

DEED POLL

Relating to various debt instruments issued by the Issuer

Dated 31 January 2023

NATIONAL GRID GAS PLC

as Issuer

This Deed Poll (the “Deed”) is made on 31 January 2023 by:

- (1) **NATIONAL GRID GAS PLC**, a company incorporated in England and Wales (registered number 02006000) (the “**Issuer**”)

in favour of the Beneficiaries (as defined below).

Whereas:

- (A) The Issuer has issued the debt instruments set out in Schedule 1 hereto (the “**NGG Bonds**”).
- (B) The Issuer now wishes to commit to adhering to a new leverage based distribution restriction in relation to the NGG Bonds.

1 Definitions and Interpretation

1.1 For the purposes of this Deed

“**Beneficiaries**” means each Trustee, and “**Beneficiary**” means any one of them;

“**Bondholders**” means, in respect of a series of NGG Bonds, the holders of that series of NGG Bonds, and “**Bondholder**” means any one of them; and

“**Trustees**” means the trustees for the outstanding series of NGG Bonds, being The Law Debenture Trust Corporation p.l.c., The Bank of New York Mellon and any successor trustee appointed in accordance with any trust deed constituting any NGG Bonds, and “**Trustee**” means the trustee for the relevant series of NGG Bonds.

2 Obligations of the Issuer

The Issuer agrees that:

- (i) paragraphs 2.1 and 2.2 below shall be incorporated into, and shall form part of, the terms and conditions of each series of the NGG Bonds; and
- (ii) this Deed shall be supplemental to the trust deeds constituting the NGG Bonds.

2.1 Restricted Payments

2.1.1 The Issuer shall:

- (a) provide to the Trustee, within 150 days of 31 March and within 90 days of 30 September in each year (commencing with and from 30 September 2023) a certificate signed by two directors of the Issuer stating its Regulated Asset Ratio as at the most recent Calculation Date (including computations in reasonable detail); and
- (b) subject to paragraph 2.1.2 below, not, directly or indirectly, make any Distribution (and shall not put in place alternative arrangements, the purpose of which is to circumvent any such limitation on the payment of Distributions) unless:
- (i) the most recently delivered certificate referred to in paragraph (a) above confirms that the Regulated Asset Ratio as at the most recent Calculation Date was not greater than 0.725:1; and
- (ii) the Issuer certifies to the Trustee that the Regulated Asset Ratio (as shown in the most recently delivered certificate referred to in

paragraph (a) above) recalculated on a pro forma basis following the payment of such Distribution would not be greater than 0.725:1.

2.1.2 The Issuer shall be entitled to, directly or indirectly, make any Distribution:

- (i) prior to the earlier of:
 - (A) the date on which the certificate in respect of 30 September 2023 is delivered by the Issuer to the Trustee; and
 - (B) the deadline for the Issuer to deliver the certificate in respect of 30 September 2023,

in each case, pursuant to paragraph 2.1.1(a) above, provided that the Regulated Asset Ratio following the payment of such Distribution would not be greater than 0.725:1; or

- (ii) at any time, if such Distribution is a Permitted Business Payment.

2.1.3 The Issuer confirms that its Regulated Asset Ratio as at 30 September 2022 was not greater than 0.725:1.

2.2 Definitions and Construction

2.2.1 For the purposes of paragraph 2.1 above:

“Affiliate” means in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“Applicable Accounting Principles” means International Financial Reporting Standards (IFRS) or generally accepted accounting principles in the United Kingdom;

“Applicable Mismatch Period” means:

- (a) in relation to Shrinkage, System Operator Allowed Revenue and/or Transmission Allowed Revenue for the purposes of the calculation of Regulatory Timing Mismatch, 2 years from the last day of the relevant period for which a Regulatory Timing Mismatch is being calculated; and
- (b) in relation to System Operator Neutrality Costs, 3 months from the particular date that Net Debt is being calculated;

“Applicable Regulatory Regime” means the Licence, the Uniform Network Code and any other applicable regulation or legislation and/or any regulatory policy or guidance that is binding on the Issuer;

“Authorised Investments” means:

- (a) securities issued by the government of the United Kingdom;
- (b) demand or time deposits, certificates of deposit and short-term unsecured debt obligations, including commercial paper, or other investments with similar liquidity and effective credit quality characteristics to time deposits, provided that the issuing entity or, if such investment is guaranteed, the guaranteeing entity, is rated the Minimum Short-term Rating or (if the relevant Authorised Investments have an original maturity in excess of one year) the Minimum Long-term Rating from at least one of Fitch, Moody's or S&P;

- (c) any other obligations provided that in each case the relevant investment has the Minimum Short-term Rating or (if the relevant Authorised Investments have an original maturity in excess of one year) the Minimum Long-term Rating from at least one of Fitch, Moody's or S&P; and
- (d) any other money market funds having the Minimum Short-term Rating from at least one of Fitch, Moody's or S&P;

in each case denominated in sterling, euros or US Dollars and to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security;

"Calculation Date" means 31 March and 30 September in each year or any other calculation date agreed as a result of a change in the financial year end date of the Issuer;

"Cash" means, at any time, cash denominated in sterling, euro, US dollars or any other major international currency in hand or at bank and (in the latter case) credited to a bank account in the name of a member of the Group and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other Financial Indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security Interest over that cash except comprising a netting or set-off arrangement (including under any Hedging Agreement) entered into by members of the Group in the ordinary course of their banking arrangements;
- (d) the cash is freely available to be applied in payment of any obligation under the NGG Bonds; and
- (e) the cash has not accrued as a result of, nor is attributable to, an Overpayment;

"Distribution" means any payments (including any payments of distributions, dividends, bonus issues, return of capital, interest or principal (by way of loan or repayment of any loan or otherwise)) (in cash or in kind) to any Affiliate of the Issuer;

"Finance Lease" means any lease or hire purchase contract, a liability under which would, in accordance with Applicable Accounting Principles, be treated as a balance sheet liability;

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds (but not Trade Instruments), notes, debentures, loan stock or any similar instrument;

- (d) the amount of any liability in respect of any Finance Leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any termination amount (but not the marked-to-market value) due from any member of the Group in respect of a derivative transaction;
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument (but not, in any case, Trade Instruments) issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within any of the other paragraphs of this definition;
- (h) any amount of any liability under an advance or deferred purchase agreement if:
 - (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question; or
 - (ii) the agreement is in respect of the supply of assets or services and payment is due more than 60 days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing or otherwise classified as a borrowing under Applicable Accounting Principles; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

The term “**Financial Indebtedness**” shall not, for the avoidance of doubt, include any obligations in respect of early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions (or guarantees, surety bonds, letters of credit or other instruments in relation to any such obligations, contributions or claims);

“**Fitch**” means Fitch Ratings Ltd. or any successor to its rating business;

“**Group**” means the Issuer and its Subsidiaries from time to time;

“**Hedging Agreements**” means any ISDA Master Agreement (including the schedule and (if any) credit support annex thereto, and any Treasury Transaction thereunder) entered, or to be entered into, by any member of the Group with a Hedge Counterparty, each of which is individually a “**Hedging Agreement**”;

“**Hedge Counterparties**” means the counterparties to any Hedging Agreement, each of which is individually an “**Hedge Counterparty**”;

“**Holding Company**” means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

“**Index-Linked Hedging Agreement**” means any Hedging Agreement with a Hedge Counterparty in respect of an Index-Linked Hedging Transaction;

"Index-Linked Hedging Transaction" means any Hedging Transaction pursuant to an Index-Linked Hedging Agreement under which payments to be made by either party are to be indexed;

"Investment Grade" means a rating of at least BBB- by S&P or BBB- by Fitch or Baa3 by Moody's (or any replacement notation therefor, or such equivalent ratings by any other internationally recognised credit rating agency);

"Licence Income Limits" means the Allowed Revenue (as set out and defined in Special Condition 2.1 (*Transportation owner revenue restriction*) of the Special Conditions of the Material Licence) and SO Allowed Revenue (as set out and defined in Special Condition 2.3 (*System operator revenue restriction*) of the Special Conditions of the Material Licence);

"Long Term Agreements" means:

- (a) in respect of the Warwick HQ and Gas National Control Centre:
 - (i) underlease between (1) National Grid Electricity Transmission plc and (2) the Issuer;
 - (ii) licence for alterations between (1) National Grid Electricity Transmission plc and (2) the Issuer; and
 - (iii) agreement for critical national infrastructure services between (1) National Grid Electricity Transmission plc and (2) the Issuer;
- (b) in respect of Hams Lane and Backup Gas National Control Centre:
 - (i) underlease between (1) National Grid Electricity Transmission plc and (2) the Issuer; and
 - (ii) agreement for critical national infrastructure services between (1) National Grid Electricity Transmission plc and (2) the Issuer;
- (c) in respect of Eakring Training Centre:
 - (i) underlease between (1) National Grid Electricity Transmission plc and (2) the Issuer; and
 - (ii) agreement for training services between (1) National Grid Electricity Transmission plc and (2) the Issuer;
- (d) in respect of Homer Road Solihull, underlease between (1) the Issuer and (2) National Grid Property Holdings Limited; and
- (e) in respect of Warrington Archive, an agreement for the provision of archive services between (1) the Issuer and (2) National Grid UK Limited;

"Material Licence" means the Issuer's gas transporter licence granted pursuant to section 7 of the Gas Act, with respect to its transportation of gas and any other licences notified as such by the Issuer to the Trustee;

"Minimum Long-term Rating" means in respect of:

- (a) any person, such person's long-term unsecured and unsubordinated debt obligations being rated; or
- (b) any instrument, such instrument being rated,

in the case of Moody's "Baa2"; in the case of S&P, "BBB"; and in the case of Fitch, "BBB", provided that, for the purposes of determining whether such a person has satisfied the Minimum Long-term Rating:

- (i) if such person or instrument has (x) two ratings, the lower of those ratings will apply; and (y) three ratings, the two lowest equivalent ratings will apply; and
- (ii) none of Moody's, S&P or Fitch may assign a rating below Investment Grade to such person or instrument (to the extent that such ratings have been assigned to such person by Moody's, S&P or Fitch);

"Minimum Short-term Rating" means in respect of:

- (a) any person, such person's short term unsecured and unsubordinated debt obligations being rated; or
- (b) any instrument, such instrument being rated,

in the case of Moody's, "Prime-2"; in the case of S&P, "A-2"; and in the case of Fitch, "F2", provided that, for purposes of determining whether such a person has satisfied the Minimum Short-term Rating:

- (i) if such person or instrument has (x) two ratings, the lower of those ratings will apply; and (y) three ratings, the two lowest equivalent ratings will apply; and
- (ii) none of Moody's, S&P or Fitch may assign a rating below P-3, A-3 and F3 respectively to such person or instrument (to the extent that such ratings have been assigned to such person by S&P, Fitch or Moody's);

"Moody's" means Moody's Investors Service Limited or any successor to its rating business;

"Net Debt" means, as at any particular time, the aggregate nominal amount (which, for the avoidance of doubt, here means the original face value where relevant) of all outstanding (or, in respect of a future date, forecast to be outstanding) obligations of the Group (on a consolidated basis) in respect of Financial Indebtedness and so that no amount shall be included or excluded more than once provided that, in relation to any amount denominated other than in sterling (the **"foreign currency amount"**), such foreign currency amount shall be expressed in terms of sterling, calculated on the basis of the applicable FX Rate:

- (a) excluding any Subordinated Debt;
- (b) including, in the case of Finance Leases, only the capitalised value thereof;
- (c) including (on a net basis) any accretion portion of any Financial Indebtedness which is indexed and any accretion under any Index-Linked Hedging Transaction;
- (d) excluding any un-crystallised mark to market amount relating to any Hedging Agreement (other than Hedging Agreements having the commercial effect of annuity payments); and
- (e) excluding any amounts owing between members of the Group;

- (f) *less:*
 - (i) Cash of the Group; and
 - (ii) Authorised Investments of the Group;
- (g) *less:*
 - (i) Regulatory Receivables Debtors; and
 - (ii) the amount of Regulatory Timing Mismatch accrued or, in the case of a forward-looking financial ratio, projected to be accrued, in the 12 month period prior to the relevant Calculation Date (or, if such number is a negative number, adding the absolute value of such Regulatory Timing Mismatch),

without double counting,

where “**FX Rate**” means, in relation to the amounts referred to in this definition:

- (i) if hedged pursuant to a Treasury Transaction, the exchange rate specified therein; and
- (ii) if not hedged, the spot rate of exchange for the purchase of the relevant currency with sterling in the London foreign exchange market at or about 11:00 a.m. on the date of such calculation;

“**Out-turn Inflation**” means, in respect of any period for which the relevant indices have been published, the actual inflation rate (or rates) applicable to such period determined by reference to movements in any applicable index (or indices) as specified by the Regulator from time to time;

“**Overpayment**” means any amount recovered from customers by the Issuer in respect of any financial year in excess of any limit prescribed by the Regulator in respect of such period;

“**Periodic Review**” means any review of gas transmission price controls conducted by the Regulator from time to time;

“**Permitted Business Payment**” means any payment made by or on behalf of the Issuer to an Affiliate:

- (a) under the Transitional and Long Term Services Agreements; or
- (b) on an arm's length basis in the ordinary course of its business;

“**Price Control Financial Model**” means the price control financial model (or such other replacement from time to time) of the Issuer approved by the Regulator in respect of the period for which a Regulatory Timing Mismatch is being calculated;

“**RAV**” means, in relation to any date:

- (a) the regulatory asset value in respect of the Issuer as published in the latest Periodic Review in respect of the most recent 31 March (or such other definitive date within a Periodic Review period as may be set by the Regulator in respect of future Periodic Review periods) (in each case, a “**Definitive Date**”) provided that, (i) for any date falling from and excluding a Definitive Date to but excluding the next Definitive Date within a Periodic

Review period, the regulatory asset value shall be the Issuer's good faith interpolation of its regulatory asset value based upon the regulatory asset value for each such Definitive Date; and (ii) for any date in respect of which there has been no final proposal by the Regulator, the regulatory asset value shall be the Issuer's good faith, present estimate of its regulatory asset value on the relevant date; plus

- (b) (without double counting) amounts of expenditure which have been logged up through a Recognised Regulatory Mechanism for subsequent recognition in the regulatory asset value in a future Periodic Review period,

in each case as adjusted by Out-turn Inflation;

"Recognised Regulatory Mechanism" means any of: (i) any correction mechanism employed by the Regulator to adjust the Licence Income Limits for any previous over- or under- recovery against the Issuer's regulatory allowed revenue, including any income adjusting event exceeding the threshold determined from time to time by the Regulator; (ii) logging up of RAV, where the Regulator has approved the relevant expenditure; (iii) any mechanism capable of being employed by the Regulator set out in the Special Conditions of the Material Licence; or (iv) any other similar mechanism as agreed from time to time between the Regulator and the Issuer;

"Regulated Asset Ratio" at each Calculation Date or such other date at which a calculation is required to be made, means the ratio of Net Debt to RAV;

"Regulator" means the Gas and Electricity Markets Authority, operating through the Office of Gas and Electricity Markets and any successors thereto;

"Regulatory Receivables Debtors" means amounts owed to the Issuer in respect of System Operator Neutrality Costs which are included under the "debtors" (or equivalent) line item in the Issuer's balance sheet;

"Regulatory Timing Mismatch" means in respect of any period for which it is being calculated the sum of:

- (a) the aggregate of payments actually made by the Issuer in such period to fund costs in respect of Shrinkage (to the extent such costs are efficiently incurred) *less* the amount of revenues actually collected by the Issuer in such period in respect of Shrinkage;
- (b) System Operator Allowed Revenue *less* System Operator Actual Revenue; and
- (c) Transmission Allowed Revenue *less* Transmission Actual Revenue,

(the result of the sums of each of (a), (b) and (c) being a **"mismatch"**), provided that:

- (i) if a mismatch is a positive number, the Issuer reasonably considers (based on, among other things, the Applicable Regulatory Regime and the level of recovery in previous years) that such amount is or will be fully recoverable within the Applicable Mismatch Period pursuant to the Applicable Regulatory Regime; and
- (ii) if a mismatch is:

- (x) a positive number, deducting the amount of corporation tax that would have been due and payable (or, in the case of any forward-looking financial ratios, is anticipated to be paid or payable) on the amount of the mismatch, had it been received in such period; or
- (y) a negative number, adding the amount of corporation tax that was actually paid or payable in such period (or, in the case of any forward-looking financial ratios, is anticipated to be actually paid or payable) to such mismatch;

“**S&P**” or “**Standard & Poor’s**” means Standard & Poor’s Credit Market Service UK Limited or any successor to its rating business;

“**Security**”: means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“**Security Interest**” means:

- (a) any mortgage, pledge, lien, charge, assignment or hypothecation or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

“**Shrinkage**” means:

- (a) the management of gas in the national transmission system which is used by the Issuer in connection with the operation of, or which is lost or otherwise unaccounted for as offtaken from, the national transmission system, including gas which cannot be billed due to application of the Gas (Calculation of Thermal Energy) Regulations 1996;
- (b) the procurement of electricity for the purposes of operating electric compressors; and
- (c) emissions trading scheme costs;

“**Subordinated Debt**” means any indebtedness of a member of the Group which is fully subordinated to the NGG Bonds in a binding and enforceable agreement between the relevant borrower of such indebtedness and the lender of such indebtedness;

“**Subsidiary**” means a company which is:

- (a) a subsidiary within the meaning of section 1160 of the Companies Act 2006; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006;

“System Operator Actual Revenue” means the Issuer’s actual revenue in respect of system operator charges (excluding any revenues in respect of Shrinkage) derived in accordance with the Applicable Regulatory Regime;

“System Operator Allowed Revenue” means the Issuer’s allowed revenue as determined in the Price Control Financial Model and derived in accordance with the Applicable Regulatory Regime in respect of system operator charges (excluding (i) any allowed revenue in respect of Shrinkage; and (ii) any adjustment made in the Price Control Financial Model to reflect any previously incurred Regulatory Timing Mismatch);

“System Operator Neutrality Costs” means the efficiently incurred costs of the Issuer (either actually incurred or, in respect of any forward-looking financial ratios, as estimated to be incurred) in respect of exercising gas operating margin contracts, residual balancing, shipper of last resort obligations and demand side response, which are or will be fully recoverable by the Issuer within the Applicable Mismatch Period pursuant to the Applicable Regulatory Regime;

“Trade Instruments” means any performance bonds, or advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Group arising in the ordinary course of trading;

“Transitional and Long Term Services Agreements” means:

- (a) the transitional services agreement dated on or around 25 January 2023 between National Grid UK Limited and the Issuer relating to the transitional services to be provided pursuant to the sale of National Grid Gas Holdings Limited;
- (b) the transitional trademark licence dated on or around 25 January 2023 between NGrid Intellectual Property Limited, National Grid Electricity Transmission Plc and national Grid Gas Holdings relating to the use of certain trademarks during a transitional period;
- (c) the gas forecasting general services agreement for the supply of services by National Grid Electricity Systems Operator Limited to the Issuer;
- (d) the information access agreement between National Grid UK Limited and the Issuer; and
- (e) the Long Term Agreements;

“Transmission Actual Revenue” means the Issuer’s actual revenue recovered through entry and exit charges in accordance with the Applicable Regulatory Regime;

“Transmission Allowed Revenue” means the Issuer’s allowed revenue as determined in the Price Control Financial Model and derived in accordance with the Applicable Regulatory Regime recoverable by the Issuer through entry and exit charges (excluding any adjustment made in the Price Control Financial Model to reflect any previously incurred Regulatory Timing Mismatch);

“Treasury Transaction” means any currency or interest rate purchase, cap or collar agreement, forward rate agreements, interest rate or currency or future or option contract, foreign exchange or currency purchase or sales agreement, interest rate

swap, index-linked swap, currency swap or combined interest rate and currency swap agreement and any other similar agreement or any derivative transaction; and

“Uniform Network Code” means the uniform network code administered by the Joint Office of Gas Transporters (as may be amended, updated or replaced from time to time).

- 2.2.2 For the purpose of paragraph 2.1 and 2.2.1 above, no item shall be deducted or credited, and no amount shall be included or excluded, more than once in any calculation.

3 Benefit of the Deed

- 3.1 The Issuer undertakes in favour of the Beneficiaries to comply with its obligations under this Deed.
- 3.2 This Deed inures for the benefit of the Beneficiaries (for itself and each of the holders of the NGG Bonds).
- 3.3 Each Beneficiary shall have the benefit of all rights, powers, protections, indemnities, authorisations and discretions provided to it under the trust deed constituting the relevant NGG Bonds.

4 Modification and Termination of this Deed

- 4.1 Notwithstanding anything contained in this Deed but without limiting paragraph 4.2 below, the Issuer may (by deed expressed to be supplemental to this Deed) from time to time, modify, abrogate or vary the provisions of this deed or terminate this Deed in full in respect of an individual series of NGG Bonds (such series of NGG Bonds to which the modification, abrogation, variation or termination of this Deed relates being the **“Affected Series”**) (and for the avoidance of doubt the series of NGG Bonds other than the Affected Series shall not be affected by the modification, abrogation, variation or termination of this Deed), **provided that** the Trustee of the Affected Series has provided its prior written consent to such modification, abrogation, variation or termination (acting in accordance with the terms and conditions of such Affected Series including, by acting on the instructions of the relevant percentage of Bondholders of that Affected Series required under the terms and conditions of that Affected Series).
- 4.2 Notwithstanding anything contained in this Deed, the Issuer may (by deed expressed to be supplemental to this Deed) from time to time, modify or vary the provisions of this Deed in respect of all NGG Bonds if:
- 4.2.1 the Issuer delivers a certificate in writing to the Trustees confirming that such modification or variation is being made in connection with a change in applicable law or regulation or the Applicable Accounting Principles, in each case after the date of this Deed; and
- 4.2.2 either:
- (i) the Issuer delivers to the Trustees a rating affirmation from each Rating Agency then providing a solicited long-term credit rating of any NGG Bonds confirming in writing that the then current rating of the NGG Bonds to which their ratings relate would not be adversely affected by such modification or variation; or

- (ii) where any such Rating Agency is not willing to issue a rating affirmation due to its then prevailing policy regarding the issue of rating affirmations, the Issuer delivers a certificate in writing to the Trustees that, in its opinion (and where the relevant Rating Agency was prepared to consult with the relevant Issuer this opinion is based on consultation with such Rating Agency), such exercise would not cause a downgrade to the then current credit rating of the NGG Bonds rated by such Rating Agency.

5 Miscellaneous

If any provision in this Deed should be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions shall not be affected thereby.

6 Contracts (Rights of Third Parties) Act 1999

6.1 Other than as provided in Clause 6.2 below, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

6.2 The Beneficiaries may rely on and enforce the terms of this Deed.

7 Governing law

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

8 Jurisdiction

The English courts shall have exclusive jurisdiction to settle any dispute in connection with this Deed.

Schedule 1

NGG Bonds

1 Instruments under the Issuer's Euro Medium Term Note Programme:

- (i) GBP 50,000,000 fixed rate instruments issued 1998 due 2028 (ISIN: XS0091221258);
- (i) GBP 100,000,000 index linked instruments issued 2006 due 2036 (ISIN: XS0250104345);
- (ii) GBP 115,000,000 index linked instruments issued 2006 due 2046 (ISIN: XS0258589646);
- (iii) GBP 300,000,000 index linked instruments issued 2006 due 2036 (ISIN: XS0270621138);
- (iv) GBP 140,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0280586081);
- (v) GBP 50,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0281549336);
- (vi) GBP 25,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0281936889);
- (vii) GBP 50,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0283715604);
- (viii) GBP 100,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0286452015);
- (ix) GBP 25,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0286151914);
- (x) GBP 50,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0289189093);
- (xi) GBP 50,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0291309226);
- (xii) GBP 100,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0291522091);
- (xiii) GBP 100,000,000 index linked instruments issued 2007 due 2039 (ISIN: XS0293033717);
- (xiv) GBP 75,000,000 index linked instruments issued 2007 due 2052 (ISIN: XS0316596476);
- (xv) GBP 25,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0327278247);
- (xvi) GBP 65,000,000 index linked instruments issued 2007 due 2037 (ISIN: XS0287794456);
- (xvii) GBP 457,000,000 fixed rate instruments due 2038 (8 tranches) (ISIN: XS0363511873);
- (xviii) GBP 50,000,000 index linked instruments issued 2010 due 2041 (ISIN: XS0529594037);
- (xix) GBP 300,000,000 fixed rate instruments issued 2020 due 2031 (ISIN: XS2112228676);
- (xx) GBP 250,000,000 fixed rate instruments issued 2021 due 2033 (ISIN: XS2284250284);
- (xxi) GBP 250,000,000 fixed rate instruments issued 2021 due 2043 (ISIN: XS2284250441); and
- (xxii) HKD 300,000,000 fixed rate instruments issued 2012 due 2027 (ISIN: XS0868855064).

2 Standalone bonds:

- (i) GBP 200,000,000 fixed rate 7 1/8 per cent. bonds issued 1994 due 2044 (ISIN: XS004850835);
- (ii) GBP 275,000,000 fixed rate 8 3/4 per cent. bonds due 2025 (two tranches) (ISIN: XS0058343251); and
- (iii) GBP 503,780,000 guaranteed fixed rate 7.0 per cent. bonds issued 1999 due 2024 (ISIN: XS0103338496).

In witness whereof this Deed has been delivered on the date first stated above.

ISSUER

Executed as a DEED by **NATIONAL GRID GAS PLC**

DocuSigned by:
Nick Hooper.....
B3F4965BDD8F451...

Name: Nick Hooper

Title: Director

DocuSigned by:
David Byrne.....
BB41G3FDA90B440.....

Name: David Byrne

Title: Company Secretary