

Statement in respect of Financial Year 2022/2023

National Gas Transmission plc - Statement of compliance with 33F of the Gas Act 1986 (as amended)

1. As a gas transmission network owner and system operator, National Gas Transmission plc (“NGT”) holds a licence in order to carry out activities subject to price regulation. Section 33F of the Gas Act 1986 (as amended) applies to any company which is authorised by a licence to carry on activities subject to price regulation. In order to comply with this NGT is required to disclose the level of remuneration linked to levels of performance with respect to service standards in connection with activities subject to price regulation that has been paid, or is due to be paid, to NGT directors for the year ended 31 March 2023.

2. Service standards are standards which relate to the quality of service received by customers or potential customers of the company.

3. On 31 January 2023 NGT was sold by the National Grid Group to a consortium led by Macquarie Asset Management and British Columbia Investment Management Corporation (“**Transaction**”). Therefore, for the first 10 months of the year ended 31 March 2023 NGT was part of the National Grid Group and followed the National Grid Group remuneration policy. For the final two months of the year ended 31 March 2023 NGT was a standalone entity and adopted its own remuneration processes.

4. There is no direct link between performance against service standards in respect of basic salary or pension benefits of the executive directors of NGT.

5. Performance-based elements of remuneration form a significant portion of the total remuneration package for the executive directors of NGT. Performance-based elements are linked to both business performance measures and individual performance and typically comprise an annual element (the Annual Performance Plan, “**APP**”) and a longer-term element (the Long-Term Incentive Plan, “**LTIP**”).

6. For the year ended 31 March 2023 the APP applicable to executive directors are linked to the financial and operational performance of NGT and their individual performance and was recommended by the Remuneration and Nomination Committee (“**Remco**”) for approval by the NGT Board.

a. The individual performance has been determined by an assessment of the achievement of objectives set at the start of the financial year and their demonstration of leadership behaviours and NGT values.

b. In terms of the operational performance of NGT during this year, this was assessed against metrics and targets set at the start of the financial year.

c. Remco has also, where appropriate, reflected on business outcomes not directly included in the APP, including items related to demonstrating service levels to our customers and communities before finalising the plan outcomes.

7. For the year ended 31 March 2023 the executive directors of NGT were not eligible to participate in an LTIP as the Transaction process was on going. The executive directors received a bonus linked to the successful outcome of the Transaction which had an element linked to the performance of the NGT business which is indirectly impacted by demonstrated service levels to NGT’s customers.

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10. The two Sufficiently Independent Directors of NGT receive a flat monthly fee for their services. They do not participate in the annual bonus arrangements and their remuneration is not linked to performance standards.

11. The shareholder nominated Directors are not remunerated by NGT.