORRA][EURIBOR][CDOR]] +/- [●] per cent. Floating Rate]
[Zero Coupon]
9. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
10. Change of Interest or Redemption/Payment Basis: [[●]/[Not Applicable]]
11. Put/Call Options: [Investor Put]
[Issuer Call] [[●] [-month] [par call]]]
[Make-whole]
(see paragraph [16/17/18/19])
12. Date [Board] approval for issuance of Instruments obtained: [[●] [and [●], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
 - (ii) Interest Payment Date(s): [●] in each year
 - (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
 - (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
 - (v) Day Count Fraction (Condition 3.8): [30/360 / Actual/Actual ([ICMA]/ISDA)/ Actual/Actual Canadian Compound Method]
 - (vi) Determination Dates (Condition 3.8): [●] in each year
14. **Floating Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●], subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to any adjustment[, as the Business Day Convention in (iii) below is specified to be Not Applicable]]
 - (ii) Specified Interest Payment Dates: [Not Applicable]/[●], subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to any adjustment[, as the Business Day Convention in (iii) below is specified to be Not Applicable]]
 - (iii) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention][Not Applicable]
 - (iv) First Interest Payment Date: [Not Applicable]/[●], subject to adjustment in accordance with the Business Day Convention set out in (iii) above/, not subject to any adjustment[, as the Business Day Convention in (iii) above is specified to be Not Applicable]]
 - (v) Business Centre(s) (Condition 3.8): [●]
 - (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
 - (vii) Interest Period Date(s): [Not Applicable]/[●], subject to adjustment in accordance with the Business Day Convention set out in (iii) below/, not subject to any adjustment[, as the Business Day Convention in (iii) below is specified to be Not Applicable]]
 - (viii) Party responsible for calculating the [●] Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):
 - (ix) Screen Rate Determination (Condition 3.2.3(b) / 3.2.3(c) / 3.2.3(d)): [Applicable/Not Applicable]

- Reference Rate: [EURIBOR]
[SONIA Compounded Index Rate / SONIA Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where “p” is: [specify number] London Business Days [being no less than 5 London Business Days]]
[CORRA where “p” is: [specify number] Toronto Business Days[being no less than 5 Toronto Business Days]]
- Interest Determination Date(s): [Second [London][Toronto] business day prior to the start of each Interest Accrual Period]
[First day of each Interest Accrual Period]
[Second day on which T2 is open prior to the start of each Interest Accrual Period]
[[●] business day[s] prior to the start of each Interest Accrual Period]
[The date which is [“p”] [London] [Toronto] Business Days prior to each Interest Payment Date]
- Relevant Screen Page: [●]
[[Bloomberg Screen Page: SONCINDX] / see pages of authorised distributors for SONIA Compounded Index Rate] or [Bloomberg Screen Page: SONIO/N Index] / SONIA Compounded Daily Reference Rate as applicable]
- Relevant Fallback Screen Page: [[Bloomberg Screen Page: SONIO/N Index] / see pages of authorised distributors for SONIA Compounded Daily Reference Rate as applicable] [●]
- Reference Banks (if Primary Source is “Reference Banks”): [●]
- (x) ISDA Determination (Condition 3.2.3(a)): [Applicable/Not Applicable]
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (xi) CDOR Rate Determination (Condition 3.2.3(e)): [Applicable/Not Applicable]
 - Interest Determination Date(s): [●][[●] Business Days in [●] for [●] prior to [●]] [Second Toronto business day prior to the start of each Interest Accrual Period] [The first day in each Interest Accrual Period]
- (xii) Linear Interpolation (Condition 3.2.3(f)): [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Accrual Period shall be calculated using Linear Interpolation]
- (xiii) Margin(s): [+/-][●] per cent. per annum [Not Applicable]
- (xiv) Minimum Rate of Interest: [●] per cent. per annum [Not Applicable]
- (xv) Maximum Rate of Interest: [●] per cent. per annum [Not Applicable]

- (xvi) Day Count Fraction (Condition 3.8): [[Actual/Actual] [Actual/Actual-ISDA]
[Actual/365(Fixed)] [Actual/360] [30/360] [360/360]
[Bond Basis] [30E/360] [Eurobond Basis]
[30E/360(ISDA)] [Actual/Actual-ICMA]]
15. **Zero Coupon Instrument Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield (Condition 4.4): [●] per cent. per annum
- (ii) Day Count Fraction (Condition 3.8): [[Actual/Actual] [Actual/Actual-ISDA]
[Actual/365(Fixed)] [Actual/360] [30/360] [360/360]
[Bond Basis] [30E/360] [Eurobond Basis]
[30E/360(ISDA)] [Actual/Actual-ICMA]]
- PROVISIONS RELATING TO REDEMPTION**
16. **Residual Holding Call Option** [Applicable/Not Applicable]
- (i) Residual Holding Percentage: [●] per cent.
- (ii) Party responsible for calculating the [●]
Residual Holding Redemption Amount
(if not the Calculation Agent):
- (iii) Benchmark Security: [●]
- (iv) Benchmark Spread: [●] per cent. per annum
- (v) Benchmark Day Count Fraction: [[Actual/Actual] [Actual/Actual-ISDA]
[Actual/365(Fixed)] [Actual/360] [30/360] [360/360]
[Bond Basis] [30E/360] [Eurobond Basis]
[30E/360(ISDA)] [Actual/Actual-ICMA]]
17. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of [●] per Calculation Amount
each Instrument and method, if any, of
calculation of such amount(s):
- (iii) If redeemable in part: [Applicable/Not Applicable]
- (a) Minimum nominal amount to be [●]
redeemed:
- (b) Maximum nominal amount to be [●]
redeemed:
- (iv) Option Exercise Date(s): [●]
- (v) Notice period (Condition 4.5.2): Minimum Period: [15] [●] days
Maximum Period: [30] [●] days
18. **Put Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of [●]
each Instrument:
- (iii) Option Exercise Date(s): [●]
- (iv) Notice Period (Condition 4.6): Minimum Period: [15] [●] days

- Maximum Period: [30] [●] days
19. **Make-whole Redemption Option** [Applicable/Not Applicable]
- (i) Make-whole Redemption Date(s): [●]
- (a) Reference Bond: [●]
- (If a Par Call Commencement Date is specified below, the Reference Bond should most closely mature on the Par Call Commencement Date rather than the Maturity Date)*
- (b) Quotation Time: [●]
- (c) Redemption Margin: [[●] per cent.] [None]
- (d) Determination Date: [●]
- (e) Par Call Commencement Date: [●]
- (f) Canada Yield Price: [Applicable/Not Applicable] *[if Canada Yield Price is specified as being applicable, a Par Call Commencement Date must also be specified]*
- (ii) If redeemable in part:
- (a) Minimum nominal amount to be [●] redeemed:
- (b) Maximum nominal amount to be [●] redeemed:
- (iii) Notice period (Condition 4.5.3): Minimum Period: [15] [●] days
Maximum Period: [30] [●] days
20. **Final Redemption Amount of each Instrument:** [●] per Calculation Amount
21. **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each [●] per Calculation Amount Instrument payable on redemption for taxation reasons (Condition 4.2) or on Event of Default (Condition 8):
- (ii) Redemption for taxation reasons [Yes/No] permitted on days other than Interest Payment Dates (Condition 4.2):

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

22. Form of Instruments: **Registered Certificates:**
Temporary Global Certificate exchangeable for a Permanent Global Certificate not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership.
23. Financial Centre(s) or other special provisions relating to Payment Dates (Condition 5.3): [Not Applicable/[●]]
24. Eligible Bonds: [Yes/No]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) [Reviewer(s):]

[Name of sustainability rating agencies and name of third party assurance agent, if any, and details of compliance opinion(s) and availability]

(i) [Date of Second Party Opinion(s):] [●]

THIRD PARTY INFORMATION

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of National Grid North America Inc.:

By:

Duly authorised

PART B – OTHER INFORMATION

1 Listing and trading

- (i) Listing: [London]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on the London Stock Exchange plc's Professional Securities Market with effect from [●].]
- (iii) Estimate of total expenses[●] related to admission to trading:

2 Ratings

- Ratings: [The Instruments to be issued [have been] [are expected to be] rated:
[S&P Global Ratings Europe Limited ("S&P"): [●]]
An obligation rated '[●]' [*Insert definition of [●] available via weblink below*].
The [plus (+) / minus (-)] [*Delete as applicable*] sign shows relative standing within the rating categories.
(Source: S&P, https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)
[Moody's Investors Service Ltd. ("Moody's"): [●]]
An obligation rated '[●]' [*Insert definition of [●] available via weblink below*].
The modifier ['1' indicates that the obligation ranks in the higher end of its generic category / '2' indicates a mid-range ranking / '3' indicates a ranking in the lower end of that generic rating category] [*Delete as applicable*].
(Source: Moody's, <https://www.moody.com/ratings-process/Ratings-Definitions/002002>)
[The Instruments have not been specifically rated.]

3 Interests of natural and legal Persons involved in the Issue

Save for any fees [of [●]] payable to the Dealers, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4 Reasons for the Offer and Estimated Net Proceeds

- (i) Reasons for the offer/use of[●] proceeds:
- (ii) Estimated net proceeds: [●]

5 **[Fixed Rate Instruments only – Yield**

Indication of yield: [●] per cent. per annum. This is calculated on the Issue Date, and is not an indication of future yield.

6 **Operational Information**

ISIN: [●]

Common Code: [●]

Trade Date: [●]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[●]]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

Name(s) of [relevant Dealer/Managers]: [●]

The aggregate principal amount of the Instruments issued has been translated into Euro at the rate of [●], producing a sum of (for Instruments not denominated in Euro): [Not Applicable/Euro [●]]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

[No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Instruments are capable of meeting them the Instruments may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Instruments will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Relevant Benchmark[s]: Amounts payable under the Instruments will be calculated by reference to *[[specify benchmark]* which is provided by *[administrator legal name]*. As at the date hereof, *[[administrator legal name]**[appears]/[does not appear]* in the register of administrators and benchmarks established and maintained by

the Financial Conduct Authority pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK BMR**”)/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] [does not fall within the scope of the UK BMR]/[by virtue of Article 2 of that regulation/the transitional provisions in Article 51 of the UK BMR apply such that [*administrator legal name*] is not currently required to obtain authorisation or registration (or if located outside the United Kingdom, recognition, endorsement or equivalence)]/[Not Applicable]

7 Distribution

| | |
|---|-------------------------------------|
| U.S. Selling Restrictions: | Regulation S; Compliance Category 3 |
| Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] |
| Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable] |
| Method of distribution: | [Syndicated/Non-syndicated] |
| If syndicated, names of Managers: | [Not Applicable/give names] |
| Stabilisation Manager(s) (if any): | [Not Applicable/give names] |
| If non-syndicated, name of Dealer: | [Not Applicable/give name] |

GENERAL INFORMATION

- 1 The admission of the Programme to listing on the Official List of the FCA and to trading on the Market and the PSM in respect of the Instruments is expected to take effect on or about 9 August 2023. The listing of the Instruments on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). Any Tranche of Instruments intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Market or the PSM will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange (in accordance with their rules and procedures) of the relevant Final Terms and any other information required by the FCA and the London Stock Exchange, subject in each case to the issue of the relevant Instruments. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.
- 2 NGNA has obtained all necessary consents, approvals and authorisations in the United States of America in connection with the issue and performance of the Instruments.
- 3 The inclusion of NGNA as an Issuer under the Programme was authorised by written consent in lieu of a special meeting of the Board of Directors of NGNA passed on 10 December 2012. The Programme was originally established by NGNA's wholly-owned subsidiary, National Grid USA. National Grid USA ceased to be an Issuer under the Programme on 9 December 2015.
- 4 The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system(s) as shall have accepted the relevant Instruments for clearance together with any further appropriate information.
- 5 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NGNA is aware) existing during the 12 months preceding the date of this Prospectus which may have, or have in such period had, significant effects on the financial position or profitability of NGNA or of the Group.
- 6 There has been no significant change in the financial performance or financial position of NGNA or the Group since 31 March 2023 and no material adverse change in the prospects of NGNA since 31 March 2023 to the date of this Prospectus.
- 7 The consolidated financial statements of NGNA as of and for the years ended 31 March 2023 and 31 March 2022, as incorporated by reference in this Prospectus, have been audited by Deloitte & Touche LLP, an independent auditor, as stated in their report incorporated herein.

The independent auditor's report for the years ended 31 March 2023 and 31 March 2022 contains the following emphasis of matter:

"Emphasis of Matter

As discussed in Note 1 and Note 19 to the financial statements, the Company signed an agreement to sell its 100% indirect ownership in The Narragansett Electric Company which closed on May 25, 2022. Our opinion is not modified with respect to this matter."

- 8 The Issuer does not intend to provide any post-issuance information in relation to any issues of Instruments.
- 9 For a period of 12 months following the date of this Prospectus, copies of the following documents will be available on the website of NGNA (<https://www.nationalgrid.com/group>):
 - (a) a copy of this Prospectus together with any supplement to this Prospectus;
 - (b) the constitutional documents of the Issuer; and
 - (c) the amended and restated Trust Deed (which contains the forms of the Global Certificates).

- 10 In addition, this Prospectus is and, in the case of Instruments to be admitted to the Official List and admitted to trading on the Market or the PSM, the relevant Final Terms will be, available on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.
- 11 Certain of the Dealers and their affiliates have engaged, and may in the future engage, in the ordinary course of their business activities, in lending, advisory, corporate finance services, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates and/or for companies involved directly or indirectly in the sector in which the Issuer and/or its affiliates operate, and for which such Dealers have received or may receive customary fees, commissions, reimbursement of expenses and indemnification. Certain of the Dealers may also have positions, deals or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. They have received, or may in the future receive, customary fees and commissions for these transactions. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its respective affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. The Dealers and/or their affiliates may receive allocations of the Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.
- 12 The Legal Entity Identifier (LEI) of National Grid North America Inc. is 5Q3U0WRKWZZGRMPYFT08.

REGISTERED OFFICE OF THE ISSUER

National Grid North America Inc.

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United States of America

THE ARRANGER

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HSBC Bank plc

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United Kingdom

Lloyds Bank Corporate Markets plc

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United Kingdom

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Goldman Sachs International

Plumtree Court
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United Kingdom

ING Bank N.V.

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Société Générale

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France

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To the Issuer as to English and United States law

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United Kingdom

To the Dealers as to English and United States law

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United Kingdom

THE TRUSTEE

The Law Debenture Trust Corporation p.l.c.

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**ISSUING AND PAYING AGENT, TRANSFER AGENT AND
CALCULATION AGENT**

The Bank of New York Mellon, London Branch

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London EC4V 4LA
United Kingdom

PAYING AGENT

Quintet Private Bank (Europe) S.A.

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L-2955 Luxembourg

REGISTRAR AND TRANSFER AGENT

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Grand Canal Dock
Dublin 2
Ireland

CANADIAN PAYING AGENT

BNY Trust Company of Canada

1 York Street, 6th Floor
Toronto ON
Canada M5J 0B6

INDEPENDENT AUDITOR

Deloitte & Touche LLP

30 Rockefeller Plaza
New York, NY, 10112
United States of America