

People & Remuneration Committee report



Martha Wyrsh

Chair of the People & Remuneration Committee

Role of the Committee

- Responsible for determining the Directors' Remuneration Policy and setting the remuneration of the Chair, Executive Directors and members of the Group Executive Committee.
- Oversees remuneration policies and practices across the wider workforce.
- Oversees the talent and succession planning framework and approach to diversity, equity and inclusion and organisational culture.
- Monitors the Group Principal Risk relating to People, capability and capacity, ensuring that matters are appropriately managed and aligned with the Company's strategic objectives.

Composition

The Committee comprises five independent Non-executive Directors. Since the restructure of the Committees, three scheduled meetings were held. Prior to the restructure, the Remuneration Committee held one scheduled meeting and two ad hoc meetings.

Membership

- Martha Wyrsh (Chair)
- Ian Livingston
- Iain Mackay
- Anne Robinson
- Jonathan Silver



The Terms of Reference of the People & Remuneration Committee are available on our website nationalgrid.com/about-us/corporate-information/corporate-governance

First, we would like to thank shareholders for their strong support in approving the Directors' Remuneration Policy at the 2025 AGM.

The Group has grown significantly over the past year, driven by substantial increases in regulated assets and capital investment. We achieved constructive regulatory outcomes in both the UK and the USA and made significant progress in securing our supply chain, leading to confidence in delivery of our capital investment plans. In March we announced our extended and upgraded five year Financial Framework, which increased our cumulative capital investment commitment to at least \$70 billion and upgraded underlying earnings per share growth to 8-10%. It is underpinned by multiple structural investment drivers, including acceleration demand from data centres and the continued electrification of industrial demand.

Against this backdrop, the Group delivered a strong financial and operational performance in 2025/26, reflecting continued execution against strategic priorities and disciplined delivery. This performance provides important context for the Committee's approach to remuneration outcomes for the year, as set out in this report, and demonstrates the alignment between executive incentives, long-term value creation and shareholder interests.

Alignment of remuneration with our business strategy

We align our performance-linked elements of remuneration to our strategic priorities, long-term stakeholder and shareholder value and our vision to bring energy to power possibilities.

We continue to evolve our performance measures to align with our strategic focus areas and are introducing a new 2026/27 APP "Performance delivery" measure focusing on capital delivery, asset management, customer and functional effectiveness. We are also extending the "Enablement of strategic growth" 2026 LTPP measure to include demand-side connections and large loads that support the energy transition and economic growth, in addition to generation connections.

Safety continues to be an important factor in remuneration decisions and in previous years the Committee has exercised its discretion when necessary.

Key activities during the year

- Chief Executive succession plan and integration of new Chief Executive.
- Shareholder approval of the 2025 Directors' Remuneration Policy.
- Review of forward-looking APP and LTPP performance measures.
- Review of strategic workforce planning and early careers programme.
- Review of employee feedback from workforce engagement sessions and Group-wide employee engagement survey

As the Company's strategy evolves, the Committee will ensure that the remuneration framework evolves in response, reinforcing a clear and consistent link between strategic delivery and reward. We will also consider whether an early review of the Remuneration Policy is needed over the coming year to ensure it remains fit for purpose and aligned with the Group's strategic objectives.

Chief Executive appointment and leadership transition

During the year, we welcomed our new Chief Executive, marking an important point in the Company's leadership and strategic development. We would like to thank both John Pettigrew and Zoë Yujnovich for their leadership and for ensuring continuity during the transition, while positioning the Group strongly for the next phase of growth.

As announced in May 2025, John retired as Chief Executive on 16 November 2025 and remained available to the Group until 30 April 2026. John's leaving arrangement can be found on page 118.

Zoë joined as Chief Executive Designate on 1 September 2025, to support a smooth and orderly leadership transition, and was appointed Chief Executive on 17 November 2025. In determining Zoë's appointment terms, the Committee considered her skills and experience, together with the scope of the role and prevailing market practice. As Zoë was an external appointment, a share award was granted for previous entitlements from Shell that were forfeited on her departure. Further details of Zoë's joining arrangement can be found on page 119.

People & Remuneration Committee report cont.

Board and Committee structure

The Committee's remit was expanded to include responsibility for people matters and, reflecting this broader oversight, the Committee was renamed the People & Remuneration Committee. This change recognises the increasingly important link between pay, culture, talent, and long-term performance.

As part of its expanded remit, the Committee placed increased emphasis during the year on talent and succession planning, including the strength and composition of the Group Executive Committee.

People matters prior to the Board Committees restructure were considered by the People & Governance Committee, including a deep-dive into strategic workforce planning and early careers.

Following a restructuring of the Board Committees in November, minor adjustments to the NED fees were made to reflect the scope and the time commitment of their role. A summary of these changes can be found on page 89.

Wider workforce and People matters

The Committee engages with the wider workforce at all levels on a range of topics, including remuneration. Further details of the Non-executive Director workforce engagement sessions are set out on page 95. We held employee engagement sessions in November 2025 and March 2026, during which we heard views from colleagues on talent, succession and remuneration. The feedback received was thoughtful and constructive, informing discussions at Committee level.

The Committee received updates on the results of the Company's employee engagement survey, including the mid-year pulse survey and the full-year survey. Further information on the outcomes of these surveys is set out on page 28. Insight into employee sentiment and perceptions of leadership is an important input to the Committee's wider consideration of remuneration, reflecting the value of its expanded remit.

In determining remuneration for Executive Directors, the Committee takes into account the context of the wider workforce. The Committee seeks to ensure that reward across the organisation is fair, competitive and consistent with the culture and values of National Grid.

Incentive outcomes during the year

Annual Performance Plan (APP) – 2025/26

The 2025/26 Annual Performance Plan was structured to support delivery of the Group's strategic priorities, with performance assessed against financial measures (70%), operational measures (15%) and individual objectives (15%). Financial performance delivered an outcome of 72.58% of maximum, reflecting results for Group Underlying EPS and Group RoE. Operational performance reflected progress against key priorities, including capital delivery and leadership of change, while individual performance outcomes reflected delivery of executive objectives aligned to strategic and operational priorities. Having considered performance across all elements of the plan and overall Group performance during the year, the Committee determined APP payouts of 74.22%, 69.72% and 71.22% of maximum for Zoë Yujnovich, Andy Agg and John Pettigrew respectively. Full details are set out on page 112.

2023 Long Term Performance Plan (LTPP)

The performance period for the 2023 LTPP ended on 31 March 2026, with outcomes reflecting performance against financial measures (80%) and energy transformation measures (20%). Financial performance outturned at 80.80% of maximum, based on delivery against Group Underlying EPS and Group RoE, while energy transformation performance outturned at 89.50% of maximum, reflecting progress against Scope 1 emissions and enablement of energy transformation objectives. The resulting formulaic vesting outcome was 82.54% of maximum. Having considered overall performance, shareholder experience and the external environment, the Committee concluded that this outcome was appropriate. Full details are set out on page 116.

Single total figure of remuneration

The Committee is satisfied that the total single figure outcomes are appropriate, taking into account the delivery against key performance measures, wider employee pay, and shareholder and other stakeholder experience in terms of value created.

Policy implementation in 2026/27

Salary review

Salary increases, with effect from 1 July 2026, of 4.5% have been awarded to Zoë Yujnovich and 3.5% to Andy Agg. Overall workforce pay rates were increased by 4.5%.

The Chief Executive's starting remuneration reflects that Zoë is new to the role and was initially positioned towards the lower end of the FTSE 30 peer group, recognising it would rise in the future. Since joining, Zoë has demonstrated exceptional performance, and the Committee remains firmly committed to a performance-led approach to remuneration. Given both her early impact and the need to ensure ongoing market competitiveness, the Committee anticipates that some evolution in pay will be required within the parameters of the Policy. The Committee will review the Chief Executive's salary at the point of her work anniversary. Any adjustment will reflect an assessment of ongoing performance.

Incentive structure

The 2026/27 APP will continue to focus on delivery of the Group's strategic priorities, with a maximum opportunity of 200% of salary and include financial (70%), operational (15%) and individual (15%) measures. Further details are set out on page 125.

The 2026 LTPP will be awarded at 400% of salary for Zoë Yujnovich and 350% for Andy Agg, maintaining a focus on long-term financial performance and strategic delivery. The financial and energy transformation measures are set out on page 125.

Martha Wyrsh

Chair of the People & Remuneration Committee

13 May 2026

Remuneration at a glance

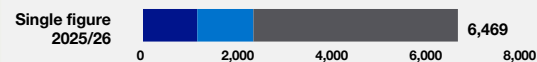
2025 Remuneration Policy

- The 2025 Directors' Remuneration Policy (2025 Policy) was adopted in July 2025 following approval at the AGM, with 98.38% of shareholders voting in favour of the Policy.
- Our remuneration strategy sets out to ensure strong alignment with our strategic priorities and creation of value for shareholders while providing market competitive remuneration to enable the attraction and retention of top leadership talent.
- The Policy operated as intended during the year, with outcomes that were aligned to Company performance and resulted in an appropriate level of remuneration quantum.
- The Policy is available on our website at nationalgrid.com/about-us/corporate-information/corporate-governance

Single total figure of remuneration

Executive Directors

Zoë Yujnovich (Chief Executive) £,000



2025/26 variable pay 74.2% of total maximum opportunity.

Andy Agg (CFO) £,000



2025/26 variable pay 77.4% of total maximum opportunity.

Former Executive Director

John Pettigrew (Former Chief Executive) £,000



2025/26 variable pay 71.2% of total maximum opportunity.

● Fixed Pay ● APP ● Share award (inc. LTPP)

Policy implementation

Executive Directors

Salary & pension

Purpose and link to business strategy: to attract, motivate and retain high-calibre individuals.

Executive Directors receive pension contributions of 12% of salary, which is aligned to the wider workforce.

2025/26			2026/27		
	Salary £,000	% increase		Salary £,000	% increase
Zoë Yujnovich (Chief Executive)	£1,300,000	– %	Zoë Yujnovich (Chief Executive)	£1,359,000	4.5 %
Andy Agg (CFO)	£820,575	5 %	Andy Agg (CFO)	£849,000	3.5 %
John Pettigrew (Former Chief Executive)	£1,246,665	5 %	Wider workforce principles		4.5 %
Wider workforce principles		5 %			

[Read more on page 111](#)

Shareholding requirement

Requirement

Chief Executive: 500% of salary

Chief Financial Officer: 400% of salary

Former Executive Directors: 200% of salary for two years post-employment

Achievement as at 31 March 2026

Zoë Yujnovich (Chief Executive)	– %
Andy Agg (CFO)	1,367 %
John Pettigrew (Former Chief Executive)	2,164 %

Zoë Yujnovich joined National Grid on 1 September 2025 and is building up towards her shareholding requirement.

[Read more on page 119](#)

Remuneration at a glance cont.

APP

Purpose and link to business strategy: to incentivise and reward the achievement of annual financial measures and strategic non-financial measures.

2025/26

Maximum opportunity: 200% of salary

Total bonus payout (% of maximum):

74.22% **69.72%** **71.22%**

Zoë Yujnovich (Chief Executive) Andy Agg (CFO)

John Pettigrew (Former Chief Executive)

Performance measure	Weighting	Outturn bar	Outcome (% of maximum)
Group underlying EPS (pence)	35%		89.52%
Group RoE	35%		55.64%
Group capital delivery and effectiveness	7.5%		87.12%
"Leadership of change" index	7.5%		25%
Individual objectives			
Zoë Yujnovich ¹	15%		100%
Andy Agg	15%		70%
John Pettigrew	15%		80%

¹ Reflects seven months performance

2026/27

Maximum opportunity: 200% of salary

Measures:

Financial	Operational	Individual
– Group underlying EPS: 35%	– Performance delivery: 15%	– Individual objectives: 15%
– Group RoE: 35%		

Read more on page 112

LTPP

Purpose and link to business strategy: to drive long-term business performance, aligning Executive Director incentives to key shareholder interests over the longer term.

2023 LTPP

Maximum opportunity: 350% (Chief Executive) and 300% (CFO) of salary in line with 2022 Policy

Performance outcome (% of maximum):

82.54%

2023 vesting outcome

Performance measure	Weighting	Outturn bar	Outcome (% of maximum)
Underlying Group EPS	40%		100%
Group RoE	40%		61.60%
Reduction in Scope 1 emissions	10%		100%
Enablement of energy transformation	10%		79.00%

2026 LTPP

Maximum opportunity: 400% (Chief Executive) and 350% (CFO) of salary in line with 2025 Policy

Measures:

Measure	Threshold	Maximum
Cumulative three-year underlying Group EPS (40%)	291p	311p
Group RoE (40%)	10.30%	11.55%
Reduction of Scope 1 emissions (10%)	3%	9%
Enablement of strategic growth initiative (10%)	Demand and generation connections	

Read more on page 116

People & Remuneration Committee report cont. Statement of implementation of Policy in 2025/26

Content contained within a grey box indicates that all the information in the panel is audited

2025/26 remuneration implementation

Single total figure of remuneration – Executive Directors

The following table shows a single total figure of remuneration in respect of qualifying service for 2025/26, together with comparative figures for 2024/25. All figures shown to £'000:

	Executive Directors				Former Executive Director			
	Zoë Yujnovich				Andy Agg		John Pettigrew	
	Chief Executive Designate – 1 September '25 to 16 November '25	Chief Executive – 17 November '25 to 31 March '26	2025/26 total	2024/25	2025/26	2024/25	2025/26	2024/25
Salary	325	433	758	–	811	773	768	1,175
Benefits	–	294	294	–	21	25	39	40
Pension	39	52	91	–	97	93	92	141
Total fixed pay	364	779	1,143	–	929	891	899	1,356
APP	–	1,126	1,126	–	1,131	874	1,094	1,349
Share awards (inc. LTPP)	4,200	–	4,200	–	2,799	2,134	–	3,783
Total variable pay	4,200	1,126	5,326	–	3,930	3,008	1,094	5,132
Total remuneration	4,564	1,905	6,469	–	4,859	3,899	1,993	6,488

Notes:

- Zoë Yujnovich joined the National Grid plc Board as Chief Executive Designate on 1 September 2025 and was appointed Chief Executive on 17 November 2025.
- John Pettigrew stood down from the Board on 16 November 2025. John's 2025/26 APP was prorated to reflect his period of service as an Executive Director. The leaving arrangement for John can be found on page 118.

Salary: John Pettigrew's and Andy Agg's salaries increased by 5.0% to £1,246,665 and £820,575 as of 1 July 2025 respectively, aligned to the principles used for the wider workforce increases. Zoë Yujnovich was hired on a salary of £1,300,000.

Benefits: This includes private medical insurance, life assurance, allowance under the Group's flexible benefits programme, travel and accommodation expenses, partner travel, a fully expensed car or cash alternative and the use of a car and a driver when required. Zoë Yujnovich received £165,095 as a relocation allowance, £7,000 for her company car allowance, £6,870 for life assurance, £1,782 for private medical insurance, £48,023 for the use of a car and driver, £57,814 for taxable accommodation and travel expenses including partner travel for 2025/26. A Sharesave option award was granted to Zoë Yujnovich on 30 January 2026 and benefit (approximately £7,500) of this award is included. Andy Agg received £12,000 for his company car allowance, £6,926 for life assurance, £2,852 for private medical insurance and £185 for taxable accommodation and travel expenses for 2025/26. John Pettigrew received £7,533 for his company car allowance, £1,665 for life assurance, £624 for private medical insurance, £20,000 for legal fees and £9,281 for the use of a car and driver for 2025/26. There were no Sharesave options granted to either Andy Agg or John Pettigrew during 2025/26.

Pension: Pension contributions for Zoë Yujnovich, Andy Agg and John Pettigrew were 12% of salary for 2025/26.

Share awards (inc. LTPP): The 2023 LTPP is due to vest in July 2026. The average share price over the three months from 1 January 2026 to 31 March 2026 of 1,274.85 pence has been applied and estimated dividend equivalents are included. The value of the 2023 LTPP award is driven in part by growth in share value over the period, with a share price change of 35.10% and Total Shareholder Return (TSR) growth of 53.61% from the date of grant to 31 March 2026, using one-month average figures. The 2022 LTPP figures (included in the 2024/25 column) have been restated to reflect the actual share price on vesting and all dividend equivalent shares. As the vesting share price of 1,077.92 pence was higher versus the estimate of 962.17 pence (and the reduced dividend equivalent shares added for the dividend with a record date of 17 July 2025 with a dividend rate of 30.88 pence per share), the actual value at vesting was £391,057 higher than for the estimate published last year for John Pettigrew and £221,029 higher for Andy Agg. The share award value for Zoë Yujnovich relates to her buy-out award and further information can be found on page 119.

Malus and clawback: The Committee operates malus and clawback arrangements to ensure that variable remuneration outcomes are appropriate and fully justified. Malus (to reduce or forfeit unpaid or unvested awards) and clawback (to recover awards already paid or vested) may be applied in exceptional circumstances, including material misstatement of results, awards determined using inaccurate or misleading information, fraud or gross misconduct, regulatory censure or significant reputational damage attributable to the participant, or a material failure of risk management and/or corporate failure. Where such circumstances arise, the Committee may reduce, forfeit or recover all or part of an award using methods it considers appropriate. Malus applies to APP cash awards up to payment with clawback for two years from the end of the performance period; to APP deferred shares until two years after the financial year in which the bonus is earned with clawback for a further two years; and to LTPP awards up to vesting with clawback during the two-year post-vesting holding period. During the year, the Committee considered whether any or all of an award should be forfeited, even if already paid, due to the exceptional circumstances outlined above and in the Directors' Remuneration Policy, and determined that no action was required. The Committee considers these malus and clawback periods to be appropriate having regard to the long-term nature of the Group's strategy, investment cycle and regulatory environment, and the timeframes over which risks and performance outcomes may crystallise.

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

Total pension benefits

Zoë Yujnovich, Andy Agg and John Pettigrew received a cash allowance in lieu of participation in a pension arrangement. There are no additional benefits on early retirement. The values of pension contributions, received during this year, are shown in the single total figure of remuneration table.

John Pettigrew has, in addition, accrued defined benefit (DB) entitlements. He opted out of the DB scheme on 31 March 2016 with a deferred pension and lump sum payable at his normal retirement date of 26 October 2031. At 31 March 2026, John Pettigrew's accrued DB pension was £116,725 per annum and his accrued lump sum was £350,176. No additional DB entitlements have been earned over the financial year, other than an increase for price inflation due under the pension scheme rules and legislation. Under the terms of the pension scheme, if he satisfies the ill-health requirements or he is made redundant, a pension may be payable earlier than his normal retirement date. A lump sum death in service benefit is also provided in respect of these DB entitlements.

2025/26 APP



For 2025/26 APP, financial measures represented 70% of the award and operational measures and individual objectives represent 15% each of the award, similar to 2024/25. At least 50% of the award is delivered in shares (after any sales to pay associated tax) which must be retained until the shareholding requirement is met. Once the shareholding requirement is met, at least 33% of the award is delivered in shares (after any sales to pay associated tax) must be retained in shares for two years.

For financial measures, threshold, target and stretch performance levels are set by the Committee for the performance period and pay out at 0%, 50% and 100% of the maximum calculated on a straight-line basis. The capital delivery and effectiveness measure has been assessed primarily on quantitative metrics with a qualitative element to reflect a balanced assessment of progress and performance in our capital investment ambitions. The 'Leadership of change' index measure was a quantitative assessment from our annual Group-wide employee engagement survey of colleagues. Target and stretch performance levels for the individual objectives are also predetermined by the Committee for the performance period, and an assessment of the performance relative to the target and stretch performance levels is made at the end of the performance year on each objective. Executive Directors have a maximum opportunity of 200% of salary for 2025/26. In reaching its overall decisions on the APP, the Committee considered the strong performance and delivery throughout the year across financial, operational, and individual objectives. The Committee concluded that the outcomes are appropriate in the context of performance achieved and determined that no discretion was required to the resultant APP formulaic outcome.

APP – Financial performance

The financial measures (70%) were weighted equally between two measures – Group Underlying EPS and Group RoE. Performance was delivered through clear management actions, including improved Electricity Distribution and New England incentive outcomes, strong interconnector performance, and proactive financing activities, offsetting headwinds from the FERC regulatory order.

The financial performance outcomes of the 2025/26 APP award are summarised in the table below:

Measure	Weighting (% of APP)	Threshold	Target	Stretch	Outcome (% of max)
Group Underlying EPS (pence) 	35%	72.6p	75.6p	78.6p	89.52%
Group RoE (%) 	35%	9.4%	9.8%	10.2%	55.64%
Total financial outturn	70%				72.58%

Notes:
Group Underlying EPS: Technical adjustments have been made which reduce the performance range (including threshold, target and stretch) by 2.5 pence. This reflects the net effect of currency adjustments, scrip issuances, US pension assumptions, US/UK pension interest and storms.
Group RoE: Technical adjustments have been made which decrease the performance range by 0.1% to reflect the impact of the final opening equity being higher than forecast.

People & Remuneration Committee report cont.
Statement of implementation of Policy in 2025/26 cont.

APP – Operational performance

The operational measures (15%) were weighted equally between two key measures:

- Group capital delivery and effectiveness; and
- Group “Leadership of change” index.

Measure	Details	Assessment	Outcome
Group capital delivery and effectiveness (7.5%)	<ul style="list-style-type: none"> – Progress in the investment programme is a top priority for investors, making this measure essential for tracking performance. – The capital delivery and effectiveness measure is assessed primarily on quantitative metrics with a qualitative element to reflect a balanced assessment of progress and performance in our capital investment ambitions. 	Actual capital investment for the year was £11.6bn, delivering a small variance to target and representing a significant increase compared with the prior year. In parallel, an assessment linked to the delivery of major projects was undertaken, focusing on performance against key milestones, the management of delivery risks, and overall delivery quality. Performance has been strong, with record levels of capital investment achieved and the majority of projects remaining on track; this resulted in an overall outturn of 87.12% of maximum.	87.12%
‘Leadership of change’ index (7.5%)	– Index in our annual employee engagement survey (Grid:Voice) that assesses the ability of leaders to drive and sustain high performance during periods of significant change in our business to achieve our organisational goals.	Colleague feedback reflected a year of change, with engagement remaining generally positive but highlighting a continued need for clearer and more consistent communication and practical support during periods of transition, resulting in an overall outturn of 25% of maximum.	25.00%
Combined operational outcome			56.06%

People & Remuneration Committee report cont. Statement of implementation of Policy in 2025/26 cont.

APP – Individual objectives

In addition to the financial and operational goals outlined above, the Board approves annual individual performance for the Executive Directors in line with key operational and strategic priorities. As part of the process for assessing individual performance, the Board is provided with a comprehensive review of company performance and individual contributions relative to the previously adopted goals. The following tables sets out the 2025/26 individual objectives together with associated performance commentaries and the Committee's assessment of the performance outcome for each of the Executive Directors:

Individual objectives and performance summary – Zoë Yujnovich¹

Outcome – 100%

Deliver 2025/26 business plan

- Ensured continuity through leadership transition, maintaining strong delivery discipline, safety, and operational performance.
- Conducted extensive investor engagement to sustain confidence and built effective working relationships with the Board.
- Launched a strategic planning process with broad organisational engagement, preserving continuity while enabling forward-looking focus beyond 2025/26.
- Played an active role in final RIIO-T3 negotiations and supporting enhanced investor guidance.

Establish a performance-focused leadership cadence

- Reset performance review cadence and content.
- Enhanced quality of leadership dialogue and demonstrated direct, hands-on leadership engagement.
- Refreshed executive team accountabilities.
- Embedded performance objectives deeper across the organisation, expanding metrics beyond financials to include asset health, capital delivery, and technology.

Deliver a high-quality Board strategy session

- Board strategy session provided strong confidence in delivery, clarified key strategic shifts, and established a foundation for future refresh.
 - Increased active management participation in strategy development to strengthen alignment and buy-in to ambitious delivery goals.
 - Initiated first assessment of opportunities beyond 2031, identifying areas for further strategic development.
-

¹Reflects seven months performance.

People & Remuneration Committee report cont. Statement of implementation of Policy in 2025/26 cont.

Individual objectives and performance summary – Andy Agg

Outcome – 70%

Delivering the next steps of the financing strategy

- Played a leading role in the RIIO-T3 price control outcome, which supported market confidence in the Group's financing strategy and outlook.
- Delivered the launch of a new Green Financing Framework and completed the first green issuance under the Framework, strengthening access to sustainable finance.
- Closed the National Grid Renewables and Grain sales.

Securing positive regulatory outcomes and supporting the delivery of our capital projects

- Successfully agreed the NiMo rate case and submitted other relevant regulatory cases.
- Drove continuous improvements in capex portfolio management, risk management and governance, with enhanced frameworks now embedded and informing a dedicated capital workstream.
- Total shareholder return (TSR) and share price performance were positive over the period, reflecting investor confidence in National Grid's strategy and growth plans.

Developing our organisational capabilities and tools

- Exceeded efficiency targets for 2025/26, demonstrating continued cost discipline and productivity improvement.
- Progressed implementation of a new financial planning system, with deployment on track and expected to enhance forecasting and decision-making through AI-enabled capabilities.
- Continues to strengthen the internal control environment.

Driving the identification and development of talent into the right pipelines

- Continued to strengthen succession planning and confidence across key roles.
- Supported leadership continuity and succession pipelines through targeted role moves and development, strengthening breadth of experience and capability.
- Leveraged workstreams to enhance visibility of talent, access to senior leadership and cross-functional development opportunities.

Individual objectives and performance summary – John Pettigrew

Outcome – 80%

Deliver RIIO-T3 and continue to deliver to expectations set at time of rights offering including digital transformation milestones

- Actively contributed to the RIIO-T3 outcome.
- Maintained regulatory and operational momentum to support delivery of the £60bn five-year commitment.
- Delivered capital investment.
- Strengthened focus on Electricity Distribution, driving safety improvements, capturing synergies, and positioning for the ED3 regulatory cycle.
- Progressed divestment of non-core assets.
- Scaled technologies including 3D printing, AMI/FLISR, and drone solutions.
- Identified new National Grid Partners opportunities, supporting an additional \$100m AI investment.

Successful Chief Executive transition

- Succession planning.
- Engaged directly with high-potential leaders through site visits across the organisation.
- Proactively communicated with investors following the leadership transition announcement.
- Agreed a clear division of responsibilities with the Chair and Chief Executive-Designate during the transition period.
- Facilitated introductions between the successor and key stakeholders, and transferred key industry leadership responsibilities.

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

2023 LTPP

Performance conditions

The 2023 LTPP will vest on 1 July 2026 and was based on two equally weighted financial measures, Group Underlying EPS (40%) and Group RoE (40%). The remaining 20% weighting was split equally between two non-financial measures: Reduction of Scope 1 emissions (10%) and Enablement of energy transformation (10%). The targets and weightings of the 2023 LTPP below are the same for both Andy Agg and John Pettigrew.

The outcomes of the 2023 LTPP are reflective of the business' performance over the period. During the performance period we have delivered record levels of capital expenditure, while maintaining a strong focus on cost efficiencies. In addition, we successfully completed the strategic pivot with the sale of the remaining 40% stake of the UK Gas Transmission business and completed the disposals of both Grain LNG and National Grid Renewables (NGR). The financial element achieved 80.80% of maximum with EPS achieving stretch driven by strong performance by the regulated businesses, within the interconnector portfolio in NGV and through management of financing costs. The non-financial measures recognise our role in delivering critical and green investment to enable the decarbonisation of power, transport and heat, and lead a clean, fair and affordable energy transition across our jurisdictions. Scope 1 emissions reductions outcome is 100% with emissions reductions through SF6 leakage reduction, methane emissions reductions including leak prone pipe replacement, deploying electric vehicles in our fleet and energy efficiency improvements in our buildings. This measure excludes Scope 1 emissions from our Generation plant in New York, as these emissions are deemed to be outside management control. This measure therefore makes up a relatively small proportion of our group Scope 1 and 2 target and reflects the elements where management are deemed to have more control. For further information on our GHG emissions performance, please see the Responsible Business section of this report on page 40. Enablement of energy transformation outcome was 79% of maximum and was based on progress in energy efficiency and generation, policy and regulatory engagement to support clean energy, and clean energy connections to our UK transmission networks and UK and US electricity distribution networks.

Performance measure	Weighting	Threshold 20% vesting	Maximum 100% vesting	Outcome (% of max)
Cumulative three-year Underlying Group EPS	40 %	200p	218p	100%
		223.4p		
Group RoE	40 %	9.15%	10.4 %	
		9.8%		61.60%
National Grid Scope 1 emissions	10 %	34ktCO ₂ e	77ktCO ₂ e	
		119ktCO₂e		100%
Enablement of energy transformation: Strategic initiatives (Scope 2 and 3)	10 %	Four strategic initiatives assessed on a four-point scale		
		79%		79.00%
				82.54%

Notes: As disclosed on p130 and p292 of the 2024/25 ARA, the financial performance targets were adjusted for the impact of the Rights Issue, exclude the impact of UK regulated Deferred Tax and reflect a change in the calculation methodology (approved by the Audit & Risk Committee) to reflect amortisation of goodwill and other indefinite life intangible assets (ILIs) over 20 years. Scope 1 emissions targets have been adjusted to account for within-period emissions accounting methodology changes and the sale of our Grain LNG terminal in 2025.

Vesting

The performance period for the 2023 LTPP ended on 31 March 2026. Across the period, performance was based on financial measures (80%) and energy transformation measures (20%), as set out in the 2022/23 Annual Report and as detailed above.

The overall outcome of the 2023 LTPP was 82.54% of maximum, with 80.80% of the total award vesting linked to financial measures, driven by achievement of 100% of maximum for Group Underlying EPS and 61.60% of maximum for Group RoE, both weighted equally; 89.50% of the total LTPP award vested in relation to the energy transformation measures, driven by achievement of 100% of maximum for Scope 1 emissions and 79% of maximum for enablement of energy transformation, both weighted equally.

The amounts due to vest under the 2023 LTPP for the performance period that ended on 31 March 2026 are included in the 2025/26 single total figure table on page 111 and are shown in the table below. Because awards are not yet vested, the figures in the table are based on the average share price over the three months from 1 January 2026 to 31 March 2026 of 1,274.85 pence and the proposed 2025/26 final dividend with record date of 29 May 2026, subject to shareholder approval, is included. The total number of shares subject to awards which vest (after any sales to pay associated income tax and social security), including dividend equivalent shares are subject to a two-year holding period.

The Committee considered wider business factors, such as underlying financial performance, ESG considerations, potential windfall gains and shareholder experience, when determining the final outcome for the 2023 LTPP and were comfortable that no adjustments were required.

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

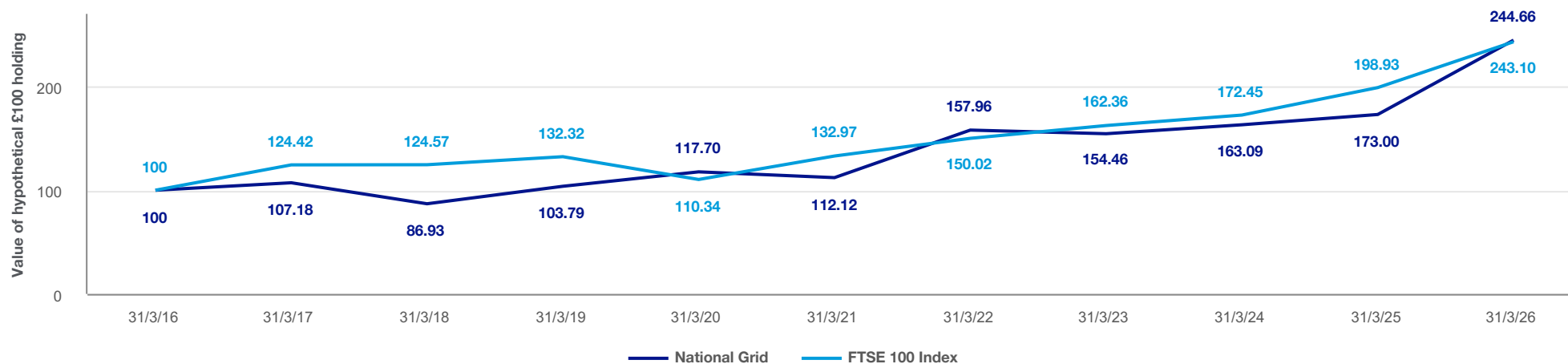
Vesting continued

	Shares awarded	Rights Issue adjustment	Total number of shares	Performance outcome (% of maximum)	Vested share based on performance	Face value of the award at grant (£'000)	Share price appreciation (£,000)	Dividend equivalent shares (£,000)	Total value (£'000)
Andy Agg	214,445	22,945	237,390	82.54	195,941	2,050	448	301	2,799
John Pettigrew	380,130	40,673	420,803	82.54	347,330	3,634	794	534	4,962

Assessment of National Grid shareholder returns

National Grid plc's 10-year annual TSR performance against the FTSE 100 Index since 31 March 2016 is shown below and illustrates the growth in value of a notional £100 holding invested in National Grid plc on 31 March 2016, compared with the same invested in the FTSE 100 Index. The FTSE 100 Index has been chosen because it is a widely recognised performance benchmark for large companies in the UK and it is a useful reference to assess relative value creation for National Grid plc shareholders. Over the last 10-year period, National Grid plc's TSR is 145% versus the FTSE 100 Index at 143%, demonstrating sustainable long-term value for our shareholders.

Total Shareholder Return (£)



People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

2025 LTPP

Performance conditions

For the 2025 LTPP, the performance measures comprise two equally weighted financial measures totalling 80% and two equally weighted energy transformation measures totalling 20% over the three-year performance period, as outlined in the table below.

Performance measure	Weighting	Threshold 20% vesting	Maximum 100% vesting
Cumulative three-year Underlying Group EPS	40 %	241p	259p
Group RoE	40 %	9.35 %	10.60 %
Reduction of Scope 1 emissions	10 %	4 %	10 %
Enablement of strategic growth initiative	10 %	10.2 GW	13.3 GW

Notes: Vesting between threshold and maximum will be on a straight-line basis.

2025 LTPP awards made during the year

The face value of the awards is calculated using the volume weighted average share price at the date of grant. The date of grant for Andy Agg and John Pettigrew was 23 June 2025 and the share price was 1,065.79 pence. For Zoë Yujnovich the date of grant was 1 September 2025 and the share price was 1,027.49 pence. The 2025 LTPP will vest on 30 June 2028. The total number of shares subject to awards which vest (after any sales to pay associated income tax and social security), including dividend equivalent shares, are subject to a two-year holding period following vesting.

	Basis of award (% of salary)	Number of shares	Face value (£'000)	Proportion vesting threshold performance	Performance period end date
Zoë Yujnovich	400%	506,086	5,200	20 %	31 March 2028
Andy Agg	300 %	230,975	2,462	20 %	31 March 2028
John Pettigrew	350 %	409,397	4,363	20 %	31 March 2028

Payments to past Directors

The leaving arrangement for John Pettigrew is set out below. There were no payments to past Directors during 2025/26.

Leaving arrangement for John Pettigrew

On 1 May 2025 the Company announced that John Pettigrew would retire from the Board effective 16 November 2025. John remained available to the Group until 30 April 2026, being the end of his 12-month notice period. In line with the approved Policy, he received salary (£464,036), benefits (£10,830) and a pension allowance (£55,684) until 31 March 2026.

In line with the Policy, due to his retirement, John will be treated as a good leaver for the purposes of his outstanding incentive awards. He received a prorated 2025/26 APP to reflect his period of service as an Executive Director. Details of the outcome of his 2025/26 APP can be found on pages 112 to 115. His outstanding LTPP awards will be prorated to his date of leaving, and will vest at the normal dates subject to the achievement of the relevant performance conditions and continue to be subject to the two-year post-vesting holding period and any relevant malus and clawback provisions. Details of the vesting of his 2023 LTPP can be found on pages 116 to 117.

A post-employment shareholding requirement is applicable for two years following his departure.

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

Joining arrangement for Zoë Yujnovich

Zoë Yujnovich joined the National Grid plc Board as Chief Executive Designate on 1 September 2025 and was appointed Chief Executive on 17 November 2025. Zoë receives a salary of £1,300,000 per annum. The remaining elements of her remuneration are in line with the Directors' Remuneration Policy and are set out within this report.

Buy-out award

On appointment, Zoë was granted a share-based award (408,762 shares) to replace remuneration foregone when leaving her previous employer, as assessed by the Committee under the approved Policy. The award was structured as a restricted share award, subject to continued employment, and will vest in three equal tranches (12, 24 and 36 months from commencement of employment). The face value of the award is £4,200,000 based on the volume weighted average share price at the date of grant. This aims to broadly mirror the delivery mechanisms, time horizons and levels of conditionality of the remuneration forfeited upon leaving her previous employment.

	Type of award	Number of shares	Face value (£'000)	Vesting dates
Zoë Yujnovich	Buy-out award	408,762	4,200	1 September 2026 (one-third) 1 September 2027 (one-third) 1 September 2028 (one-third)

Statement of Directors' shareholdings and share interests

The Executive Directors are required to build up and hold a shareholding from vested share plan awards until their shareholding requirement is met. Until this point, Executive Directors will not be permitted to sell shares, other than to pay income tax liabilities on shares just vested or in exceptional circumstances approved by the Committee. The following table shows the position of each of the Executive Directors in relation to the shareholding requirement, including their connected persons. The shareholding is as at 31 March 2026 and the salary used to calculate the value of the shareholding is the gross salary as at 31 March 2026. The table also presents the number of shares owned by the Non-executive Directors, including their connected persons.

Zoë Yujnovich is building up towards her shareholding requirement and Andy Agg has met his shareholding requirement.

Further shares have been purchased in April and May 2026 on behalf of Andy Agg as part of the Share Incentive Plan (SIP) (an HMRC tax-advantaged all-employee share plan), thereby increasing the beneficial interests by 23 shares (11 in April and 12 in May) for Andy Agg. There have been no other changes in Directors' shareholdings between 1 April 2026 and 13 May 2026.

Directors	Share ownership requirements (multiple of salary)	Number of shares owned outright (including connected persons and SIP for Executive Directors)	Value of shares held as a multiple of current salary (including connected persons)	Number of options outstanding under the Sharesave Plan	Conditional share awards subject to performance conditions (2023, 2024 and 2025 LTPP)	Share awards subject to time-based vesting only (buy-out awards)
Executive Director						
Zoë Yujnovich	500 %	-	-	3,292	506,086	408,762
Andy Agg	400 %	883,769	1,367 %	4,777	715,558	-
Former Executive Director						
John Pettigrew	500 %	2,124,589	2,164 %	4,219	1,268,341	-
Non-executive Directors						
Paula Rosput Reynolds	-	23,393	-	-	-	-
Anne Robinson	-	-	-	-	-	-
Earl Shipp	-	6,046	-	-	-	-
Iain Mackay	-	4,500	-	-	-	-
Ian Livingston	-	2,374	-	-	-	-
Jacqui Ferguson	-	-	-	-	-	-
Jonathan Silver	-	-	-	-	-	-
Martha Wyrsh	-	25,000	-	-	-	-
Tony Wood	-	2,583	-	-	-	-

Notes:

Zoë Yujnovich: On 31 March 2026, held 3,292 options under the Sharesave Plan with an exercise price of 928 pence per share (20% discounted option price) which can, subject to their terms, be exercised between 1 April 2031 and 30 September 2031. The number of conditional share awards subject to performance conditions is as follows: 2025 LTPP: 506,086. The number of shares awards subject to time-based vesting relates to the buy-out award (408,762).

Andy Agg: On 31 March 2026, held 4,777 options granted under the Sharesave Plan with an exercise price of 628 pence per share (the 20% discounted option price) and they can, subject to their terms, be exercised between 1 April 2026 and 30 September 2026. The number of conditional share awards subject to performance conditions is as follows: 2023 LTPP: 237,390; 2024 LTPP: 247,193; and 2025 LTPP: 230,975.

John Pettigrew: On 31 March 2026, held 4,219 options granted under the Sharesave Plan with an exercise price of 743 pence per share (the 20% discounted option price) which can, subject to their terms, be exercised between 1 April 2030 and 30 September 2030. The number of conditional share awards subject to performance conditions is as follows: 2023 LTPP: 420,803; 2024 LTPP: 438,141 and 2025 LTPP: 409,397. During the year, John exercised 4,670 share options granted under the Sharesave Plan at an option price of 642.30 pence per share.

Paula Rosput Reynolds, Earl Shipp and Martha Wyrsh: Hold American Depositary Shares (ADSs) and each ADS represents five ordinary shares, as presented in the table above.

People & Remuneration Committee report cont. Statement of implementation of Policy in 2025/26 cont.

Post-employment shareholding requirements

Past Executive Directors are required to continue to hold their vested shares post-employment for a period of two years in line with our current Policy.

To enforce this, the Executive Directors have given permission for the Group to periodically check with its third-party share scheme administrator whether the minimum shareholding requirement is being maintained. The Executive Directors have acknowledged that if they breach their post-employment shareholding requirement for any reason, the Group may enforce at its discretion one or more of the following processes: to request they repay to the Group an amount equivalent in value to the shareholding requirement that has not been met; the Group may withdraw/vary the vesting of any future shares granted under the LTPP; the Company may publish a public statement in a form, as the Group may decide, that the Director has failed to comply with the post-employment shareholding requirement. Executive Directors are reminded annually and when employed, of the post-employment shareholding requirement. At termination, the minimum shareholding requirement is confirmed to the Director and checks are made by the Group at the 12-month and 24-month anniversary of leaving and at the relevant financial year end, 31 March, to ascertain if their post-employment shareholding requirement has been met.

John Pettigrew stood down from the Board on 16 November 2025 and remained subject to an in-employment shareholding requirement until his final employment date of 30 April 2026, at which time he was subject to a post-employment shareholding requirement of 200% of salary for a period of two years. As of 13 May 2026, John Pettigrew continued to meet his shareholding requirement.

Shareholder dilution

All Company employees are encouraged to become shareholders through a number of all-employee share plans and a significant proportion of our employees participate annually. These plans include Sharesave and the SIP in the UK and the US Employee Stock Purchase Plan (ESPP) and US Incentive Thrift Plan (commonly referred to as a 401(k) plan) in the US which are summarised on page 255 and in our Policy.

Where shares may be issued or treasury shares reissued to satisfy incentives, dilution resulting from all incentives, including all-employee incentives, will not exceed 10% in any 10-year period. The Committee reviews dilution levels against this limit annually and under this limit the Company, as at 31 March 2026, had a headroom of 8.18% respectively.

Unvested or unexercised awards under our all-employee and discretionary share plans that were outstanding on 23 May 2024 have been adjusted to take account of the Rights Issue.

Chief Executive pay ratio

We have disclosed our Chief Executive pay ratios comparing the single total figure of remuneration of the Chief Executive to the equivalent pay for the 25th percentile, median and 75th percentile UK employees (calculated on a full-time equivalent basis), as well as the median Group-wide pay ratio.

The Chief Executive pay ratio has decreased from 85:1 to 52:1 at the UK median, primarily driven by the Chief Executive leadership transition and the absence of share awards vesting during tenure. This has also caused the Group median pay ratio to decrease when compared to last year. The Chief Executive remuneration used in the pay ratio calculation reflects the combined single figure totals (as disclosed on page 111) for Zoë Ujnovich and John Pettigrew during the periods in which they served as Chief Executive.

Year	Method	UK			Group-wide
		25th percentile pay ratio	Median pay ratio	75th percentile pay ratio	Median pay ratio
2025/26	Option A	69	52	40	39
2024/25	Option A	112	85	65	61
2023/24	Option A	117	90	69	65
2022/23	Option A	144	111	86	76
2021/22	Option A	135	105	81	76
2020/21	Option A	104	81	62	54
2019/20	Option A	111	86	66	53
2018/19 – voluntary	Option A	96	76	58	48

Notes: Salaries as at 31 March 2026 and estimated performance-based annual payments for 2025/26 have been annualised for part-time employees to reflect full-time equivalents. Performance payments have not been further adjusted to compensate where new employees have not completed a full performance year. The comparison with UK employees is specified by the 2018 amendment of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. US employees represent approximately 56% of our total employees. Our median pay ratio on a Group-wide basis is outlined above and calculated on the same basis as the UK pay ratios and at an exchange rate of \$1.34332:£1.

Changes in the Chief Executive pay ratio reflect the fact that a key feature of our executive and senior leadership remuneration strategy is heavily weighted towards longer-term performance share-based reward, resulting in larger swings year-on-year than the wider workforce. Across the wider workforce, employee remuneration is largely focused on in-year annual delivery.

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

The 2025/26 salary and total pay including benefits for the Chief Executive versus UK employees is shown below.

2025/26 salary and benefits – Chief Executive versus UK wider workforce

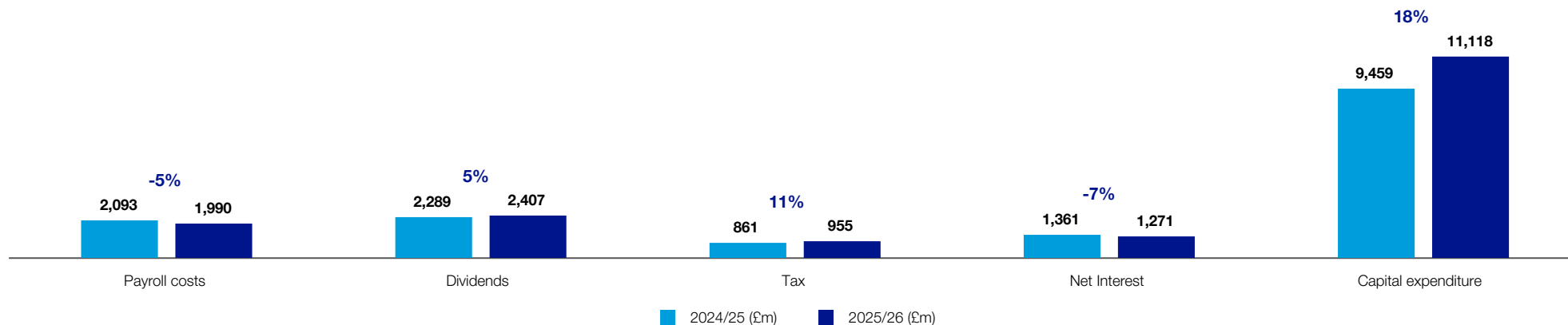
	Chief Executive remuneration	UK employee 25th percentile	UK employee median	UK employee 75th percentile
Salary	£1,201,000	£45,495	£53,379	£68,321
Total pay and benefits	£3,897,000	£56,874	£74,663	£98,608

We have chosen to use Option A in calculating the ratios, which is a calculation based on the pay of all UK employees on a full-time equivalent basis, as this option is considered to be more statistically robust. The ratios are based on total pay and benefits inclusive of short-term and long-term incentives applicable for the respective financial year (1 April – 31 March). The reference employees at the 25th, median and 75th percentile have been determined by reference to pay and taxable benefits as at the last day of the respective financial year, 31 March, with estimates for the respective APP payouts and performance outcomes of the LTPP and dividend equivalents.

We are satisfied that the median pay ratio reported this year is consistent with our wider pay, reward and progression policies for employees.

Relative importance of spend on pay

The chart below shows the relative importance of spend on pay compared with other costs and disbursements (dividends, tax, net interest and capital expenditure). Given the capital-intensive nature of our business and the scale of our operations, these costs and disbursement were chosen as the most relevant measures for comparison purposes. All amounts exclude exceptional items and remeasurements.



Notes:

1. Presented on a continuing basis only.
2. Percentage increase/decrease of the costs between years is shown.

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

Chief Executive's pay in the last 10 financial years

Zoë Yujnovich became Chief Executive on 17 November 2025. John Pettigrew was Chief Executive from 1 April 2016 to 16 November 2025.

	Zoë Yujnovich					John Pettigrew					
	2025/26	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Single total figure of remuneration (£'000)	6,469	1,993	6,488	6,113	7,262	6,614	5,071	5,205	4,651	3,648	4,623
Single total figure of remuneration including only 2014 LTPP (£'000)											3,931
APP (proportion of maximum awarded)	74.22%	71.22%	91.92%	75.50%	82.62%	85.20%	80.43%	70.58%	84.20%	82.90%	73.86%
LTPP (proportion of maximum vesting)	–	–	76.31%	81.87%	100.00%	74.22%	68.00%	84.90%	84.20%	85.20%	90.41%

Notes:

Zoë Yujnovich: The single total figure of remuneration for 2025/26 is explained in the single total figure of remuneration table.

John Pettigrew: The single total figure of remuneration for 2025/26 is explained in the single total figure of remuneration table and the single total figure for 2024/25 has been restated to reflect actual share price for 2022 LTPP vesting in 2025 and dividend equivalent shares, consistent with comparative figures shown in this year's single total figure of remuneration table.

2014 LTPP: The 2016/17 single total figure of remuneration includes both the 2013 LTPP award and the 2014 LTPP award due to a change in the vesting period from four years (2013 LTPP) to three years (2014 LTPP).

Single total figure of remuneration – Non-executive Directors

The following table shows a single total figure in respect of qualifying service for 2025/26, together with comparative figures for 2024/25:

	Fees (£'000)		Other emoluments (£'000)		Total (£'000)	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Paula Rosput Reynolds	753	724	50	51	803	775
Anne Robinson	133	121	2	1	135	123
Earl Shipp	139	129	6	7	145	136
Iain Mackay	164	158	–	40	165	198
Ian Livingston	199	189	1	1	199	190
Jacqui Ferguson	136	123	2	3	138	126
Jonathan Silver	131	120	2	4	133	124
Martha Wyrsh	146	134	11	10	157	145
Tony Wood	133	118	5	6	137	124
Total	1,934	1,816	79	123	2,012	1,941

Notes:

Other emoluments: In accordance with the Group's expenses policies, Non-executive Directors receive reimbursement for their reasonable expenses for attending Board meetings. In instances where these costs are treated by HMRC as taxable benefits, the Group also meets the associated tax cost to the Non-executive Directors through a PAYE settlement agreement with HMRC and these costs are included in the table above.

The total emoluments paid to Executive and Non-executive Directors in the year were £15.4 million (2024/25: £12.3 million).

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

Percentage change in remuneration

(Executive Directors, Non-executive Directors, employee average)

We have included percentage change in salary/fee, benefits and bonus for each of the Directors compared with prior years. The regulations cover employees of the Parent Company only and not across the Group, and given most employees, if not all, are employed by subsidiary undertakings, we have voluntarily chosen a comparator group of all employees in the UK and the US to provide a representative comparison. In line with the regulations, we disclose this information to display a five-year history.

	2025/26			2024/25			2023/24			2022/23			2021/22		
	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Executive Directors															
Zoë Yujnovich ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Andy Agg	4.9%	-15.2%	32.2%	4.4%	-14.3%	29.6%	4.6%	0.3%	-7.8%	6.5%	32.6%	2.1%	6.5%	-31.6%	15.9%
Former Executive Director															
John Pettigrew ²	-34.6%	-2.5%	-19.0%	4.4%	-54.0%	27.0%	3.9%	48.9%	-5.0%	3.4%	-42.0%	0.3%	1.7%	-8.8%	7.8%
Non-executive Directors															
Paula Rosput Reynolds	4.1%	-2.1%	n/a	3.4%	-9.2%	n/a	- %	0.4%	n/a	16.9%	217.1%	n/a	2816.8%	n/a	n/a
Anne Robinson	9.4%	115.9%	n/a	4.3%	-89.4%	n/a	5.4%	-23.7%	n/a	474.0%	n/a	n/a	n/a	n/a	n/a
Earl Shipp	7.9%	-15.0%	n/a	4.4%	-31.1%	n/a	0.7%	-51.6%	n/a	9.0%	208.6%	n/a	8.6%	n/a	n/a
Iain Mackay	4.3%	-99.6%	n/a	10.2%	86.5%	n/a	60.7%	9695.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ian Livingston	5.1%	-18.2%	n/a	16.9%	n/a	n/a	14.3%	-100.0%	n/a	113.2%	3.0%	n/a	n/a	n/a	n/a
Jacqui Ferguson	10.9%	-33.3%	n/a	362.3%	166.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jonathan Silver	8.8%	-38.6%	n/a	-0.9%	-66.2%	n/a	-1.7%	-74.2%	n/a	24.5%	383.6%	n/a	-4.2%	n/a	n/a
Martha Wyrsh	9.0%	0.8%	n/a	9.6%	27.7%	n/a	4.5%	-30.6%	n/a	111.0%	280.3%	n/a	n/a	n/a	n/a
Tony Wood	12.1%	-21.2%	n/a	4.3%	-60.0%	n/a	-3.1%	-19.0%	n/a	144.2%	857.5%	n/a	n/a	n/a	n/a
Employee median ³	-0.4%	-5.8%	-1.5%	2.3%	3.6%	-8.0%	5.0%	6.6%	-3.8%	12.4%	36.4%	-23.0%	2.8%	6.1%	40.0%

1. Zoë Yujnovich was appointed to the Board on 1 September 2025, therefore percentage change is not applicable for 2025/26.

2. John Pettigrew retired from the Board effective 16 November 2025, his leaving arrangement is set out on page 118.

3. The reduction in employee median values during 2025/26 primarily reflects the impact of exchange rate movements.

4. Benefits/other emoluments: For Executive Directors, benefits include private medical insurance, life assurance, allowance under the Group's flexible benefits programme, travel and accommodation expenses, a fully expensed car or cash alternative and the use of a car and a driver when required. For Non-executive Directors, the equivalent of benefits is emoluments. In accordance with the Group's expenses policies, Non-executive Directors receive reimbursement for their reasonable expenses for attending Board meetings. In instances where these costs are treated by HMRC as taxable benefits, the Group also meets the associated tax cost to the Non-executive Directors through a PAYE settlement agreement with HMRC and these costs are included in the table above.

Service contracts/letters of appointment

In line with our Policy, all Executive Directors have service contracts which are terminable by either party with 12 months' notice commencing immediately after announcement. Non-executive Directors are subject to letters of appointment. The Board Chair's appointment is subject to six months' notice by either party; for other Non-executive Directors, notice is one month. All Directors are required to be elected at each AGM.

There have been no changes made to Directors' service contracts and letters of appointment. Copies of service contracts and letters of appointment are available for inspection at the Company's registered office.

External appointments and retention of fees

As per our Policy, Executive Directors may, with the approval of the Board, accept one external appointment as a Non-executive Director of another company and retain any fees received for the appointment.

Experience as a board member of another company is considered to be valuable personal development, which in turn is of benefit to the Company. The table below details the Executive Directors' appointments as Non-executive Directors in other companies during the year ended 31 March 2026.

	Company
Zoë Yujnovich	Unilever plc
Andy Agg	The Weir Group plc
John Pettigrew	Rentokil Initial plc

People & Remuneration Committee report cont.

Statement of implementation of Policy in 2025/26 cont.

The Committee's activities in 2025/26

Meeting/circulations	Main areas of discussion
April 2025	Remuneration arrangements as part of Chief Executive succession plan
May 2025	AGM update Approval of 2024/25 APP and 2022 LTPP outcomes for the Group Executive Committee Approval of the 2025/26 APP financial, operational and individual objectives and 2025 LTPP targets for the Group Executive Committee Discussion on a number of governance updates, including share dilution limits and shareholding for the Group Executive Committee
November 2025	External market update and evolving governance Update on the provisional incentive plan outcomes (2025/26 APP and outstanding LTPP) for the Group Executive Committee Discussion on the results of the half-year Group-wide employee engagement survey
January 2026	Discussion on the 2026/27 APP financial, operational and individual objectives and 2026 LTPP targets for the Group Executive Committee. Review of broader workforce remuneration and approval of the Gender Pay Gap calculation.
March 2026	Discussion on the provisional incentive plan outcomes (2025/26 APP and outstanding LTPP) for the Group Executive Committee Discussion on the 2026/27 APP financial, operational and individual objectives and 2026 LTPP award for the Group Executive Committee Market data review, salary increase proposals, in context of wider workforce increases, for the Group Executive Committee Review of Chair fees Discussion on the results of the full-year Group-wide employee engagement survey

Advisors to the People & Remuneration Committee

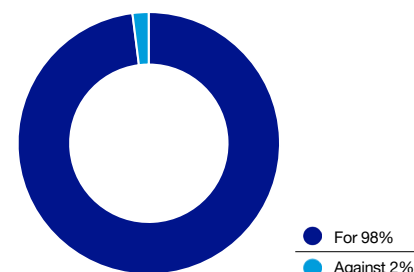
PricewaterhouseCoopers LLP (PwC) was selected by the Committee to become its independent advisor from 3 August 2020 and provided advice and counsel to the Committee throughout 2025/26. PwC is a member of the Remuneration Consultants Group (RCG) and has signed up to RCG's code of conduct. The Committee is satisfied that any potential conflicts were appropriately managed. Work undertaken by PwC in its role as independent advisor to the Committee has incurred fees of £235,751 during the 2025/26 on the basis of time charged to perform services and deliverables.

The Committee reviews the objectivity and independence of the advice it receives from its advisors each year. It is satisfied that PwC provided credible and professional advice. PwC has provided general and technical remuneration services in relation to employees below Board and Group Executive Committee level that include broad-based employee reward support and data assurance services. In addition, WTW provided benchmarking support to the Committee in the year and incurred fees of £25,200.

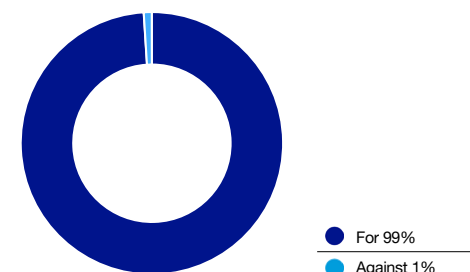
The Committee considers the views of the Chair on the performance and remuneration of the Chief Executive, and of the Chief Executive on the performance and remuneration of the other members of the Group Executive Committee. The Committee is also supported by the Group Company Secretary, and either he or his delegate acts as Secretary to the Committee; the Chief People Officer; the Group Head of Reward; and, as required, the Chief Financial Officer and the Group Financial Controller.

Voting on the Policy and the Directors' Remuneration Report at the 2025 AGM

2025 Policy



Directors' Remuneration Report 2024/25



Notes:

- The Directors' Remuneration Policy voting figures shown refer to votes cast at the 2025 AGM and represent 76.43% of the issued share capital. In addition, shareholders holding 3.9 million shares abstained.
- The Directors' Remuneration Report voting figures shown refer to votes cast at the 2025 AGM and represent 76.44% of the issued share capital. In addition, shareholders holding 3.4 million shares abstained.

People & Remuneration Committee report cont. Implementation of the Policy for 2026/27

The 2025 Policy will be implemented in 2026/27 as detailed below.

Salary and pensions

Salary increases for the Executive Directors will be on par with the wider UK and US workforce principles (4.5%). The wider workforce (non-union) salary budget increase is set at 3.5% plus 1% for compression and market adjustment. Zoë Yujnovich and Andy Agg will each receive salary increases of 4.5% and 3.5% respectively, effective from 1 July 2026, with both increases aligned with the principles applied in determining increases across the wider workforce.

The Committee considers that the Chief Executive's starting remuneration appropriately reflects that Zoë is new to the role and deliberately positioned towards the lower end of the market. Since appointment, Zoë has delivered exceptional performance, reinforcing the Committee's performance-first philosophy. Subject to continued strong company and individual performance, the Committee expects to review salary at the Chief Executive's work anniversary, with a view to moving towards a more competitive level over time. Any increase would be non-automatic, consistent with the shareholder-approved Policy, aligned with relevant peer benchmarks, and reflective of the experience of shareholders.

John Pettigrew was Chief Executive to 16 November 2025 and continued to be available to the Group through to the end of his 12-month notice period, which expired on 30 April 2026. His departure will be treated in accordance with the Directors' Remuneration Policy and his service contract. Accordingly, he continued to receive his current level of salary and benefits up to the cessation of his employment.

	From 1 July 2026	From 1 July 2025	% increase
Zoë Yujnovich	£1,359,000	£1,300,000	4.5 %
Andy Agg	£849,000	£820,575	3.5 %

The pension contribution rate for both Executive Directors is in line with that for the UK wider workforce and new joiners at 12%.

2026/27 APP

The 2026/27 APP measures will be split across financial measures, operational measures and individual objectives, weighted 70%, 15% and 15% respectively. The maximum APP award for both Executive Directors for 2026/27 is 200% of salary.

	Measure	Weighting
Financial measure	Underlying Group EPS	35 %
	Group RoE	35 %
Operational measure	Performance delivery	15 %
Individual objectives		15 %

Financial measures

For 2026/27, the Committee opted to retain Underlying Group EPS and Group RoE as financial measures. Group RoE continues to be a relevant and important measure of performance as a primarily regulated asset-based company and targets are set to ensure strong in-year returns and operational results. In respect of earnings measures, Underlying Group EPS remains the most appropriate measure under the APP from the perspective of the business, and the targets are set in a manner which considers specific challenges and opportunities in the year ahead and are flexed accordingly while remaining consistent with our longer-term performance goals.

Financial APP targets are considered commercially sensitive and consequently will be disclosed retrospectively in the 2026/27 Directors' Remuneration Report.

Operational measures

The Committee is introducing a "performance delivery" measure focusing on capital, asset, customer and functional effectiveness. Performance will be assessed on delivering our capital programme on time and on budget; improving asset reliability, safety and productivity through stronger asset management; providing consistent, high-quality customer experiences through clear communication and proactive engagement; and enabling the business through efficient, responsive corporate functions and IT services.

Individual objectives

The Committee has approved individual objectives for the Executive Directors in line with key strategic and operational priorities for the year ahead. Zoë Yujnovich's individual objectives for 2026/27 are focused on: (1) aligning the Board on strategic direction and enhancing strategic optionality; (2) driving big shifts by developing talent and a high-performance culture, building external influence and credibility, scaling technology and innovation; and (3) delivering the brilliant basics. Andy Agg's individual objectives are focused on: (1) execute our growth strategy; (2) enhance our investor engagement; (3) embed technology & innovation; and (4) enhance functional effectiveness.

2026 LTPP

The 2026 LTPP performance measures and weightings for all Executive Directors comprise two equally weighted financial measures totalling 80% and two equally weighted energy transformation measures totalling 20% as outlined in the table below. The maximum 2026 LTPP award is 400% and 350% of salary for Zoë Yujnovich and Andy Agg respectively.

LTPP performance is measured over the entire three-year performance period, which for the 2026 LTPP is 1 April 2026 – 31 March 2029.

	Measure	Weighting
Financial measure	Cumulative 3-year Underlying Group	40 %
	Group RoE	40 %
Energy transformation measures	Reduction of Scope 1 emissions	10 %
	Enablement of strategic growth	10 %

Financial measures

Financial measures under the 2026 LTPP are selected to provide alignment with the key drivers of the Group's long-term strategy and value creation for shareholders. Earnings growth and sustainable investment returns remain key measures of long-term value creation in light of the Group's regulated and long-term nature.

The Committee is conscious that financial performance measures under our short-term (APP) and long-term (LTPP) performance plans are similar, however we are of the belief that these measures are the appropriate and correct measures to deliver both short and long-term business strategy as well as long-term efficient asset growth and shareholder value.

Consequently, the 2026 LTPP financial measures are designed in a manner which incentivises alternative elements of performance over the long term as compared with the short term. Specifically in LTPP, Group RoE is averaged across the three-year performance period to incentivise sustainable returns for shareholders in the longer term. Similarly, the cumulative three-year Underlying Group EPS measure assesses Underlying EPS for the three years in the LTPP performance period.

People & Remuneration Committee report cont. Implementation of the Policy for 2026/27 cont.

Below are the performance ranges for the financial measures in the 2026 LTTP.

Performance conditions

Performance measures	Weighting	Threshold 20% vesting	Maximum 100% vesting
Cumulative three-year Underlying Group EPS	40 %	291p	311p
Group RoE	40 %	10.30 %	11.55 %

Note: Vesting between threshold and maximum will be on a straight-line basis. Underlying EPS growth reflects the cumulative summation of the Underlying EPS results for each of the three years in the performance period: 2026/27, 2027/28 and 2028/29.

Energy transformation measures

Measures linked to the energy transformation continue to set out key targets and outcomes on the Group's journey to achieve: (1) reductions in the Company's direct Scope 1 emissions and (2) enablement of strategic growth initiative.

Similar to previous years, the reduction of Scope 1 emissions measure supports meeting our 2030 Group emission reduction targets. These targets are SBTi validated and aligned to a 1.5°C pathway.

The second measure of enablement of strategic growth initiative is being expanded to further align with our strategy and include demand-side connections and large loads that support the energy transition and business growth, in addition to generation connections. These demand-side connections include transmission growth to support growth in renewable generation, electric vehicle demand and heat pumps in distribution networks, electrification of industrial processes and data centre connections.

Performance measures	Weighting	Threshold 20% vesting	Maximum 100% vesting
Reduction of Scope 1 emissions	10 %	3 %	9 %
Enablement of strategic growth	10 %	Demand and generation connections measured in MW	

Notes:

Vesting between threshold and maximum will be on a straight-line basis.

The overall enablement of strategic growth initiative measure comprises of equally weighted demand and generation connection targets across Electricity Transmission, Electricity Distribution, New England, and New York.

Fees for Non-executive Directors

Non-executive Director fees were reviewed in May 2026 and will be effective from 1 July 2026, in line with the annual salary review cycle for our wider workforce.

	From 1 July 2026 (£'000)	From 1 July 2025 (£'000)	% increase vs 2025
Chair	795.0	760.8	4.5 %
Senior Independent Director	33.9	33.9	— %
Board fee	100.0	90.4	10.6 %
Chair Audit & Risk Committee	40.0	38.1	5.0 %
Chair People & Remuneration Committee	40.0	33.9	18.0 %
Chair Nomination Committee	—	—	— %
Chair other Committees (Responsible Business, Safety & Operations)	30.0	28.3	6.0 %
Audit & Risk Committee member	26.0	26.0	— %
People & Remuneration Committee member	26.0	20.3	28.1 %
Nomination Committee member	10.0	—	n/a
Other Committee member (Responsible Business, Safety & Operations)	17.0	17.0	— %

The above table incorporates adjustments following the December 2025 restructuring of the Committees to reflect changes in role scope. These include the expansion of the Remuneration Committee to the People & Remuneration Committee, the establishment of the Nomination Committee as a standalone committee, and changes to the composition of other Committees. Prior to the restructuring, other Committees comprised Finance, Safety & Sustainability, and People & Governance.

The Directors' Remuneration Report has been approved by the Board and signed on its behalf by:

Martha Wyrsh

Chair of the People & Remuneration Committee

13 May 2026