

PROSPECTUS DATED 28 NOVEMBER 2023



# NATIONAL GAS TRANSMISSION PLC

(formerly National Grid Gas plc)

(incorporated with limited liability in England and Wales on 1 April 1986 under registered number 02006000)

**Euro 10,000,000,000**

## **Euro Medium Term Note Programme**

Under the Euro Medium Term Note Programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), National Gas Transmission PLC (formerly National Grid Gas plc) ("**National Gas Transmission**" or the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt instruments (the "**Instruments**") denominated in any currency agreed between the Issuer, the Trustee and the relevant Dealer (as defined below). The aggregate nominal amount of Instruments outstanding will not at any time exceed Euro 10,000,000,000 (or the equivalent in other currencies). The Instruments will only be issued in bearer form.

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

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

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

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

Each Series (as defined under the section headed "Overview of the Programme") of Instruments will be represented on issue by a temporary global instrument in bearer form (each a "**temporary Global Instrument**") or a permanent global instrument (each a "**permanent Global Instrument**" and, together with the temporary Global Instruments, the "**Global Instruments**"). If the Global Instruments are stated in the relevant Final Terms to be issued in new global note ("**NGN**") form, the Global Instruments will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Global Instruments which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). The provisions governing the exchange of interests in any Global Instruments for interests in any other Global Instruments and Definitive Instruments are described in "Overview of Provisions Relating to the Instruments while in Global Form".

National Gas Transmission has been rated 'Baa1' by Moody's Investors Service Ltd. ("**Moody's**") and 'BBB+' by Fitch Ratings Limited ("**Fitch**") and the Programme has been rated 'Baa1' by Moody's and 'A-' by Fitch. Moody's and Fitch are each established in the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Tranches of Instruments (as defined in "Overview of the Programme") to be issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the rating assigned to the Instruments already issued. In general, United Kingdom regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Prospectus will be valid as a base prospectus under the UK Prospectus Regulation for 12 months from 28 November 2023. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply following the expiry of that period.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the Securities Act.

### **Arranger for the Programme**

**Lloyds Bank Corporate Markets**

### **The Dealers**

**ABN AMRO**

**BNP PARIBAS**

**Lloyds Bank Corporate Markets**

**Mizuho**

**MUFG**

**NatWest Markets**

**RBC Capital Markets**

## IMPORTANT NOTICES

This Prospectus comprises (i) a base prospectus (the “**Base Prospectus**”) for the purposes of the UK Prospectus Regulation and for the purpose of giving information with regard to National Gas Transmission and each of its subsidiary undertakings (together, the “**National Gas Transmission Group**”); and (ii) listing particulars for the purposes of LR 2.2.11 of the Listing Rules of the FCA and Section 80(1) of the FSMA with regard to National Gas Transmission and the National Gas Transmission Group (the “**Listing Particulars**”).

For avoidance of doubt, the form of Pricing Supplement forms part of the Listing Particulars and does not form part of the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus and the Final Terms (as defined herein) for each Tranche (as defined herein) of Instruments issued under the Programme. To the best of the knowledge of the Issuer such information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

The Issuer accepts responsibility for the information contained in the Listing Particulars and each Pricing Supplement (as defined herein) issued by it. To the best of the knowledge of the Issuer, such information contained in the Listing Particulars is in accordance with the facts and the Listing Particulars makes no omission likely to affect its import.

This Prospectus should be read and construed together with any amendments or supplements hereto and with any documents deemed to be incorporated herein (see “Documents Incorporated by Reference” below) and, in relation to any Tranche of Instruments, should be read and construed together with the relevant Final Terms.

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

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

The distribution of this Prospectus and the offering, distribution or sale of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and will be in bearer form and subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Instruments and on distribution of this Prospectus or any Final Terms, see “Plan of Distribution”. The Instruments are being offered and sold outside the United States to Non-U.S. person in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of notes and distribution of this Prospectus, see “Plan of Distribution”.

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

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

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

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

**MiFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms in respect of any Instruments may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

If the Global Instruments are stated in the relevant Final Terms to be issued in NGN form, the Global Instruments will be delivered on or prior to the original issue date of the relevant Tranche to the Common Safekeeper for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. If the Global Instruments are stated in the relevant Final Terms to be issued in CGN form, the Global Instruments will be deposited on the issue date of the relevant Tranche with the Common Depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. The provisions governing the exchange of interests in Global Instruments for other Global Instruments and definitive Bearer Instruments are described in "Overview of Provisions Relating to the Instruments while in Global Form".

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

Each potential investor in any Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider either on its own or with the help of its financial and other professional advisers, whether it:

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

Certain Instruments are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Instruments will perform under

changing conditions, the resulting effects on the value of such Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Instruments are legal investments for it, (2) Instruments can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

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

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

**BENCHMARKS REGULATION** – Amounts payable under Floating Rate Instruments issued under the Programme may be calculated by reference to an index or a combination of indices. Any such index may constitute a benchmark for the purposes of the Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of UK domestic law by virtue of the EUWA (the “UK BMR”). If any such index does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK BMR. Not every index will fall within the scope of the UK BMR. Furthermore, the transitional provisions in Article 51 of the UK BMR apply such that the administrator of a particular benchmark may not currently be required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence) at the date of the relevant Final Terms. The registration status of any administrator under the UK BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

**SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Instruments, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## CONTENTS

	<b>Page</b>
DOCUMENTS INCORPORATED BY REFERENCE.....	1
SUPPLEMENTAL PROSPECTUS .....	3
SUPPLEMENTARY LISTING PARTICULARS .....	4
OVERVIEW OF THE PROGRAMME.....	5
RISK FACTORS.....	11
TERMS AND CONDITIONS OF THE INSTRUMENTS.....	29
OVERVIEW OF PROVISIONS RELATING TO THE INSTRUMENTS WHILE IN GLOBAL FORM .....	90
USE OF PROCEEDS.....	96
DESCRIPTION OF NATIONAL GAS TRANSMISSION PLC.....	97
TAXATION.....	109
PLAN OF DISTRIBUTION.....	111
FORM OF FINAL TERMS .....	117
FORM OF PRICING SUPPLEMENT .....	131
GENERAL INFORMATION.....	146

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (i) the audited consolidated annual financial statements of National Gas Transmission for the financial years ended 31 March 2022 and 31 March 2023 together in each case with the audit report thereon (<https://www.nationalgrid.com/document/147371/download> and <https://www.nationalgas.com/document/143726/download>); and
- (ii) the Terms and Conditions set out on pages 23 to 57 of the Prospectus dated 30 July 2019 relating to the Programme (<https://www.nationalgas.com/document/144736/download>);
- (iii) the Terms and Conditions set out on pages 25 to 59 of the Prospectus dated 11 September 2020 relating to the Programme (<https://www.nationalgas.com/document/144741/download>);
- (iv) the Terms and Conditions set out on pages 26 to 72 of the Prospectus dated 26 August 2022 relating to the Programme (<https://www.nationalgas.com/document/142936/download>); and
- (v) the Amendments to the Terms and Conditions set out on pages 13 to 29 of the Drawdown Prospectus dated 3 April 2023 relating to the Programme (<https://www.nationalgas.com/document/142886/download>),

each of which have been previously published and which have been approved by the FCA.

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

The table below sets out the relevant page references for the audited consolidated annual financial statements and the audit reports of National Gas Transmission for the financial years ended 31 March 2022 and 31 March 2023, each of which are incorporated by reference herein:

<b><i>Audited Consolidated Annual Financial Statements of National Gas Transmission</i></b>	<b>2022</b>	<b>2023</b>
Consolidated income statement.....	58	68
Consolidated statement of comprehensive income.....	59	68
Consolidated statement of changes in equity.....	61	70
Consolidated statement of financial position .....	60	69
Consolidated cash flow statement.....	62	71
Notes to the consolidated financial statements.....	63 - 115	72 - 113
Basis of preparation.....	63 - 65	72 - 73
Independent Auditor's report .....	47 - 57	62 - 67
Financial review .....	31 - 36	37 - 40

Those parts of the Issuer's annual reports for the financial years ended 31 March 2022 and 31 March 2023 which are not specifically incorporated by reference in this Prospectus are either not relevant for the investor or are covered elsewhere in this Prospectus.



## **SUPPLEMENTAL PROSPECTUS**

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

## **SUPPLEMENTARY LISTING PARTICULARS**

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

## OVERVIEW OF THE PROGRAMME

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

<b>Issuer</b>	National Gas Transmission PLC (registered number 02006000)
<b>Issuer Legal Entity Identifier (LEI)</b>	FPCHGTHKVH9ZWXS7S453
<b>Description</b>	Euro Medium Term Note Programme
<b>Size</b>	Up to Euro 10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Instruments outstanding at any one time.
<b>Arranger</b>	Lloyds Bank Corporate Markets plc
<b>Permanent Dealers</b>	ABN AMRO Bank N.V. BNP Paribas Lloyds Bank Corporate Markets plc Mizuho International plc MUFG Securities EMEA plc NatWest Markets Plc RBC Europe Limited
	<p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to “<b>Permanent Dealers</b>” are to the persons listed above as Permanent Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “<b>Dealers</b>” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Trustee</b>	The Law Debenture Trust Corporation p.l.c.
<b>Issuing and Paying Agent</b>	The Bank of New York Mellon, London Branch
<b>Method of Issue</b>	The Instruments will be issued on a syndicated or non-syndicated basis. The Instruments will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Instruments of each Series being intended to be interchangeable with all other Instruments of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same

Series) will be completed in the final terms document (the “**Final Terms**”).

**Issue Price**

Instruments may be issued at their nominal amount or at a discount or premium to their nominal amount.

**Form of Instruments**

The Instruments may be issued in bearer form only. Each Tranche of Instruments will be represented on issue by a temporary Global Instrument if (a) Definitive Instruments are to be made available to Instrumentholders following the expiry of 40 days after their issue date or (b) such Instruments have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Instrument. Any permanent Global Instrument shall only be exchanged for Instruments in definitive form in the limited circumstances set out in the permanent Global Instrument.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).

**Initial Delivery of Instruments**

On or before the issue date for each Tranche, if the relevant Global Instrument is a NGN, the Global Instrument will be delivered to the Common Safekeeper. On or before the issue date for each Tranche, if the relevant Global Instrument is a CGN, the Global Instrument representing the relevant Instruments may be deposited with the Common Depository. Global Instruments may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).

**Currencies**

Subject to compliance with all applicable legal and/or regulatory requirements, Instruments may be issued in U.S. dollars, Australian dollars, Canadian dollars, Danish krone, Euro, Hong Kong dollars, New Zealand dollars, Sterling, Swedish krona, Swiss francs or Japanese yen or in other currencies if the Issuer and the relevant Dealer(s) so agree.

**Maturities**

Any maturity, subject to compliance with all applicable legal and/or regulatory requirements.

Any Instruments having a maturity of less than one year from their date of issue must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the

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

**Denominations**

Instruments will be denominated in the Specified Denominations set out in Part A of the relevant Final Terms, save that unless otherwise permitted by then current laws and regulations, Instruments which have a maturity of less than one year will have a minimum denomination of £100,000 (or its equivalent in other currencies).

**Fixed Rate Instruments**

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

**Floating Rate Instruments**

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

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (b) by reference to SONIA or EURIBOR or CORRA or CDOR or the BBSW Rate as adjusted for any applicable margin (and subject to the Benchmark Discontinuation provisions set out in Condition 3.10, if applicable).

Interest periods will be selected by the Issuer prior to issue and specified in the relevant Final Terms. Floating Rate Instruments may also have a maximum interest rate, a minimum interest rate, or both.

**Benchmark Discontinuation**

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

**Zero Coupon Instruments**

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

**Index Linked Instruments**

Payments of interest and principal in respect of Index Linked Instruments will be calculated by reference to an Index Ratio, derived from either:

- (a) the UK Retail Prices Index (the “RPI”) (all items) published by the Office for National Statistics or the relevant successor index (“RPI Linked Instruments”);
- (b) the non-revised Harmonised Index of Consumer Prices (all items excluding tobacco), or the relevant successor index published by Eurostat (“HICP”) (“HICP Linked Instruments”);

- (c) the UK Consumer Prices Index (the “CPI”) (all items) published by the Office for National Statistics or the relevant successor index (“CPI Linked Instruments”); or
- (d) the UK Consumer Prices Index including Owner Occupiers’ Housing costs and Council Tax (“CPIH”) (all items) published by the Office for National Statistics or the relevant successor index (“CPIH Linked Instruments”).

The relevant Index in respect of any Index Linked Instruments will be specified in the Final Terms.

**Interest Periods and Rates of Interest**

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

**Redemption**

The relevant Final Terms will specify the basis for calculating the redemption amounts payable.

Unless permitted by then current laws and regulations, Instruments which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Optional Redemption**

The Final Terms issued in respect of each issue of Instruments will state whether such Instruments may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Instrumentholders, and if so the terms applicable to such redemption.

If specified in the relevant Final Terms, the Issuer will have the option to redeem or purchase the Instruments early at a Make-whole amount, or otherwise at any other amount specified, and at any time(s) specified in such Final Terms.

The Issuer may elect to redeem all, but not some only, of the Instruments of any Series at their Residual Holding Redemption Amount (as set out in the relevant Final Terms) at any time if the Residual Holding Percentage (as set out in the relevant Final Terms) or more of the aggregate nominal amount of such Instruments originally issued shall have been redeemed or purchased and cancelled.

**Redemption at the Option of the Instrumentholders on a Restructuring Event**

If a Restructuring Event (as defined in the Terms and Conditions of the Instruments) occurs then subject to satisfaction of certain conditions, the Instrumentholders will have the option to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of)

such Instruments, at their Restructuring Put Option Amount (as set out in the relevant Final Terms), all as further described in “Terms and Conditions of the Instruments - Redemption at the Option of the Instrumentholders on a Restructuring Event”.

**Status of Instruments**

The Instruments will constitute unsubordinated and unsecured obligations of the Issuer, as described in “Terms and Conditions of the Instruments – Status, Negative Pledge and Covenants - Status”.

**Negative Pledge**

The Issuer will not, and will ensure that none of its Material Subsidiaries (as defined in the Terms and Conditions of the Instruments) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in the Terms and Conditions of the Instruments) or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto (a) according to the Instruments and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (b) providing such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Instrumentholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Instrumentholders.

**Cross-Acceleration**

The events of default in respect of Instruments in any Series contain a cross-acceleration provision. See “Terms and Conditions of the Instruments - Events of Default”.

**Events of Default**

The events of default under the Instruments are as specified below under “Terms and Conditions of the Instruments - Events of Default”.

**Early Redemption**

Except as provided in “Optional Redemption” above and subject always to any laws, regulations and directives applicable to the relevant currency in which such Instruments are denominated, Instruments will be redeemable at the option of the Issuer prior to maturity only for tax reasons and, in the case of Index Linked Instruments only, for reasons related to the relevant index. See “Terms and Conditions of the Instruments - Redemption, Purchase and Options”.

**Withholding Tax**

All payments of principal and interest in respect of the Instruments and the Coupons will be made free and clear of withholding taxes of the United Kingdom save as compelled by law. In the event that any deduction or withholding on account of tax is required to be made, the Issuer will, in the circumstances provided in “Terms and Conditions of the Instruments – Taxation” and subject to the exceptions therein, pay additional amounts so as to compensate the

Instrumentholder or, as the case may be, Couponholder for the amounts withheld or deducted.

**Governing Law**

English law.

**Listing**

Each Series may be admitted to the Official List and admitted to trading on the Market or the PSM as may be agreed between the Issuer and the relevant Dealer(s).

**Ratings**

National Gas Transmission has been rated 'Baa1' by Moody's and 'BBB+' by Fitch and the Programme has been rated 'Baa1' by Moody's and 'A-' by Fitch. Moody's and Fitch are each established in the UK and registered under the UK CRA Regulation. Tranches of Instruments (as defined in "Overview of the Programme") to be issued under the Programme may be rated or unrated. Where a Tranche of Instruments is rated, such rating will not necessarily be the same as the rating assigned to the Instruments already issued. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Selling Restrictions**

United States, United Kingdom, Public Offer Selling Restriction under the UK Prospectus Regulation and the EU Prospectus Regulation, Prohibition of Sales to EEA Retail Investors, Prohibition of Sales to UK Retail Investors, Japan, Australia, Singapore, Canada, Switzerland and Belgium. See "Plan of Distribution".

Category 2 selling restrictions will apply to the Instruments for the purposes of Regulation S under the Securities Act.

The Instruments will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "Code")) (the "**D Rules**") unless (a) the relevant Final Terms states that Instruments are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**C Rules**") or (b) the Instruments are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Instruments will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

**Terms and Conditions**

The Terms and Conditions applicable to each Series will be as agreed between the Issuer, the Trustee and the relevant Dealer(s) or other purchaser at or prior to the time of issuance of such Series and will be specified in the relevant Final Terms.



## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Instruments issued under the Programme. All of these factors are contingencies which may or may not occur.*

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

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Instruments issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Instruments for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **1 Factors that may affect National Gas Transmission's ability to fulfil its obligations under Instruments issued under the Programme**

#### **A. Operational Risks relating to National Gas Transmission and its businesses**

*The risks described under this heading A (Operational Risks relating to National Gas Transmission and its businesses) have been categorised as operational risks. Operational risks relate to losses resulting from inadequate or failed internal processes, people and systems, or due to external events. Should an operational risk materialise without effective prevention or mitigation controls it would have a high level of impact. Operational risks are managed through policy, standards, procedure-based controls, active prevention and monitoring. Principal risk assessment includes reasonable worst-case scenario testing i.e. gas transmission pipeline failure, loss of licence to operate, cyber security attack – and the financial and reputational impact should a single risk or multiple risks materialise. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.*

- Failure to respond to significant disruptive factors caused by the COVID-19 pandemic. See "Pandemics" below.
- Failure to adequately anticipate and manage disruptive forces on National Gas Transmission systems because of a cyber-attack, poor recovery of critical systems or malicious external or internal parties. See "Infrastructure and IT systems" below.
- Catastrophic asset failure on the gas transmission system leading to a significant safety or environmental event. See "Potentially harmful activities" below.
- Failure to predict and respond to significant disruption of energy supply. See "Potentially harmful activities" below.
- Risk that inflationary impacts on the Issuer's costs are higher and are not fully compensated by adjustment to the Issuer's revenues. See "Inflation" below.
- Risk that supplier and shipper failures or high shrinkage costs adversely affect the Issuer's ability to meet its payment obligations. See "Increasing gas prices" below.

Further context on National Gas Transmission's operational risks is set out below:

### ***Potentially harmful activities***

*Aspects of National Gas Transmission's activities could potentially harm employees, contractors, members of the public or the environment.*

Potentially hazardous activities that arise in connection with National Gas Transmission's business include the storage, transmission and distribution of gas. Gas utilities also typically use and generate hazardous and potentially hazardous products and by-products. In addition, there may be other aspects of National Gas Transmission's operations that are not currently regarded or proved to have adverse effects but could become so. A significant safety or environmental incident, or the failure of National Gas Transmission's safety processes or of its occupational health plans, as well as a breach of National Gas Transmission's regulatory or contractual obligations or its climate change targets, could materially adversely affect National Gas Transmission's results of operations and its reputation. Safety is a fundamental priority for National Gas Transmission and it commits significant resources and expenditure to process safety and to monitoring personal safety, occupational health and environmental performance, and to meeting National Gas Transmission's obligations under negotiated settlements. National Gas Transmission is also subject to laws and regulations governing health and safety matters to protect the public and its employees and contractors, who could potentially be harmed by these activities, as well as laws and regulations relating to pollution, the protection of the environment, and the use and disposal of hazardous substances and waste materials. These expose National Gas Transmission to costs and liabilities relating to National Gas Transmission's operations and properties, including those inherited from predecessor bodies, whether currently or formerly owned by National Gas Transmission and sites used for the disposal of its waste. The cost of future environmental remediation obligations is often inherently difficult to estimate and uncertainties can include the extent of contamination, the appropriate corrective actions and National Gas Transmission's share of the liability. National Gas Transmission is increasingly subject to regulation in relation to climate change and is affected by requirements to reduce its own carbon emissions (including its own commitment to reduce its greenhouse gas emissions to net zero by 2050) as well as to enable reduction in energy use by its customers. If more onerous requirements are imposed or National Gas Transmission's ability to recover these costs under regulatory frameworks changes, this could have a material adverse impact on National Gas Transmission's business, reputation, results of operations and financial position.

### ***Pandemics***

*National Gas Transmission faces risks related to health epidemics and other outbreaks.*

As seen in the context of COVID-19, pandemics and their associated countermeasures may affect countries, communities, supply chains and markets including in the UK. The spread of such pandemics could have adverse effects on National Gas Transmission's workforce, which could affect National Gas Transmission's ability to maintain its networks and provide service. In addition, disruption of supply chains could adversely affect National Gas Transmission's systems or networks. Pandemics such as COVID-19 can also result in extraordinary economic circumstances in National Gas Transmission's markets which could negatively affect the liquidity and financial performance of those who use National Gas Transmission's transmission system. The extent to which pandemics such as COVID-19 may affect National Gas Transmission's liquidity, business, financial condition, results of operations and reputation will depend on future developments, which are highly uncertain and cannot be predicted, and will depend on the severity of the relevant pandemic, the scope, duration, cost to National Gas Transmission and overall economic impact of actions taken to contain it or treat its effects.

### ***Inflation***

The RIIO-T2 price control links National Gas Transmission's annual revenue allowances and regulatory asset value to CPIH. However, a proportion of National Gas Transmission's cost base and borrowings are affected by changes in rates of inflation which may differ to CPIH and are instead directly linked to

RPI or CPI. There is a risk that inflationary impacts on the business's costs are higher than CPIH inflation and are not fully compensated by the CPIH adjustment to the Issuer's revenues. There is also the risk that year-on-year CPIH inflation is negative with no corresponding decrease in costs or insufficient decrease to offset the impact on revenues. Further, CPI and RPI may grow or decrease at a different rate to CPIH which leaves a mismatch between the Issuer's revenues and liabilities. This may adversely affect the business's results or operations and the Issuer's ability to generate sufficient net cash flows, and in turn, may adversely affect the Issuer's ability to meet its payment obligations under the Instruments or comply with the terms and conditions of the Instruments.

### ***Changes to price controls***

The current regulatory period ends in 2026, at which point the Office of Gas and Electricity Markets ("**Ofgem**") may implement changes to the current price controls contained within RIIO-T2. These changes may impact the ability of the Issuer to enable it to meet its obligations under the Instruments or comply with the terms and conditions of the Instruments by adversely impacting the Issuer's ability to generate sufficient revenues. Further context on price controls is set out in the section titled "RIIO Price Controls" below.

### ***Increasing gas prices***

There has been a significant increase in natural gas prices due to several factors including supply chain constraints due to the on-going conflict between Russia and Ukraine. National Gas Transmission is exposed to cashflow timing risks within the gas market arising from shipper or supplier failures due to increasing natural gas commodity prices where those cannot be recovered from the end consumers.

In the event of potential supplier insolvency (a number of which have occurred over the past year), Ofgem has the power to revoke the relevant supplier's licence and appoint a Supplier of Last Resort ("**SoLR**"). The SoLR would be another energy supply company which has either volunteered to be the SoLR or has been directed by Ofgem to act in this capacity and take on the customers of the insolvent energy company. The SoLR may, with the consent of Ofgem, make a claim for an amount reflecting the extent to which its total costs (including interest on working capital) reasonably incurred in supplying gas to premises as SoLR and a reasonable profit, plus any sums paid or debts assumed by the licensee to compensate any customer in respect of any customer credit balances, are greater than the total amounts it recovers (the "**Last Resort Supply Payment**"). The SoLR regime has been used on numerous occasions where energy supply companies have gone into insolvency.

The consequences of the risk of shipper or supplier failures for National Gas Transmission are mitigated through the regulatory framework which:

- in respect of a Last Resort Supply Payment, permits National Gas Transmission to make a consequential increase to its transportation charges during the following (or, depending on the time of claim, subsequent) regulatory year to such an extent as it reasonably estimates to be appropriate to secure that such consequential increase in its revenue equals the Last Resort Supply Payments; and
- in respect of a shipper failure, allows National Gas Transmission to recover costs and revenues net of any security and successful claims from administrators.

Further, National Gas Transmission is directly exposed to gas price volatility for shrinkage (being leakage from the network, theft of gas volumes and own use gas volumes). Ultimately, there is a risk that, supplier and shipper failures or high shrinkage costs, reduce the net cash flows of National Gas Transmission because recovery of its transportation charges is delayed, which may adversely affect the ability of National Gas Transmission to meet its payment obligations under the Notes or comply with the terms and conditions of the Notes.

### **Infrastructure and IT systems**

*National Gas Transmission may suffer a major network failure or interruption or may not be able to carry out critical operations due to the failure of infrastructure, data or technology or a lack of supply.*

Operational performance could be materially adversely affected by a failure to maintain the health of National Gas Transmission's assets or networks, inadequate forecasting of demand, inadequate record keeping or control of data or failure of information systems (including critical national infrastructure and business critical enterprise systems) and supporting technology. This in turn could cause National Gas Transmission to fail to meet agreed standards of service, incentive and reliability targets, or be in breach of a licence, approval, regulatory requirement or contractual obligation. Even incidents that do not amount to a breach could result in adverse regulatory and financial consequences, as well as harming National Gas Transmission's reputation. Where demand for gas exceeds supply, including where National Gas Transmission does not adequately forecast and respond to disruptions in energy supplies, and National Gas Transmission's balancing mechanisms are not able to mitigate this fully, a lack of supply to consumers may damage its reputation. In addition to these risks, National Gas Transmission may be affected by other potential events that are largely outside its control such as the impact of weather (including as a result of climate change and major storms), unlawful or unintentional acts of third parties, insufficient or unreliable supply or force majeure. Weather conditions can affect financial performance and severe weather that causes outages or damages infrastructure, together with National Gas Transmission's actual or perceived response could materially adversely affect operational and potentially business performance and National Gas Transmission's reputation. Malicious attack, sabotage or other intentional acts, including breaches of National Gas Transmission's cyber security, may also damage its assets (which include critical national infrastructure), systems or data or otherwise significantly affect corporate activities and, as a consequence, have a material adverse impact on its reputation, business, results of operations and financial condition. Unauthorised access to, or deliberate breaches of, National Gas Transmission's IT systems may also lead to manipulation of National Gas Transmission's proprietary business data or customer information. Unauthorised access to private customer information may make National Gas Transmission liable for a violation of data privacy regulations. Even where National Gas Transmission establishes business continuity controls and security against threats against its systems, these may not be sufficient.

### **Customers and counterparties**

*Customers and counterparties may not perform their obligations.*

National Gas Transmission's operations are exposed to the risk that customers, suppliers, banks and other financial institutions and others with whom National Gas Transmission does business will not satisfy their obligations, which could materially adversely affect its financial position. This risk is significant where National Gas Transmission has concentrations of receivables from gas utilities and their affiliates, as well as industrial customers and other purchasers and may also arise where customers are unable to pay National Gas Transmission as a result of increasing commodity prices or adverse economic conditions.

To the extent that counterparties are contracted with for physical commodities (gas) and they experience events that impact their own ability to deliver, National Gas Transmission may suffer supply interruption.

There is also a risk to National Gas Transmission, where it invests excess cash or enters into derivatives and other financial contracts with banks or other financial institutions. Banks who provide National Gas Transmission with credit facilities may also fail to perform under those contracts.

## **B. Strategic and regulatory risks relating to National Gas Transmission and its businesses**

*The risks described under heading B (Strategic and regulatory risks relating to National Gas Transmission and its businesses) have been categorised as strategic and regulatory risks. Strategic risk is the risk of failing to achieve National Gas Transmission's overall strategic business plans and objectives, as well as failing to have the 'right' strategic plan. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.*

The political climate and policy decisions of National Gas Transmission's regulators in 2022/2023 were key considerations in assessing strategic and regulatory risks.

- Failure by National Gas Transmission to identify and/or deliver upon actions necessary to address the transitional impacts (from a changing energy system) of climate change on its business and demonstrate its leadership of climate change in the energy sector. See "*Law, regulation and political and economic uncertainty*" below. The new climate change related risk is classed as a strategic and regulatory risk but is also an operational risk – see "*Potentially harmful activities*" and "*Infrastructure and IT systems*" above.
- Failure by National Gas Transmission to influence future energy policies and secure satisfactory regulatory agreements. See "*Law, regulation and political and economic uncertainty*" below.
- National Gas Transmission fails to position itself appropriately to political and societal expectations. See "*Law, regulation and political and economic uncertainty*" below

Further context on National Gas Transmission's strategic and regulatory risks is set out below:

### ***Law, regulation and political and economic uncertainty***

*Changes in law or regulation or decisions by governmental bodies or regulators and increased political and economic uncertainty could materially adversely affect National Gas Transmission.*

National Gas Transmission's business is subject to regulation by the UK Government, the Ofgem and other authorities. Changes in law or regulation or regulatory policy and precedent (including any changes arising as a result of the UK's exit from the European Union), as well as legislation introduced to facilitate the attainment of net zero emissions targets and decisions of governmental bodies or regulators, could materially adversely affect it. More widely, the impacts of international political and economic uncertainty and disruption (such as those resulting from the conflict between Russia and Ukraine) could also have a material adverse consequence on National Gas Transmission. National Gas Transmission may fail to deliver any one of its customer, investor and wider stakeholder propositions due to increased political and economic uncertainty. If National Gas Transmission fails to respond to or meet its own commitments as a leader in relation to climate change and the energy transition, it may not be able to influence future energy policy and deliver its strategy. Decisions or rulings concerning the following (as examples) could have a material adverse impact on National Gas Transmission's supply chains, results of operations, cash flows, the financial condition of National Gas Transmission's businesses and the ability to develop those businesses in the future: (i) the determination and implementation of the RIIO-T2 price controls; whether licences, approvals or agreements to operate or supply are granted, amended or renewed, whether consents for construction projects are granted in a timely manner or whether there has been any breach of the terms of a licence, approval or regulatory requirement; and (ii) the timely recovery of incurred expenditure or obligations, the ability to pass through commodity costs, a decoupling of energy usage and revenue, and other decisions relating to the impact of general economic conditions on National Gas Transmission, its markets and customers, implications of climate change and of advancing energy technologies, whether aspects of its activities

are contestable, the level of permitted revenues and dividend distributions for National Gas Transmission's business and in relation to proposed business development activities.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either National Gas Transmission or the National Gas Transmission Group will be unable to comply with its obligations as a company with securities admitted to the Official List.

### ***Growth and business development activity***

*Failure by National Gas Transmission to respond to external market developments and execute its growth strategy may negatively affect its performance. Conversely, new businesses or activities that National Gas Transmission undertakes alone or with partners may not deliver target outcomes and may expose National Gas Transmission to additional operational and financial risk.*

Failure by National Gas Transmission to grow its core businesses sufficiently and have viable options for new future business over the longer term or failure to respond to the threats and opportunities presented by emerging technology (including for the purposes of adapting its networks to meet the challenges of increasing distributed energy resources) could negatively affect its credibility and reputation and jeopardise the achievement of its intended financial returns. National Gas Transmission's business development activities and the delivery of its growth ambition include acquisitions, disposals, joint ventures, partnering and organic investment opportunities, such as development activities relating to changes to the energy mix and the integration of distributed energy resources and other advanced technologies. These are subject to a wide range of both external uncertainties (including the availability of potential investment targets and attractive financing) and internal uncertainties (including actual performance of National Gas Transmission and its business planning model assumptions and its ability to integrate acquired businesses effectively). As a result, National Gas Transmission may suffer unanticipated costs and liabilities and other unanticipated effects. National Gas Transmission may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated. In the case of joint ventures, National Gas Transmission may have limited control over operations and its joint venture partners may have interests that diverge from National Gas Transmission's interests. The occurrence of any of these events could have a material adverse impact on National Gas Transmission's results of operations or financial condition and could also impact its ability to enter into other transactions.

### ***Business performance***

*Current and future business performance may not meet National Gas Transmission's expectations or those of its regulators and shareholders.*

Earnings maintenance and growth from National Gas Transmission's business will be affected by its ability to meet or exceed efficiency targets and service quality standards set by, or agreed with, its regulators. If National Gas Transmission does not meet these targets and standards, it may not achieve the expected benefits, its business may be materially adversely affected and its performance, results of operations and reputation may be materially harmed and it may be in breach of regulatory or contractual obligations.

### **C. People risks**

*The risks described under this heading C (People risks) have been categorised as people risks. Building and fostering an engaged and talented team that has the knowledge, training, skills and experience to deliver National Gas Transmission's strategic objectives is vital to its success. National Gas Transmission is exposed to risk if it cannot attract, integrate and retain the talent it needs at all levels of*

*the business. This introductory paragraph in italicised text forms part of the risk factor in this section but is not a risk factor itself.*

- National Gas Transmission cannot attract, recruit, develop or retain people with the right skills and capabilities to deliver its strategy.

Further context on National Gas Transmission's people risks is set out in "*Employees and others*" below:

#### ***Employees and others***

*National Gas Transmission may fail to attract, develop and retain employees with the competencies (including leadership and business capabilities), values and behaviours required to deliver its strategy and vision and ensure they are engaged to act in National Gas Transmission's best interests.*

National Gas Transmission's ability to implement its strategy depends on the capabilities and performance of its employees and leadership at all levels of the business. Its ability to implement its strategy and vision may be negatively affected by the loss of key personnel or an inability to attract, integrate, engage and retain appropriately qualified personnel (including people with the skills to help deliver net zero commitments), or if significant disputes arise with its employees. As a result, there may be a material adverse effect on National Gas Transmission's business, financial condition, results of operations and prospects. There is a risk that an employee or someone acting on National Gas Transmission's behalf may breach its internal controls or internal governance framework or may contravene applicable laws and regulations. This could have an impact on National Gas Transmission's results of operations, its reputation and its relationship with its regulators and other stakeholders.

#### **D. Financial risks**

*The risks described under this heading D (Financial risks) have been categorised as financial risks. While all risks have a financial liability, financial risks are those which relate to financial controls and performance. This introductory paragraph in italicised text forms part of the risk factors in this section but is not a risk factor itself.*

Further context on National Gas Transmission's financial risks is set out below:

#### ***Exchange rates, interest rates and commodity price indices***

*Changes in foreign currency rates, interest rates or commodity prices could materially impact National Gas Transmission's earnings or National Gas Transmission's financial condition.*

National Gas Transmission's results of operations and net debt position may be affected because a significant proportion of its borrowings, derivative financial instruments and commodity contracts are affected by changes in interest rates, commodity price indices and exchange rates, in particular the dollar-to-sterling exchange rate. Furthermore, National Gas Transmission's cash flow may be materially affected as a result of settling hedging arrangements entered into to manage its exchange rate, interest rate and commodity price exposure or by cash collateral movements relating to derivative market values, which also depend on the sterling exchange rate into euro and other currencies.

#### ***Post-retirement benefit contributions***

*National Gas Transmission may be required to make significant contributions to its defined benefit scheme.*

A significant number of National Gas Transmission's employees are members of a defined benefit scheme where the scheme assets are held independently of National Gas Transmission's own financial resources. Estimates of the amount and timing of future funding for the scheme are based on actuarial assumptions and other factors including the actual and projected market performance of the scheme

assets, future long-term bond yields, average life expectancies and relevant legal requirements. Actual performance of scheme assets may be affected by volatility in debt and equity markets. Changes in these assumptions and other factors may require National Gas Transmission to make additional contributions to this pension scheme which, to the extent they are not recoverable under its price controls, could materially adversely affect National Gas Transmission's results of operations and financial condition.

### ***Financing and liquidity***

*An inability to access capital markets at commercially acceptable interest rates could affect how National Gas Transmission maintains and grows its businesses.*

National Gas Transmission's businesses are financed through cash generated from its ongoing operations, bank lending facilities and the capital markets, particularly the long-term debt capital markets. Some of the debt issued by National Gas Transmission is rated by credit rating agencies and changes to these ratings may affect both National Gas Transmission's borrowing capacity and borrowing costs. In addition, restrictions imposed by regulators may also limit how National Gas Transmission services the financial requirements of its current business or the financing of any newly acquired or developing businesses. Financial markets can be subject to periods of volatility and shortages of liquidity - for example, as a result of unexpected political or economic events or the COVID-19 pandemic. If National Gas Transmission were unable to access the capital markets or other sources of finance at commercially acceptable rates for a prolonged period, National Gas Transmission's cost of financing may increase, the discretionary and uncommitted elements of its proposed capital investment programme may need to be reconsidered and the manner in which National Gas Transmission implements its strategy may need to be reassessed. Such events could have a material adverse impact on National Gas Transmission's business, results of operations and prospects.

Some of National Gas Transmission's regulatory agreements impose lower limits for the long-term unsecured debt credit ratings that it must hold or the amount of equity within its capital structure, including a limit requiring National Gas Transmission to hold an investment-grade long-term senior unsecured debt credit rating. In addition, some of National Gas Transmission's regulatory arrangements impose restrictions on the way in which it can operate. These include regulatory requirements for National Gas Transmission to maintain adequate financial resources and may restrict its ability to engage in certain transactions, including paying dividends, lending cash and levying charges. The inability to meet such requirements or the occurrence of any such restrictions may have a material adverse impact on National Gas Transmission's business and financial condition.

National Gas Transmission's debt agreements and banking facilities contain covenants including those relating to the periodic and timely provision of certain financial information by it to lenders, and restrictions on disposals and financial covenants such as restrictions on the level of indebtedness that can be incurred by it. Failure to either comply with these covenants or to obtain waivers of those requirements, could in some cases trigger a right, at the lenders' discretion, to require repayment of some of National Gas Transmission's debt and may restrict National Gas Transmission's ability to draw upon its facilities or access the capital markets.

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

### ***Risks related to the structure of certain types of Instruments which may be issued under the Programme***

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



### *Instruments subject to optional redemption by the Issuer*

The Issuer may issue Instruments that are callable, at the option of the Issuer, either at certain times or at any time during the life of the Instruments. An optional redemption feature is likely to limit the market value of Instruments. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

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

### *Index Linked Instruments*

The Issuer may issue Instruments with principal and/or interest determined by reference to an index derived from either (i) the RPI, (ii) the HICP, (iii) the CPI or (iv) the CPIH. Potential investors in such Instruments should be aware that:

- (i) the market price of such Instruments may be volatile;
- (ii) they may receive no interest;
- (iii) they may risk losing part of, or the entirety of, their investment, for example, if exchange rates or any other relevant index moves sufficiently in an unanticipated direction;
- (iv) payment of principal or interest may occur at a different time than expected;
- (v) the amount of principal payable at redemption may be less than the nominal amount of such Instruments or even zero (for example, if the value of the relevant index falls below the value of the relevant index applicable at the Issue Date, then the amount of principal payable at the time of redemption may be less than the nominal amount of the Instrument);
- (vi) an index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices; and
- (vii) the timing of changes in an index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the relevant index, the greater the effect on yield.

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

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

Regulation (EU) 2016/1011 (the “**EU BMR**”) was published in the Official Journal of the European Union on 29 June 2016 and became applicable in the EU from 1 January 2018. The EU BMR applies to the provision of Benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark

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

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

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

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

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

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

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

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

*The market continues to develop in relation to risk-free rates (including SONIA)*

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

SONIA is a relatively new rate, and the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Instruments, which may adversely affect the trading prices of such Instruments. The

administrator of SONIA may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SONIA, respectively, in its sole discretion and without notice and has no obligation to consider the interests of holders of the Instruments in calculating, withdrawing, modifying, amending, suspending or discontinuing SONIA. In respect of any SONIA-referenced Instruments for which the Rate of Interest is determined by reference to the SONIA Compounded Index, the SONIA Compounded Index may be modified or discontinued and such SONIA-referenced Instruments may bear interest by reference to a rate other than compounded SONIA, which could adversely affect the value of any such SONIA-referenced Instruments.

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

Interest on Instruments which reference a risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Instruments which reference risk-free rates to reliably estimate the amount of interest which will be payable on such Instruments. Further, if the Instruments become due and payable under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the Rate of Interest payable shall be determined on the date the Instruments became due and payable and shall not be reset thereafter.

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

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

*Risks relating to Floating Rate Instruments linked to CDOR or CORRA*

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

On 16 May 2022, Refinitiv Benchmark Services (UK) Limited, the administrator of CDOR, announced that the calculation and publication of all remaining tenors of CDOR will permanently cease after 28 June 2024 (the “**CDOR Cessation Date**”). Investors should be aware that, when CDOR is discontinued or otherwise unavailable, the rate of interest on Floating Rate Instruments that reference CDOR will be determined for the relevant period by the fallback provisions applicable to such Instruments. If, during

the term of any Floating Rate Instruments linked to CDOR, CDOR is no longer quoted on the designated screen page, CDOR will be determined using the alternative methods described in the Terms and Conditions. Any of these alternative methods may result in interest payments on such Instruments that are lower than or do not otherwise correlate over time with the interest payments that would have been made on the Floating Rate Instruments if the designated CDOR screen page had remained available. Any of the foregoing may have an adverse effect on the value of and return on Floating Rate Instruments that reference CDOR.

(ii) *Regulation, reform, and the potential or actual discontinuation of CDOR, the Canadian Overnight Repo Rate Average (“CORRA”) may adversely affect the value of, return on and trading market for the Instruments.*

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

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

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

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

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

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

As a rate based on transactions secured by Government of Canada treasury bills and bonds, CORRA does not measure unsecured corporate credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of corporations. This may mean that market participants would not consider CORRA or a term adjusted CORRA a suitable substitute or successor for CDOR, which may, in turn, lead to lessened market acceptance of CORRA. Further, multiple market conventions with respect to the implementation of CORRA as a base rate for floating rate Instruments or other securities

may develop. The manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in floating rate bond markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in other markets, such as the derivatives and loan markets. Uncertainty with respect to market conventions related to the implementation of CORRA and whether CORRA or a term adjusted CORRA is a suitable replacement or successor for CDOR may adversely affect the value of, return on and trading market for any Instruments referencing CDOR or CORRA, as applicable.

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

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

#### *Floating Rate Instruments – Benchmark Discontinuation*

##### *(i) Temporary unavailability of the Relevant Screen Page*

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

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

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

*(ii) Benchmark Events*

Benchmark Events (as defined in Condition 3.10.7) include (amongst other events) the permanent discontinuation of an Original Reference Rate. If the Issuer determines that a Benchmark Event has occurred, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser (as defined in Condition 3.10.7). After consulting with the Independent Adviser, the Issuer shall endeavour to determine a Successor Rate or, failing which, an Alternative Rate (each as defined in Condition 3.10.7) to be used in place of the Original Reference Rate. If the Issuer is unable to appoint an Independent Adviser it may make such determinations and adjustments by itself and in making such determinations and adjustments, the Issuer may be entitled to exercise substantial discretion.

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

If a Successor Rate or Alternative Rate is determined by the Issuer, the Terms and Conditions also provide that an Adjustment Spread (as defined in Condition 3.10.7) may be determined by the Issuer and applied to such Successor Rate or Alternative Rate.

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

*(iii) Potential for a fixed rate return*

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

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

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

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

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

If the Issuer fails to determine a Successor Rate or Alternative Rate for the life of the relevant Instruments, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest

Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This risks the Floating Rate Instruments, in effect, becoming fixed rate Instruments.

*(iv) ISDA Determination*

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

*Fixed/Floating Rate Instruments*

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

*Instruments issued at a substantial discount or premium*

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

*Exchange rate risks and exchange controls may impact the Instruments*

The Issuer may issue Instruments in any currency. The Issuer will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Instruments, (2) the Investor's Currency equivalent value of the principal payable on the Instruments and (3) the Investor's Currency equivalent market value of the Instruments.

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

### *Interest rate risks relevant to Fixed Rate Instruments*

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

### ***Risks related to all Instruments issued under the Programme***

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

#### *Modification, waivers and substitution*

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

The Terms and Conditions of the Instruments also provide that the Trustee may, without the consent of Instrumentholders, agree to (a) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Instrumentholders, (c) any Benchmark Amendments (as defined in the Conditions) required by the Issuer pursuant to Condition 3.10.1 or 3.10.4 or (d) modifying or varying Condition 2.3, or (e) the substitution of another company as principal debtor under any Instruments in place of the Issuer, in the circumstances described in Condition 11 of the Terms and Conditions of the Instruments.

#### *Change of law*

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

#### *Specified Denominations*

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

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

#### *The secondary market for Instruments issued under the Programme*

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Instruments



easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Issuer or an issue of Instruments. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Instruments. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended, lowered or withdrawn by the rating agency at any time if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit rating. A revision, suspension, lowering or withdrawal at any time of the credit rating assigned to the Issuer or the Instruments may adversely affect the market price or liquidity of the Instruments. If any of the credit rating agencies that have rated the Instruments or other debt securities of the Issuer downgrades or lowers its credit rating, or if any credit rating agency indicates that it has placed any such rating on a so-called “watch list” for a possible downgrading or lowering or otherwise indicates that its outlook for that rating is negative, it could have an adverse impact on the market value of the Instruments and the Issuer’s borrowing capacity and borrowing costs, which could in turn have an adverse impact on the Issuer’s financial condition, results of operations and cash flows.

National Gas Transmission has been rated ‘Baa1’ by Moody’s and ‘BBB+’ by Fitch and the Programme has been rated ‘Baa1’ by Moody’s and ‘A-’ by Fitch.

Fitch and Moody’s are established in the UK and registered under the UK CRA Regulation. Fitch Ratings Ireland Limited currently endorses ratings issued by Fitch and Moody’s Deutschland GmbH currently endorses ratings issued by Moody’s for regulatory purposes in the EEA in accordance with the Regulation (EC) No 1060/2009 (the “**EU CRA Regulation**”). Moody’s Deutschland GmbH is established in Germany and Fitch Ratings Ireland Limited is established in Ireland and each has been registered under the EU CRA Regulation. There can be no assurance that Fitch Ratings Ireland Limited and Moody’s Deutschland GmbH will continue to endorse ratings issued by Fitch and Moody’s, respectively.

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

Similarly, EEA regulated investors are restricted under the EU CRA Regulation from using ratings for regulatory purposes in the EEA unless such ratings are issued by a rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of ratings issued by non-EEA rating agencies, unless the relevant ratings are endorsed by an EEA-registered rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement

action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published on the European Securities and Markets Authority (“**ESMA**”) register in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA register.

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

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following is the text of the terms and conditions which, save for the text in italics and subject to completion by Part A of the relevant Final Terms, will be endorsed on the Instruments in definitive form (if any) issued in exchange for the Global Instrument(s) representing each Series. Either (a) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (b) these terms and conditions as so completed (and subject to simplification by the dis-application of non-applicable provisions), shall be endorsed on such Definitive Instruments. All capitalised terms which are not defined in these Conditions will have the meanings given to them in the Trust Deed or Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Instruments. References in these terms and conditions to “**Instruments**” are to the Instruments of one Series only of the Issuer (as defined below), not to all Instruments that may be issued under the Programme. In the case of PSM Instruments issued under the Programme, references to the Final Terms in these Conditions shall be construed as references to the Pricing Supplement.*

National Gas Transmission PLC (“**National Gas Transmission**” or the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to Euro 10,000,000,000 in aggregate principal amount of debt instruments (the “**Instruments**”).

The Instruments are constituted by an Amended and Restated Trust Deed (as amended or supplemented from time to time, the “**Trust Deed**”) dated 28 November 2023 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Instrumentholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Definitive Instruments, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented from time to time, the “**Agency Agreement**”) dated 28 November 2023 has been entered into in relation to the Instruments between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and the other agent(s) named in it. The issuing and paying agent, the paying agent(s) and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent) and the “**Calculation Agent(s)**”. Copies of the Trust Deed and the Agency Agreement are available for inspection upon reasonable request during usual business hours at the registered office of the Trustee (as at 28 November 2023 at Eighth Floor, 100 Bishopsgate, London EC2N 4AG) and at the specified offices of the Paying Agents.

The Instrumentholders, the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Instruments and, where applicable in the case of such Instruments, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

### 1 Form, Denomination and Title

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

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

Instruments are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Instruments in which case references to interest (other than in relation to interest due after

the Maturity Date), Coupons and Talons in these Conditions are not applicable. Talons may be required if more than twenty seven coupon payments are to be made with regards to the relevant Instruments.

Title to the Instruments and the Coupons and Talons shall pass by delivery and except as ordered by a court of competent jurisdiction or as required by law, the Issuer and the Paying Agents shall be entitled to treat the bearer of any Instrument, Coupon or Talon as the absolute owner of that Instrument, Coupon or Talon, as the case may be, and shall not be required to obtain any proof of ownership as to the identity of the bearer.

In these Conditions, “**Instrumentholder**” means the bearer of any Instrument of one Series only of an Issuer, “**holder**” (in relation to an Instrument, Coupon or Talon) means the bearer of any Instrument, Coupon or Talon and capitalised terms have the meanings given to them herein, the absence of any such meaning indicating that such term is not applicable to this Instrument.

## **2 Status, Negative Pledge and Covenants**

### **2.1 Status**

The Instruments and the Coupons relating to them constitute direct, unconditional and (subject to Condition 2.2) unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves. The payment obligations of the Issuer under the Instruments and Coupons shall, subject to such exceptions as are from time to time applicable under the laws of England and subject to Condition 2.2, rank equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the Issuer.

### **2.2 Negative Pledge**

So long as any Instrument or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto (a) according to the Instruments and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (b) providing such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Instrumentholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Instrumentholders.

In this Condition 2.2, “**Relevant Indebtedness**” means any indebtedness which has an original maturity of more than one year from its date of issue and is in the form of, or represented or evidenced by, bonds, notes, debentures or other securities which for the time being are or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

### **2.3 Covenants**

2.3.1 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 the first Calculation Date following the Issue Date) 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 Condition 2.3.2 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 Condition 2.3.1(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 Condition 2.3.1(a) above) recalculated on a pro forma basis following the payment of such Distribution would not be greater than 0.725:1.

**2.3.2** 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 the first Calculation Date following the Issue Date (the “**First Certificate**”) is delivered by the Issuer to the Trustee; and
  - (B) the deadline for the Issuer to deliver the First Certificate,
 in each case, pursuant to Condition 2.3.1(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.

**2.3.3** Definitions and Construction

For the purposes of this Condition 2.3:

“**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 Instruments; 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 Limited 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:

- (a) 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



- (b) 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 Instruments in a binding and enforceable agreement between the relevant borrower of such indebtedness and the lender of such indebtedness;

**“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).

For the purpose of this Condition 2.3, no item shall be deducted or credited, and no amount shall be included or excluded, more than once in any calculation.

### **3 Interest**

#### **3.1 Interest on Fixed Rate Instruments**

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

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

#### **3.2 Interest on Floating Rate Instruments and Index Linked Interest Instruments**

##### **3.2.1 *Interest Payment Dates***

Each Floating Rate Instrument and Index Linked Interest Instrument bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3.6. Such Interest Payment Date(s) is/are either specified in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

##### **3.2.2 *Business Day Convention***

If any date which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in

which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day; (C) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in that event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

### 3.2.3 *Rate of Interest for Floating Rate Instruments*

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

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

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

- (b) Screen Rate Determination for Floating Rate Instruments referencing EURIBOR: Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being EURIBOR, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:
- (x) if the Primary Source for Floating Rate is a Relevant Screen Page, subject as provided below, the Rate of Interest shall be:
    - (A) the Relevant Rate (where such Relevant Rate on such Relevant Screen Page is a composite quotation or is customarily supplied by one entity);  
or
    - (B) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Relevant Screen Page,in each case appearing on such Relevant Screen Page at the Relevant Time on the Interest Determination Date;

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x) (A) above applies and no Relevant Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x) (B) above applies and fewer than two Relevant Rates appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date; and
  - (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro in those Member States of the European Union which are participating in European economic and monetary union as selected by the Calculation Agent (the “**Principal Financial Centre**”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (II) (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (c) Screen Rate Determination for Floating Rate Instruments referencing SONIA:
- (A) SONIA Compounded Index Rate
- Where (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the relevant Final Terms as being “SONIA Compounded Index Rate”, the Rate of Interest for each Interest Accrual Period will, subject to Conditions 3.5 and 3.10, be the SONIA Compounded Index Rate, where:
- “**SONIA Compounded Index Rate**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

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

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

where:

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

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

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

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

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

“**SONIA Compounded Index<sub>END</sub>**” means the SONIA Compounded Index Value on the last day of the relevant Observation Period;

“**SONIA Compounded Index<sub>START</sub>**” means the SONIA Compounded Index Value on the first day of the relevant Observation Period; and

“**SONIA Compounded Index Value**” means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's Website at



[www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

(B) SONIA Compounded Daily Reference Rate

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

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

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

Where:

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

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

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

“*d<sub>o</sub>*” is the number of London Business Days in the relevant:

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

“*I*” is a series of whole numbers from one to *d<sub>o</sub>*, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

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

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

“**SONIA** <sub>$i$</sub> ” means, in relation to any London Business Day, the SONIA reference rate in respect of:

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

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

- (C) Subject to Condition 3.10, where either (i) SONIA Compounded Daily Reference Rate is specified in the relevant Final Terms, or (ii) the SONIA Compounded Index Rate is specified in the relevant Final Terms and Condition 3.2.3(c)(B) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England’s website at [www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such Reference Rate shall be:

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

Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at [www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), and

in each case, SONIA<sub>i</sub> shall be interpreted accordingly.

- (D) If the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 3.10, the Rate of Interest shall be
  - (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or
  - (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Instruments for the first Interest Accrual Period had the Instruments been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).
- (E) If the relevant Series of Instruments become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Instruments became due and payable and the Rate of Interest on such Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Accrual Period had been shortened accordingly.
- (d) **BBSW Rate determination:** Where BBSW Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be the sum of the Margin and the BBSW Rate. Each Instrumentholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case as described below (in all cases without the need for any Instrumentholder consent). Any determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case described below will be binding on the Issuer, the Instrumentholders and each Agent.

In this Condition 3.2.3(d):

**"BBSW Rate"** means, for an Interest Accrual Period, the Australian Bank Bill Swap Reference Rate administered by ASX Benchmarks Pty Limited (or any other person which takes over the administration of that rate) for a period equal to the Interest Period displayed on the Refinitiv Screen BBSW Page (or any replacement page which displays that rate) at approximately 10:30 am Sydney time (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) ("**Publication Time**") on the first day of that

Interest Accrual Period. However, if such rate does not appear on the Refinitiv Screen BBSW Page (or any replacement page) by 10:45 am Sydney time on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if the Issuer determines that (i) (in consultation with the Calculation Agent) there is an obvious error in that rate or (ii) the rate is permanently or indefinitely discontinued or (iii) the relevant administrator makes a public announcement that the rate has been or will be permanently or indefinitely discontinued or (iv) it has or will become unlawful for the Issuer or the Calculation Agent to use the rate, “**BBSW Rate**” shall mean such other successor rate or alternative rate for BBSW Rate-linked floating rate debt instruments at such time determined by an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate in consultation with the Issuer or, failing which, the Issuer (acting in good faith and in a commercially reasonable manner) (in each case, a “**Determining Party**”), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such Determining Party, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate debt instruments at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate debt instruments at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by such Determining Party (in consultation with the Issuer) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

- (e) CDOR Rate Determination: Where CDOR Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be the sum of the Margin and the average bid rate (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of one per cent. (with 0.000005 per cent. being rounded up) for bankers’ acceptances in Canadian dollars for the relevant Interest Accrual Period which appears on the Reuters Screen CDOR Page (being the Relevant Screen Page) as of approximately 10:15 a.m. (Toronto time) (or the amended publication time for CDOR, if any, specified by Refinitiv Benchmark Services (UK) Limited (or any successor thereto) as CDOR administrator (the “**Administrator**”) in accordance with its CDOR methodology, as amended from time to time) on the Interest Determination Date, all as determined by the Calculation Agent; provided that if such rate does not appear on the Relevant Screen Page on such day and such day is on or before the CDOR Cessation Date, then CDOR for such Interest Determination Date will be determined using an Alternative CDOR Page as of an Alternative Time on such day. If no such Alternative CDOR Page is available on such day and such day is on or before the CDOR Cessation Date, CDOR for such Interest Determination Date shall be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian dollar bankers’ acceptances with maturities equal to the relevant Interest Accrual Period for same day settlement as quoted by such of the Schedule I banks (as defined in the Bank Act (Canada)) as may quote such a rate as of approximately 10:15 a.m., Toronto time, on such Interest Determination Date.

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

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

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

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

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

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

(i) *CDOR Cessation Date*

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

(ii) *Fallback Rate (CORRA)*

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

(iii) *CORRA*

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

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

(iv) *CAD Recommended Rate*

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

If there is no CAD Recommended Rate before the end of the first Toronto Business Day following the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) (or, if later, the end of the first Toronto

Business Day following the Fallback Index Cessation Effective Date with respect to CORRA); or there is a CAD Recommended Rate and a Fallback Index Cessation Effective Date subsequently occurs with respect to it, then the rate for a Reset Date for a relevant Interest Accrual Period in respect of which the Fallback Observation Day occurs on or after the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA) (or, if later, the Fallback Index Cessation Effective Date with respect to CORRA) or the Fallback Index Cessation Effective Date with respect to the CAD Recommended Rate (as applicable) will be Bank of Canada's Target for the Overnight Rate as set by the Bank of Canada and published on the Bank of Canada's Website (the "**BOC Target Rate**"), to which the Calculation Agent shall apply the most recently published spread, as at the Fallback Index Cessation Effective Date with respect to Fallback Rate (CORRA), referred to in the definition of "Fallback Rate (CORRA)" after making such adjustments to the BOC Target Rate as are necessary to account for any difference in term structure or tenor of the BOC Target Rate by comparison to Fallback Rate (CORRA) and by reference to the Bloomberg IBOR Fallback Rate Adjustments Rule Book.

(v) *BOC Target Rate*

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

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

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

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

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

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

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

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

**“Fallback Index Cessation Event”** means:

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



cease to provide the Applicable Fallback Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Fallback Rate;

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

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

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

**“Index Cessation Event”** means:

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

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

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

Any decision or determination pursuant to the terms and provisions set forth in the preceding paragraphs not made by the Calculation Agent will be made by the Issuer in its sole discretion following consultation with the Trustee and will be conclusive and binding on the Agent, the Calculation Agent, the holders of the Instruments and the beneficial owners of interests in the Instruments, absent manifest error. In addition, the Issuer may designate an entity (which may be its affiliate) to make any determination or decision that it has the right to make in connection with such terms and provisions.

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

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

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

where:

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

“**d<sub>0</sub>**” is the number of Toronto Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Business Day in chronological order from, and including, the first Toronto Business Day in the relevant Interest Accrual Period;

“**n<sub>i</sub>**” for any Business Day “**i**”, means the number of calendar days from, and including, such Business Day “**i**” to, but excluding, the following Business Day (which is “**i**” + 1);

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

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

“**CORRA<sub>i-pTBD</sub>**” means the CORRA rate for the Toronto Business Day falling “**p**” number of Toronto Business Days prior to the relevant Toronto Business Day “**i**”; and

“**CORRA**” with respect to any Toronto Business Day is a reference rate equal to the daily Canadian Overnight Repo Rate Average rate for that day, as published by the Bank of Canada, as the administrator of such rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website, in each case as it appears on the Bank of Canada website at 11:30 am, Toronto time, on the Toronto Business Day immediately following that day.

If, in respect of any Toronto Business Day in the relevant Observation Period, the applicable CORRA reference rate is not available or has not otherwise been published by the authorised administrator and there has been no Benchmark Event, then (i) the CORRA reference rate shall be equal to the prevailing Bank of Canada target for the overnight rate as displayed on the Bank of Canada website (or any successor website or official publication of the Bank of Canada) on such Toronto Business Day or, if the Bank of Canada does not target a single rate, the mid-point of the target range set by

the Bank of Canada and so published (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place, 0.005 being rounded upwards), and (ii) if no such overnight rate exists the CORRA reference rate in respect of such Toronto Banking Day shall be the CORRA reference rate in respect of the last Toronto Business Day for which such CORRA reference rate was published by the authorised administrator.

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

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

- (g) Linear Interpolation: Where Linear Interpolation is specified in the relevant Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified in the relevant Final Terms as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified in the relevant Final Terms as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser (as defined in Condition 3.10.7) appointed by the Issuer acting in good faith and in a commercially reasonable manner in its reasonable discretion, determines appropriate.

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

#### **3.2.4 Rate of Interest for Index Linked Interest Instruments**

The Rate of Interest in respect of Index Linked Interest Instruments for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue accordingly.

### **3.3 Zero Coupon Instruments**

Where an Instrument, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Instrument. As from the Maturity Date, the Rate of Interest for any overdue principal of such an Instrument shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5.4.1(b)).

### **3.4 Accrual of Interest**

Interest shall cease to accrue on each Instrument on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 3 to the Relevant Date (as defined in Condition 7).

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

- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 3.2 above, by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to paragraph (ii) below.
- (ii) If any Maximum or Minimum Rate of Interest or Maximum or Minimum Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **“unit”** means the lowest amount of such currency which is available as legal tender in the country of such currency.

### **3.6 Calculations**

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

interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

### **3.7 Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Restructuring Put Option Amounts**

The Calculation Agent shall, as soon as practicable after the Relevant Time on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Redemption Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Restructuring Put Option Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Instrumentholders, any other Calculation Agent appointed in respect of the Instruments that is to make a further calculation upon receipt of such information and, if the Instruments are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 3.2.2, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Instruments become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Instruments shall, subject in the case of each of the SONIA Compounded Index Rate and the SONIA Compounded Daily Reference Rate, to Condition 3.2.3(c)(E), and in the case of CORRA, to the last paragraph of Condition 3.2.3(f), nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

### **3.8 Definitions**

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

**“Business Day”** means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency (which in the case of: (x) Canadian dollars is Toronto; and (y) Australian dollars is Sydney); and/or
- (ii) in the case of euro, any day on which T2 is open for the settlement of payments in euro (a **“TARGET Business Day”**); and/or
- (iii) in the case of a currency and/or one or more Business Centres as specified in the relevant Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign

exchange markets settle payments in such currency or, if no currency is indicated, generally in each of the Business Centres.

“**Calculation Amount**” means the amount specified as such in the relevant Final Terms.

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

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “**Actual/Actual-ICMA**” is specified in the relevant Final Terms,
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Determination Period and (y) the number of Determination Periods in any year; and
  - (B) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year; and
    - (y) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period and (2) the number of Determination Periods in any year,

where:

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

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

- (viii) if **“RBA Bond Basis”** or **“Australian Bond Basis”** is specified in the relevant Final Terms, one divided by the number of Interest Payment Dates in each 12 month period or, where the relevant period does not constitute an Interest Period, the product of:
- (A) one divided by the number of Interest Payment Dates in each 12 month period; and
  - (B) the number of days in the relevant period divided by the actual number of days in the Interest Period ending on the next Interest Payment Date; and
- (ix) If **“Actual/Actual Canadian Compound Method”** is specified in the relevant Final Terms, whenever it is necessary to compute any amount of accrued interest in respect of the Instruments for a period of less than one full year, other than in respect of any specified Interest Amount, such interest will be calculated on the basis of the actual number of days in the Calculation Period and a year of 365 days.

**“Effective Date”** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

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

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

**“Interest Amount”** means:

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

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

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London prior to the first day of such Interest Accrual Period if the Specified



Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

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

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

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

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

**“Material Subsidiary”** means at any time a Subsidiary:

- (i) whose total consolidated assets or consolidated turnover represents not less than 10 per cent. of the consolidated total assets or, as the case may be, consolidated turnover of the Issuer and its consolidated subsidiaries taken as a whole, all as calculated by reference to the then latest consolidated audited accounts of the Issuer and its consolidated subsidiaries; or
- (ii) to which is transferred the whole or substantially the whole of the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Material Subsidiary whereupon (x) the transferor Subsidiary shall immediately cease to be a Material Subsidiary and (y) the transferee Subsidiary shall immediately become a Material Subsidiary for the purpose of this definition, provided that the transferee shall cease to be a Material Subsidiary upon the next audited accounts of the Issuer and its Subsidiaries becoming available if those accounts show that it is not a Material Subsidiary within the terms of paragraph (i) above).

A certificate signed by two Directors of the Issuer (whether or not addressed to the Trustee) that in their opinion a Subsidiary is or is not or was or was not during a particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Instrumentholders.

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

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

**“Reference Banks”** means the institutions specified as such in the relevant Final Terms or, if none, five leading banks selected by the Issuer in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate (which, if EURIBOR is the relevant Reference Rate, shall be Europe).

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

**“Relevant Financial Centre”** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected (which, in the case of EURIBOR, shall be Europe) or, if none is so connected, London.

**“Relevant Rate”** means the Reference Rate for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Reference Rate) equal to the Specified Duration commencing on the Effective Date.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Market 3000 (“Reuters”)) as may be specified in the applicable Final Terms (or such other page, section, caption, column or other part as may succeed or replace it on that information service or on such other information service).

**“Relevant Time”** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition **“local time”** means, with respect to Europe as a Relevant Financial Centre, Brussels time.

**“Representative Amount”** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

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

**“Specified Duration”** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relevant Interest Accrual Period, ignoring any adjustment pursuant to Condition 3.2.2.

**“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.

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

### **3.9 Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Instrument is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall (with the prior approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one

Calculation Agent is appointed in respect of the Instruments, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Restructuring Put Option Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as specified in this Condition 3.9.

### **3.10 Benchmark Discontinuation**

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

#### **3.10.1 Independent Adviser**

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

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

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

### 3.10.2 Successor Rate or Alternative Rate

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

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

### 3.10.3 Adjustment Spread

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

### 3.10.4 Benchmark Amendments

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

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

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

#### **3.10.5 Notices, etc.**

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

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

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

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

#### **3.10.6 Survival of Original Reference Rate**

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

#### **3.10.7 Definitions**

As used in this Condition 3.10:

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

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

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

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

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

**“Benchmark Event”** means:

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

provided that in the case of sub-paragraphs (2), (3), (4) and (5) above, the Benchmark Event shall be deemed to occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

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

**“Original Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Instruments or, if applicable, any other Successor or Alternative Rate (or any component part

thereof) determined and applicable to the Instruments pursuant to the earlier operation of Condition 3.10.

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

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

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

## 4 Indexation

This Condition 4 is applicable only if the relevant Final Terms specifies the Instruments as Index Linked Instruments.

### 4.1 Definitions

For the purposes of Conditions 4.1 to 4.6, unless the context otherwise requires, the following defined terms shall have the following meanings:

**“Base Index Figure”** means (subject to Condition 4.3(i)) the base index figure as specified in the relevant Final Terms;

**“CPI”** means the UK Consumer Prices Index (for all items) published by the Office for National Statistics (January 2015 = 100) or any comparable index which may replace the UK Consumer Prices Index for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any). Where CPI is specified as the Index in the relevant Final Terms, any reference to the “Index Figure” which is specified in the relevant Final Terms as:

- (i) applicable to the first calendar day of any month shall, subject as provided in Conditions 4.3 and 4.5, be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (ii) applicable to any other day in any month shall, subject as provided in Conditions 4.3 and 4.5, be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in paragraph (i) above and (y) the Index Figure applicable to the first calendar day of the month following, calculated as specified in paragraph (i) above and rounded to the nearest fifth decimal place.

**“CPIH”** means the all items consumer prices index including owner occupiers’ housing costs and council tax for the United Kingdom published by the Office for National Statistics (January 2015 = 100) or any comparable index which may replace the all items consumer prices index including owner occupiers’ housing costs and council tax for the United Kingdom for the purpose of calculating the amount payable on repayment of the Indexed Benchmark Gilt (if any). Where CPIH is specified as the Index in the relevant Final Terms, any reference to the “Index Figure” which is specified in the relevant Final Terms as:

- (i) applicable to the first calendar day of any month shall, subject as provided in Conditions 4.3 and 4.5, be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (ii) applicable to any other day in any month shall, subject as provided in Conditions 4.3 and 4.5, be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in paragraph (i) above and (y) the Index Figure applicable to the first calendar day of the month following, calculated as specified in paragraph (i) above and rounded to the nearest fifth decimal place;

**“His Majesty’s Treasury”** means His Majesty’s Treasury or any officially recognised party performing the function of a calculation agent (whatever such party’s title), on its or its successor’s behalf, in respect of the Reference Gilt;

**“Index”** means, subject as provided in Condition 4.3(i), either CPI, CPIH or RPI as specified in the relevant Final Terms;

**“Indexed Benchmark Gilt”** means the index-linked sterling obligation of the United Kingdom Government listed on the Official List of the Financial Conduct Authority (in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended) and traded on the London Stock Exchange whose average maturity most closely matches that of the Instruments as a gilt-edged market maker or other adviser selected by the Issuer (an **“Indexation Adviser”**) shall determine to be appropriate;

**“Index Figure”** has the definition given to such term in the definition of **“CPI”**, **“CPIH”** or **“RPI”**, as applicable;

**“Index Ratio”** applicable to any month or date, as the case may be, means the Index Figure applicable to such month or date, as the case may be, divided by the Base Index Figure and rounded to the nearest fifth decimal place;

**“Limited Index Ratio”** means (a) in respect of any month or date, as the case may be, prior to the relevant Issue Date, the Index Ratio for that month or date, as the case may be, (b) in respect of any Limited Indexation Date after the relevant Issue Date, the product of the Limited Indexation Factor for that month or date, as the case may be, and the Limited Index Ratio as previously calculated in respect of the month or date, as the case may be, twelve months prior thereto; and (c) in respect of any other month, the Limited Index Ratio as previously calculated in respect of the most recent Limited Indexation Month;

**“Limited Indexation Date”** means any date falling during the period specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

**“Limited Indexation Factor”** means, in respect of a Limited Indexation Month or Limited Indexation Date, as the case may be, the ratio of the Index Figure applicable to that month or date, as the case may be, divided by the Index Figure applicable to the month or date, as the case may be, twelve months prior thereto, provided that (a) if such ratio is greater than the Maximum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Maximum Indexation Factor and (b) if such ratio is less than the Minimum Indexation Factor specified in the relevant Final Terms, it shall be deemed to be equal to such Minimum Indexation Factor;

**“Limited Indexation Month”** means any month specified in the relevant Final Terms for which a Limited Indexation Factor is to be calculated;

**“Limited Index Linked Instruments”** means Index Linked Instruments to which a Maximum Indexation Factor and/or a Minimum Indexation Factor (as specified in the relevant Final Terms) applies;



“**Redemption Date**” means any date on which the Instruments are redeemed in accordance with Condition 4.6, Condition 4.10, Condition 5.1, Condition 5.2, Condition 5.4, Condition 5.5, Condition 5.6 or Condition 5.7;

“**Reference Gilt**” means the index-linked Treasury Stock/Treasury Gilt specified as such in the relevant Final Terms for so long as such gilt is in issue, and thereafter such issue of index-linked Treasury Stock/Treasury Gilt determined to be appropriate by an Indexation Adviser; and

“**RPI**” means the UK Retail Prices Index (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the UK Retail Prices Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. Where RPI is specified as the Index in the relevant Final Terms, any reference to the “Index Figure” which is specified in the relevant Final Terms as:

- (i) applicable to a particular month, shall, subject as provided in Conditions 4.3 and 4.5, be construed as a reference to the Index Figure published in the seventh month prior to that particular month and relating to the month before that of publication; or
- (ii) applicable to the first calendar day of any month shall, subject as provided in Conditions 4.3 and 4.5, be construed as a reference to the Index Figure published in the second month prior to that particular month and relating to the month before that of publication; or
- (iii) applicable to any other day in any month shall, subject as provided in Conditions 4.3 and 4.5, be calculated by linear interpolation between (x) the Index Figure applicable to the first calendar day of the month in which the day falls, calculated as specified in paragraph (ii) above and (y) the Index Figure applicable to the first calendar day of the month following, calculated as specified in paragraph (ii) above and rounded to the nearest fifth decimal place.

#### **4.2 Application of the Index Ratio**

Each payment of interest and principal in respect of the Instruments shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio or Limited Index Ratio in the case of Limited Index Linked Instruments applicable to the month or date, as the case may be, in or on which such payment falls to be made and rounded in accordance with Condition 3.5.

#### **4.3 Changes in Circumstances Affecting the Index**

- (i) Change in base: If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be, (1) the definition of “**Index**” and “**Index Figure**” in Condition 4.1 shall be deemed to refer to the new date, or month or year (as applicable) in substitution for January 1987 (where RPI is specified as the Index in the relevant Final Terms) or 2015 (where CPI or CPIH is specified as the Index in the relevant Final Terms) (or, as the case may be, to such other date, month or year as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the existing Base Index Figure and the Index Figure for the date on which such substitution takes effect, divided by the Index Figure for the date immediately preceding the date on which such substitution takes effect.
- (ii) Delay in publication of RPI if paragraph (i) of the definition of Index Figure for RPI is applicable: If the Index Figure which is normally published in the seventh month and which relates to the eighth month (the “**relevant month**”) before the month in which a payment is due to be made is not published on or before the fourteenth business day before the date on which such payment is due (the “**date for payment**”), the Index Figure applicable to the month in which the date for payment falls shall be (1) such substitute index figure (if any) as the Trustee considers

(acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK Government for such purpose) for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Trustee (acting solely on the advice of the Indexation Adviser)) or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 4.3(i)) before the date for payment.

- (iii) Delay in publication of relevant Index if paragraph (i) and/or (ii) of the definition of Index Figure for CPI or CPIH is applicable or if paragraph (ii) and/or (iii) of the definition of Index Figure for RPI is applicable: If the Index Figure relating to any month (the “**calculation month**”) which is required to be taken into account for the purposes of the determination of the Index Figure for any date is not published on or before the fourteenth business day before the date on which such payment is due (the “**date for payment**”), the Index Figure applicable for the relevant calculation month shall be (1) such substitute index figure (if any) as the Trustee considers (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, (or such other body designated by the UK Government for such purpose) for the purposes of indexation of payments on the Reference Gilt or the Indexed Benchmark Gilt (as applicable) or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Trustee (acting solely on the advice of the Indexation Adviser)) or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 4.3(i)) before the date for payment.

#### **4.4 Application of Changes**

Where the provisions of Condition 4.3(ii) or Condition 4.3(iii) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall be conclusive and binding. If, an Index Figure having been applied pursuant to Condition 4.3(ii)(2) or Condition 4.3(iii)(2), the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while an Instrument is still outstanding, then:

- (i) in relation to a payment of principal or interest in respect of such Instrument other than upon final redemption of such Instrument, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced, as the case may be, by an amount equal to the shortfall or excess, as the case may be, of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 4.3(ii)(2) or Condition 4.3(iii)(2) below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (ii) in relation to a payment of principal or interest upon final redemption, no subsequent adjustment to amounts paid will be made.

#### 4.5 Material Changes to or Cessation of the Index

- (i) Material changes to the relevant Index:
  - (a) CPI and CPIH: Where CPI or CPIH is specified in the relevant Final Terms as the Index and
    - (1) if notice is published by His Majesty's Treasury, or on its behalf, following a change to the coverage or the basic calculation of such Index, then the Calculation Agent shall make any such adjustments to the Index consistent with any adjustments made to the Index as applied to the relevant Indexed Benchmark Gilt; or
    - (2) any change is made to the coverage or the basic calculation of such Index which constitutes a fundamental change which would, in the opinion of either the Issuer or the Trustee (acting solely on the advice of an Indexation Adviser), be materially prejudicial to the interests of the Issuer or the Instrumentholders, as the case may be, the Issuer or the Trustee (as applicable) shall give written notice of such occurrence to the other party.

Promptly after the giving of such notice, the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Instruments one or more adjustments to CPI or CPIH (as applicable) or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Instrumentholders in no materially better and no materially worse position than they would have been had the relevant fundamental change to CPI or CPIH (as applicable) not been made.

If the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned above, a bank or other person in London shall be appointed by the Issuer and the Trustee or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the 20 day period referred to above, by the Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Instruments one or more adjustments to CPI or CPIH (as applicable) or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Instrumentholders in no materially better and no materially worse position than they would have been had the relevant fundamental change to CPI or CPIH (as applicable) not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Trustee in connection with such appointment shall be borne by the Issuer

- (b) RPI: Where RPI is specified in the relevant Final Terms as the Index and if notice is published by His Majesty's Treasury, or on its behalf, following a change to the coverage or the basic calculation of such Index, then the Calculation Agent shall make any such adjustments to the Index consistent with any adjustments made to the Index as applied to the Reference Gilt
- (ii) Cessation of the relevant Index:

If the Trustee and the Issuer have been notified by the Calculation Agent that the relevant Index has ceased to be published, or if His Majesty's Treasury or the Office for National Statistics, as the case may be, or a person acting on its behalf, announces that it has ceased to publish the

relevant Index, then the Calculation Agent shall determine a successor index in lieu of any previously applicable index (the “**Successor Index**”) by using the following methodology:

- (a) if at any time a successor index has been designated by His Majesty’s Treasury in respect of the Reference Gilt, such successor index shall be designated the “**Successor Index**” for the purposes of all subsequent Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under paragraph (b) or (c) below. This provision will only be applicable when RPI is specified in the relevant Final Terms as the Index; or
  - (b) the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Instruments one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Instrumentholders in no materially better and no materially worse position than they would have been had the Index not ceased to be published. If the relevant Final Terms specify RPI as the Index then this paragraph (b) will only be applicable provided the Successor Index has not been determined under paragraph (a) above; or
  - (c) if the Issuer and the Trustee (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 business days following the giving of notice as mentioned in paragraph (ii), a bank or other person in London shall be appointed by the Issuer and the Trustee or, failing agreement on and the making of such appointment within 20 business days following the expiry of the 20 day period referred to above, by the Trustee (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the “**Expert**”), to determine for the purpose of the Instruments one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer and the Instrumentholders in no materially better and no materially worse position than they would have been had the Index not ceased to be published. Any Expert so appointed shall act as an expert and not as an arbitrator and all fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Trustee in connection with such appointment shall be borne by the Issuer.
- (iii) Adjustment or replacement: The Index shall be adjusted or replaced by a substitute index pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Trustee (acting solely on the advice of the Indexation Adviser and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the Trustee and the Instrumentholders, and the Issuer shall give notice to the Instrumentholders in accordance with Condition 14 of such amendments as promptly as practicable following such notification or adjustment.

#### **4.6 Redemption for Index Reasons**

If either (i) the Index Figure for three consecutive months is required to be determined on the basis of an Index Figure previously published as provided in Condition 4.3(ii)(2) or 4.3(iii)(2), as applicable and the Trustee has been notified by the Calculation Agent that publication of the Index has ceased or (ii) notice is published by His Majesty’s Treasury, or on its behalf, following a change in relation to the Index, offering a right of redemption to the holders of the Reference Gilt or the Indexed Benchmark Gilt (as applicable), and (in either case) no amendment or substitution of the Index shall have been designated by His Majesty’s Treasury in respect of the Reference Gilt or the Indexed Benchmark Gilt

(as applicable) to the Issuer and such circumstances are continuing, the Issuer may, upon giving not more than 60 nor less than 30 days' notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms) in accordance with Condition 14, redeem all, but not some only, of the Instruments at their principal amount together with interest accrued but unpaid up to and including the date of redemption (in each case adjusted in accordance with Condition 4.2).

#### 4.7 HICP

Where HICP (as defined below) is specified as the Index or Index Level (each as defined below) in the relevant Final Terms, Conditions 4.7 to 4.10 will apply. For the purposes of Conditions 4.7 to 4.10, unless the context otherwise requires, the following defined terms shall have the following meanings:

**"Base Index Level"** means the base index level as specified in the relevant Final Terms;

**"Index"** or **"Index Level"** means (subject as provided in Condition 4.9) the non-revised Harmonised Index of Consumer Prices excluding tobacco or relevant Successor Index (as defined in Condition 4.9(i)), measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by Eurostat (the **"HICP"**). The first publication or announcement of a level of such index for a calculation month (as defined in Condition 4.9(i)) shall be final and conclusive and later revisions to the level for such calculation month will not be used in any calculations. Any reference to the Index Level which is specified in these Conditions as applicable to any day ("**d**") in any month ("**m**") shall, subject as provided in Condition 4.9, be calculated as follows:

$$I_d = HICP_{m-3} + \frac{nbd}{q_m} \times (HICP_{m-2} - HICP_{m-3})$$

where:

$I_d$  is the Index Level for the day  $d$

**HICP**  $m-2$  is the level of HICP for month  $m-2$ ;

**HICP**  $m-3$  is the level of HICP for month  $m-3$ ;

**nbd** is the actual number of days from and excluding the first day of month  $m$  to but including day  $d$ ; and

$q_m$  is the actual number of days in month  $m$ ,

provided that if Condition 4.9 applies, the Index Level shall be the Substitute Index Level determined in accordance with such Condition.

**"Index Business Day"** means any day on which T2 is open for the settlement of payments in euro;

**"Index Determination Date"** means in respect of any date for which the Index Level is required to be determined, the fifth Index Business Day prior to such date;

**"Index Ratio"** applicable to any date means the Index Level applicable to the relevant Index Determination Date divided by the Base Index Level and rounded to the nearest fifth decimal place, 0.000005 being rounded upwards; and

**"Related Instrument"** means an inflation-linked bond selected by the Calculation Agent that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union with a maturity date which falls on (a) the same day as the Maturity Date, (b) the next longest maturity date after the Maturity Date if there is no such bond maturing on the Maturity Date, or (c) the next shortest maturity before the Maturity Date if no bond defined in (a) or (b) is selected by the Calculation Agent. The Calculation Agent will select the Related Instrument from such of those inflation-linked bonds issued on or before the relevant Issue Date and, if there is

more than one such inflation-linked bond maturing on the same date, the Related Instrument shall be selected by the Calculation Agent from such of those bonds. If the Related Instrument is redeemed, the Calculation Agent will select a new Related Instrument on the same basis, but selected from all eligible bonds in issue at the time the originally selected Related Instrument is redeemed (including any bond for which the redeemed originally selected Related Instrument is exchanged).

#### 4.8 Application of the Index Ratio

Each payment of interest and principal in respect of the Instruments shall be the amount provided in, or determined in accordance with, these Conditions, multiplied by the Index Ratio applicable to the date on which such payment falls to be made and rounded in accordance with Condition 3.5.

#### 4.9 Changes in Circumstances Affecting the Index

(i) Delay in publication of Index:

(a) If the Index Level relating to any month (the “**calculation month**”) which is required to be taken into account for the purposes of the determination of the Index Level for any date (the “**Relevant Level**”) has not been published or announced by the day that is five Business Days before the date on which such payment is due (the “**Affected Payment Date**”), the Calculation Agent shall determine a Substitute Index Level (as defined below) (in place of such Relevant Level) by using the following methodology:

(1) if applicable, the Calculation Agent will take the same action to determine the Substitute Index Level for the Affected Payment Date as that taken by the calculation agent (or any other party performing the function of a calculation agent (whatever such party’s title)) pursuant to the terms and conditions of the Related Instrument;

(2) if paragraph (1) above does not result in a Substitute Index Level for the Affected Payment Date for any reason, then the Calculation Agent shall determine the Substitute Index Level as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level})$$

where:

“**Base Level**” means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined;

“**Latest Level**” means the latest level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) prior to the month in respect of which the Substitute Index Level is being calculated; and

“**Reference Level**” means the level of the Index (excluding any flash estimates) published or announced by Eurostat (or any successor entity which publishes such index) in respect of the month that is 12 calendar months prior to the month referred to in “Latest Level” above.

(b) If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Interest Payment Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 4.9(i) will be the definitive level for that calculation month.

- (ii) Cessation of publication: If the Index Level has not been published or announced for two consecutive months or Eurostat announces that it will no longer continue to publish or announce the Index, then the Calculation Agent shall determine a successor index in lieu of any previously applicable Index (the “**Successor Index**”) by using the following methodology:
- (a) if at any time (other than after an Early Termination Event (as defined below) has been designated by the Calculation Agent pursuant to paragraph (e) below) a successor index has been designated by the calculation agent (or any other party performing the function of a calculation agent (whatever such party’s title)) pursuant to the terms and conditions of the Related Instrument, such successor index shall be designated the “**Successor Index**” for the purposes of all subsequent Interest Payment Dates, notwithstanding that any other Successor Index may previously have been determined under paragraph (b), (c) or (d) below; or
  - (b) if a Successor Index has not been determined under paragraph (a) above (and there has been no designation of an Early Termination Event pursuant to paragraph (e) below), and a notice has been given or an announcement has been made by Eurostat (or any successor entity which publishes such index) specifying that the Index will be superseded by a replacement index specified by Eurostat (or any such successor), and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index from the date that such replacement index comes into effect; or
  - (c) if a Successor Index has not been determined under paragraph (a) or (b) above (and there has been no designation of an Early Termination Event pursuant to paragraph (e) below), the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the “**Successor Index**”. If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the “**Successor Index**”. If fewer than three responses are received, the Calculation Agent will proceed to paragraph (d) below;
  - (d) if no Successor Index has been determined under paragraph (a), (b) or (c) above on or before the fifth Index Business Day prior to the next Affected Payment Date the Calculation Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed the “**Successor Index**”;
  - (e) if the Calculation Agent determines that there is no appropriate alternative index, the Issuer and the Instrumentholders shall, in conjunction with the Calculation Agent, determine an appropriate alternative index. If the Issuer and the Instrumentholders, in conjunction with the Calculation Agent, do not reach agreement on an appropriate alternative index within a period of ten Business Days, then an Early Termination Event will be deemed to have occurred and the Issuer will redeem the Instruments pursuant to Condition 4.10.
- (iii) Rebasing of the Index: If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for the purposes of determining each relevant Index Level from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent (or any other party performing the function of a calculation agent (whatever such party’s title)) pursuant to the terms and conditions of the Related Instrument to the levels

of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made.

- (iv) **Material Modification Prior to Interest Payment Date:** If, on or prior to the day that is five Business Days before an Interest Payment Date, Eurostat announces that it will make a material change to the Index then the Calculation Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Instrument.
- (v) **Manifest Error in Publication:** If, within 30 days of publication, the Calculation Agent determines that Eurostat (or any successor entity which publishes such index) has corrected the level of the Index to remedy a manifest error in its original publication, the Calculation Agent will notify the parties of (A) that correction, (B) the amount that is payable as a result of that correction and (C) take such other action as it may deem necessary to give effect to such correction.

#### **4.10 Redemption for Index Reasons**

If an Early Termination Event as described under Condition 4.9(ii)(e) is deemed to have occurred, the Issuer will, upon giving not more than 60 nor less than 30 days' notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms) in accordance with Condition 14, redeem all, but not some only, of the Instruments at their principal amount together with interest accrued but unpaid up to and including the date of redemption (in each case adjusted in accordance with Condition 4.8).

### **5 Redemption, Purchase and Options**

#### **5.1 Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below, this Instrument will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified in the relevant Final Terms provided, however, that if this Instrument is a Perpetual Instrument it will only be redeemable and repayable in accordance with the following provisions of this Condition 5.

#### **5.2 Redemption for Taxation Reasons**

If, on the occasion of the next payment in respect of the Instruments, the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that it would be unable to make such payment without having to pay additional amounts as described in Condition 7, and such requirement to pay such additional amounts arises by reason of a change in the laws of the United Kingdom or any political sub-division of the United Kingdom or taxing authority in the United Kingdom or any political sub-division of the United Kingdom or in the interpretation or application of the laws of the United Kingdom or any political sub-division of the United Kingdom or in any applicable double taxation treaty or convention, which change becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Instruments, and such requirement cannot be avoided by the Issuer taking reasonable measures (such measures not involving any material additional payments by, or expense for, the Issuer), the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms at any time, having given not less than 30 nor more than 45 days' notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms) in accordance with Condition 14, redeem all, but not some only, of the Instruments at their Early Redemption Amount together with interest accrued to the date of redemption, provided that the date fixed for redemption shall not be earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or make such withholding or deduction, as the case may be, were a payment in respect of the Instruments then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.2, the Issuer shall deliver to the Trustee a certificate signed by



two Directors of the Issuer stating that the requirement referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above in which event it shall be conclusive and binding on Instrumentholders and Couponholders.

### **5.3 Purchases**

The Issuer and any of its subsidiary undertakings may at any time purchase Instruments (provided that all unmatured Coupons and unexchanged Talons appertaining to them are attached or surrendered with them) in the open market or otherwise at any price.

### **5.4 Early Redemption**

#### **5.4.1 Zero Coupon Instruments:**

- (a) The Early Redemption Amount payable in respect of any Zero Coupon Instrument, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Instrument pursuant to Condition 5.2, Condition 5.5, Condition 5.6 or Condition 5.7 or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Instrument unless otherwise specified in the relevant Final Terms.
- (b) Subject to the provisions of sub-paragraph (c) below, the Amortised Face Amount of any such Instrument shall be the scheduled Final Redemption Amount of such Instrument on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Instruments if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount payable in respect of any such Instrument, upon its redemption pursuant to Condition 5.2, Condition 5.5, Condition 5.6 or Condition 5.7 or upon it becoming due and payable as provided in Condition 9, is not paid when due, the Early Redemption Amount due and payable in respect of such Instrument shall be the Amortised Face Amount of such Instrument as defined in sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the reference in that sub-paragraph to the date on which the Instrument becomes due and payable was replaced by a reference to the Relevant Date as defined in Condition 7. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Instrument on the Maturity Date together with any interest that may accrue in accordance with Condition 3.2.

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

#### **5.4.2 Other Instruments**

The Early Redemption Amount payable in respect of any Instrument (other than Instruments described in Condition 5.4.1 above), upon redemption of such Instrument pursuant to this Condition 5.4 or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.

## **5.5 Redemption at the Option of the Issuer and Exercise of Issuer's Options**

### **5.5.1 *Residual Holding Call Option***

If (i) Residual Holding Call Option is specified in the relevant Final Terms as applicable, and (ii) if at any time the Residual Holding Percentage or more of the aggregate nominal amount of Instruments originally issued shall have been redeemed or purchased and cancelled, the Issuer shall have the option to redeem such outstanding Instruments in whole, but not in part, at their Residual Holding Redemption Amount. Unless otherwise specified in the relevant Final Terms, the Residual Holding Redemption Amount will be calculated by the Calculation Agent by discounting the outstanding nominal amount of the Instruments and the remaining interest payments (if applicable) to the Maturity Date by a rate per annum (expressed as a percentage to the nearest one hundred thousandth of a percentage point (with halves being rounded up)) equal to the Benchmark Yield, being the yield on the Benchmark Security at the close of business on the third Business Day prior to the date fixed for such redemption, plus the Benchmark Spread. Where the specified calculation is to be made for a period of less than one year, it shall be calculated using the Benchmark Day Count Fraction. The Issuer will give not less than 15 nor more than 30 days' irrevocable notice to the Instrumentholders and the Trustee of any such redemption pursuant to this Condition 5.5.1.

### **5.5.2 *Call Option***

If Call Option is specified in the relevant Final Terms as applicable, the Issuer may, unless an Exercise Notice has been given pursuant to Condition 5.6 or a Put Option Notice has been given pursuant to Condition 5.7, on giving not less than 15 nor more than 30 days' irrevocable notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms), redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of such Instruments on any Optional Redemption Date(s) or Option Exercise Date, as the case may be. Any such redemption of Instruments shall be at their Optional Redemption Amount together with interest accrued to but excluding the date fixed for redemption.

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

All Instruments in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition 5.5.2.

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

### **5.5.3 *Make-whole Redemption Option***

If Make-whole Redemption Option is specified in the relevant Final Terms as applicable, the Issuer may, unless an Exercise Notice has been given pursuant to Condition 5.6 or a Put Option Notice has been given pursuant to Condition 5.7, on giving not less than 15 nor more than 30 days' irrevocable notice to the Instrumentholders (or such other notice period as may be specified in the relevant Final Terms), redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of such Instruments on any Make-whole Redemption Date(s). Any such

redemption of Instruments shall be at an amount equal to the higher of the following, in each case together with interest accrued to but excluding the date fixed for redemption:

- (i) the nominal amount of the Instrument; and
- (ii) the nominal amount of the Instrument multiplied by the price (as reported in writing to the Issuer and the Trustee by a financial adviser (the “**Financial Adviser**”) appointed by the Issuer and approved by the Trustee) expressed as a percentage (rounded to the nearest fifth decimal places, 0.000005 being rounded upwards) at which the Gross Redemption Yield to maturity on such Instrument (or, if a Par Call Commencement Date is specified in the relevant Final Terms, the Gross Redemption Yield to the Par Call Commencement Date) on the Determination Date specified in the Final Terms is equal to the Gross Redemption Yield at the Quotation Time specified in the relevant Final Terms on the Determination Date of the Reference Bond specified in the relevant Final Terms (or, where the Financial Adviser advises the Trustee that, for reasons of illiquidity or otherwise, such Reference Bond is not appropriate for such purpose, such other government stock as such Financial Adviser may recommend) plus any applicable Redemption Margin specified in the Final Terms.

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

All Instruments in respect of which any such notice is given shall be redeemed, or the Issuer’s option shall be exercised, on the date specified in such notice in accordance with this Condition 5.5.3.

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

In this Condition 5.5.3:

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

## **5.6 Redemption at the Option of Instrumentholders and Exercise of Instrumentholders’ Options**

If Put Option is specified in the relevant Final Terms as applicable, the Issuer shall, at the option of the holder of any such Instrument, upon the holder of such Instrument giving not less than 15 nor more than 30 days’ notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Instrument on the Optional Redemption Date(s) (as specified in the relevant Final Terms) at its Optional Redemption Amount (as specified in the relevant Final Terms) together with interest accrued to the date fixed for redemption.

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

## 5.7 Redemption at the Option of the Instrumentholders on a Restructuring Event

5.7.1 If, for so long as any Instrument remains outstanding, a Restructuring Event (as defined below) occurs, and prior to the commencement of or during the Restructuring Period (as defined below):

- (a) an independent financial adviser (as described below) shall have certified in writing to the Trustee that such Restructuring Event will not be or is not, in its opinion, materially prejudicial to the interests of the Instrumentholders; or
- (b) if there are Rated Instruments (as defined below), each Rating Agency (as defined below) that at such time has assigned a current rating to the Rated Instruments confirms in writing to the Issuer at its request (which it shall make as set out below) that it will not be withdrawing or reducing the then current rating assigned to the Rated Instruments by it from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, if the Rating Agency shall have already rated the Rated Instruments below investment grade (as described above), the rating will not be lowered by one full rating category or more, in each case as a result, in whole or in part, of any event or circumstance comprised in or arising as a result of the applicable Restructuring Event,

the following provisions of this Condition 5.7 shall cease to have any further effect in relation to such Restructuring Event.

5.7.2 If, for so long as any Instrument remains outstanding, a Restructuring Event occurs and (subject to Conditions 5.7.1 and 5.7.3) within the Restructuring Period, either:

- (i) if at the time such Restructuring Event occurs there are Rated Instruments, a Rating Downgrade (as defined below) in respect of such Restructuring Event also occurs; or
- (ii) if at such time there are no Rated Instruments, a Negative Rating Event (as defined below) in respect of such Restructuring Event also occurs; and
- (iii) an independent financial adviser shall have certified in writing to the Trustee that such Restructuring Event is, in its opinion, materially prejudicial to the interests of the Instrumentholders (a "Negative Certification"),

then the holder of each Instrument will, upon the giving of a Put Event Notice (as defined below), have the option (the "**Restructuring Put Option**") to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) such Instrument on the Put Date (as defined below), at its Restructuring Put Option Amount (as specified in the relevant Final Terms) together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date.

A Restructuring Event shall be deemed not to be materially prejudicial to the interests of the Instrumentholders if, notwithstanding the occurrence of a Rating Downgrade or a Negative Rating Event, the rating assigned to the Rated Instruments by any Rating Agency (as defined below) is subsequently increased to, or, as the case may be, there is assigned to the Instruments or other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more by any Rating Agency, an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being) or better prior to any Negative Certification being issued.

Any Negative Certification, and any other certificate of an independent financial adviser appointed under this Condition 5.7, shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Issuer and the Instrumentholders. The Issuer may, at any time, with the approval of the Trustee appoint an independent financial adviser for the purposes of this Condition 5.7. If, within five London Business Days following the occurrence of a Rating Downgrade or a Negative Rating Event, as the case may be, in respect of a Restructuring Event, the Issuer shall not have appointed an independent financial adviser for the purposes of this Condition 5.7 and (if so required by the Trustee) the Trustee is indemnified and/or prefunded and/or secured to its satisfaction against the costs of such adviser, the Trustee may appoint an independent financial adviser for such purpose following consultation with the Issuer. Promptly upon the Issuer becoming aware that a Put Event (as defined below) has occurred, and in any event not later than 14 days after the occurrence of a Put Event, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Instruments then outstanding shall, give notice (a **"Put Event Notice"**) to the Issuing and Paying Agent and Instrumentholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the Restructuring Put Option.

To exercise the Restructuring Put Option, the holder of the Instrument must deposit such Instrument (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **"Put Period"**) of 45 days commencing on the day on which the Put Event Notice is given, accompanied by a duly signed put option exercise notice (the **"Put Option Notice"**) in the form obtainable from any Paying Agent. No Instrument so deposited and option so exercised may be withdrawn without the prior consent of the Issuer or where, prior to the date of redemption, an Event of Default has occurred and the Trustee has given notice to the Issuer that the Instruments are due and repayable in accordance with Condition 9 in which event such holder, at its option, may elect by notice to the Issuer to withdraw its Instrument(s) and accompanying Put Option Notice. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Instrument on the fifteenth day after the date of expiry of the Put Period (the **"Put Date"**) unless previously redeemed or purchased.

If 80 per cent. or more in principal amount of the Instruments then outstanding are redeemed or purchased pursuant to this Condition 5.7, the Issuer may, on giving not less than 15 nor more than 30 days' notice to the Trustee, the Issuing and Paying Agent and, in accordance with Condition 14, the Instrumentholders (such notice being given within 30 days after the Put Date), which notice shall be irrevocable, redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Instruments at their principal amount, together with interest (if any) accrued to (but excluding) the date fixed for such redemption or purchase. Such notice to the Instrumentholders shall specify the date fixed for redemption or purchase and the manner in which such redemption or purchase will be effected. If the rating designations employed by any Rating Agency are changed from those which are described in the definition of a "Rating Downgrade" below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee (who shall be entitled to consult with independent advisers in relation thereto, at the cost and expense of the Issuer), the rating designations of such Rating Agency or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of such Rating Agency and this Condition 5.7 shall be construed accordingly.

- 5.7.3 A Rating Downgrade or a Negative Rating Event or a non-investment grade rating shall be deemed not to have occurred as a result or in respect of a Restructuring Event if the Rating Agency making the relevant reduction in rating or, where applicable, refusal to assign a rating

of at least investment grade as provided in this Condition 5.7 does not announce or publicly confirm or inform the Issuer or the Trustee in writing upon request (which the Issuer shall make as set out in this Condition 5.7) that the reduction or, where applicable, declining to assign a rating of at least investment grade resulted, in whole or in part, from the occurrence of the Restructuring Event or any event or circumstance comprised in or arising as a result of the applicable Restructuring Event.

- 5.7.4** The Issuer undertakes to contact the relevant Rating Agency immediately following the reduction, or where applicable the refusal to assign a rating of at least investment grade, in each case referred to in this Condition 5.7, to confirm whether that reduction, or refusal to assign a rating of at least investment grade was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of the applicable Restructuring Event. The Issuer shall notify the Trustee immediately upon receipt of any such confirmation from the relevant Rating Agency.
- 5.7.5** The Trustee shall not be obliged to monitor compliance by the Issuer with this Condition 5.7 and the Trustee shall be entitled to rely absolutely, without further investigation or enquiry and without liability to any persons, on any notice or certificate of the Issuer provided under this Condition 5.7.
- 5.7.6** The Issuer may not exercise its option to redeem the Instruments under Conditions 5.5.2 or 5.5.3 if a Put Option Notice has been given pursuant to this Condition 5.7.

In this Condition 5.7:

**“Gas Transporter Licence”** means a gas transporter licence of the Issuer granted or transferred under section 7(2) of the UK Gas Act 1986 (as amended by section 76 of the Utilities Act 2000 and further amended from time to time).

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

**“Negative Rating Event”** shall be deemed to have occurred if (1) the Issuer does not either prior to or not later than 21 days after the date of the relevant Restructuring Event seek, and thereupon use all reasonable endeavours to obtain, a rating of the Instruments or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more from a Rating Agency or (2) if it does so seek and use such endeavours, it is unable, as a result of such Restructuring Event, to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being).

**“Put Event”** occurs on the date of the last to occur of (1) a Restructuring Event, (2) either a Rating Downgrade or, as the case may be, a Negative Rating Event and (3) the relevant Negative Certification.

**“Rating Agency”** means Moody’s Investors Service Limited (**“Moody’s”**), Fitch Ratings Limited (**“Fitch”**) and S&P Global Ratings Europe Limited (**“S&P”**) or any of their respective affiliates or successors or any rating agency (a **“Substitute Rating Agency”**) substituted for any of them by the Issuer from time to time.

**“Rating Downgrade”** shall be deemed to have occurred in respect of a Restructuring Event if the then current rating assigned to the Rated Instruments by any Rating Agency is withdrawn or reduced from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being), or better to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being), or worse or, if the Rating Agency shall then have already rated the Rated

Instruments below investment grade (as described above), the rating is lowered one full rating category or more.

**“Rated Instruments”** means the Instruments, if at any time and for so long as they have a rating from a Rating Agency, and otherwise any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more which is rated by a Rating Agency.

**“Restructuring Event”** means the occurrence of any one or more of the following events:

(a)

- (x) the relevant regulatory authority giving the Issuer written notice of revocation or the transfer of its Gas Transporter Licence in accordance with the terms as to revocation or transfer of the Gas Transporter Licence or any relevant laws and regulations relating to the provision of the Gas Transporter Licence, provided that such revocation or transfer will become effective no later than the Maturity Date of the Instruments; or
- (y) the Issuer agreeing in writing with the relevant regulatory authority to any revocation, transfer or surrender of its Gas Transporter Licence; or
- (z) any legislation (whether primary or subordinate) being enacted which terminates, transfers or revokes the Issuer’s Gas Transporter Licence,

except, in each such case, in circumstances where a licence or licences on terms certified by any one director of the Issuer as being substantially no less favourable is or are granted or transferred to the Issuer or another wholly-owned subsidiary of the Issuer, where such subsidiary at the time of such grant or transfer either (x) executes in favour of the Trustee an unconditional and irrevocable guarantee in respect of all Instruments issued by the Issuer in such form as the Trustee may approve or (y) becomes the primary debtor under the Instruments issued by the Issuer in accordance with Condition 11.3; or

- (b) any modification (other than a modification which is of a formal, minor or technical nature) being made to the terms and conditions upon which the Issuer is authorised and empowered under relevant legislation to transport gas in the United Kingdom unless any one director of the Issuer has certified in good faith to the Trustee that the modified terms and conditions do not have a material adverse effect on the financial condition of the Issuer; or
- (c) any legislation (whether primary or subordinate) is enacted which removes, qualifies or amends (other than an amendment which is of a formal, minor or technical nature or to correct a manifest error) the duties of the Secretary of State for Business, Innovation and Skills (or any successor) and/or the Gas and Electricity Markets Authority (or any successor) under section 4AA of the UK Gas Act 1986 (as this may be amended from time to time) unless any one director of the Issuer has certified in good faith to the Trustee that such removal, qualification or amendment does not have a materially adverse effect on the financial condition of the Issuer.

**“Restructuring Period”** means:

- (a) if at the time a Restructuring Event occurs there are Rated Instruments, the period of 90 days starting from and including the day on which that Restructuring Event occurs; or

- (b) if at the time a Restructuring Event occurs there are no Rated Instruments, the period starting from and including the day on which that Restructuring Event occurs and ending on the day 90 days following the later of (aa) the date (if any) on which the Issuer shall seek to obtain a rating as contemplated by the definition of Negative Rating Event; (bb) the expiry of the 21 days referred to in the definition of Negative Rating Event and (cc) the date on which a Negative Certification shall have been given to the Trustee in respect of that Restructuring Event.

## **5.8 Cancellation**

All Instruments redeemed pursuant to any of the foregoing provisions will be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto). All Instruments purchased by or on behalf of the Issuer or any of its subsidiary undertakings may, at the option of the Issuer, be held, resold or surrendered together with all unmatured Coupons and all unexchanged Talons attached to them to a Paying Agent for cancellation. Any Instruments so purchased or otherwise acquired, for so long as they are held by the Issuer or any of its subsidiary undertakings, shall not entitle the holder to vote at any meeting of Instrumentholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Instrumentholders or for the purposes of Condition 11.

## **6 Payments and Talons**

### **6.1 Payments**

Payments of principal and interest in respect of Instruments will, subject as mentioned below, be made against presentation and surrender of the relevant, Instruments (in the case of all payments of principal and, in the case of interest, as specified in Condition 6.5.4) or Coupons (in the case of interest, save as specified in Condition 6.5.4), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre for that currency; provided that in the case of euro, the transfer shall be in a city in which banks have access to T2.

### **6.2 Payments in the United States**

Notwithstanding the above, if any Instruments are denominated in U.S. dollars, payments in respect of them may be made at the specified office of any Paying Agent in New York City in the same manner as specified above if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Instruments in the manner provided above when due, (b) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (c) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

### **6.3 Payments subject to Fiscal Laws etc.**

Save as provided in Condition 7, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Instrumentholders or Couponholders in respect of such payments.



## 6.4 Appointment of Agents

The Issuing and Paying Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) so long as the Instruments are listed on any stock exchange or admitted to listing by any other relevant authority, a Paying Agent having a specified office in such place as may be required by the rules and regulations of any other relevant stock exchange or other relevant authority, and (iv) so long as the Instruments clear in a clearing system other than or in addition to Euroclear and Clearstream, Luxembourg, a Paying Agent that is able to make payments to such clearing system in accordance with the rules and procedure of such clearing system, a Paying Agent having a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority. As used in these Conditions, the terms “**Issuing and Paying Agent**”, “**Calculation Agent**”, and “**Paying Agent**” include any additional or replacement Issuing and Paying Agent, Calculation Agent or Paying Agent appointed under this Condition.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Instruments denominated in U.S. dollars in the circumstances described in Condition 6.2.

Notice of any such change or any change of any specified office shall promptly be given to the Instrumentholders in accordance with Condition 14.

## 6.5 Unmatured Coupons and unexchanged Talons:

- 6.5.1 Upon the due date for redemption of any Instrument, unexpired Coupons relating to such Instrument (whether or not attached) shall become void and no payment shall be made in respect of them.
- 6.5.2 Upon the due date for redemption of any Instrument, any unexpired Talon relating to such Instrument (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- 6.5.3 Where any Instrument which provides that the relevant Coupons are to become void upon the due date for redemption of those Instruments is presented for redemption without all unexpired Coupons, and where any Instrument is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- 6.5.4 If the due date for redemption of any Instrument is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Instrument. Interest accrued on an Instrument that only bears interest after its Maturity Date shall be payable on redemption of that Instrument against presentation of that Instrument.

## 6.6 Non-business days

If any date for payment in respect of any Instrument or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the

relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” in the relevant Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (which in the case of Australian dollars is Sydney); or
- (ii) (in the case of a payment in euro), which is a TARGET Business Day.

## 6.7 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Instrument, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 8).

## 7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Instruments and the Coupons will be made without withholding or deduction for or on account of, any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United Kingdom or any political sub-division of the United Kingdom or any authority in or of the United Kingdom having power to tax, unless such withholding or deduction is compelled by law. In that event, the Issuer will pay such additional amounts of principal and interest as will result in the receipt by the Instrumentholders or, as the case may be, the Couponholders of the amounts which would otherwise have been received by them in respect of the Instruments or Coupons had no withholding or deduction been made, except that no such additional amounts shall be payable in respect of any Instrument or Coupon presented for payment:

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

Notwithstanding any other provision of the Terms and Conditions or the Trust Deed, any amounts to be paid on the Instruments by or on behalf of the Issuer, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Instrument or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Instrumentholders in accordance with Condition 14 that,

upon further presentation of the Instrument or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Instruments, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Restructuring Put Option Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it or pursuant to Condition 6 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## 8 Prescription

Instruments and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless presented for payment within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 9 Events of Default

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

- (a) **Non-Payment:** there is default for more than 30 days in the payment of any principal or interest due in respect of the Instruments; or
- (b) **Breach of Other Obligations:** there is default in the performance or observance by the Issuer of any other obligation or provision under the Trust Deed or the Instruments (other than any obligation for the payment of any principal or interest in respect of the Instruments) which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 90 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Winding-up:** a resolution is passed, or a final order of a court in the United Kingdom is made and, where possible, not discharged or stayed within a period of 90 days, that the Issuer be wound up or dissolved; or
- (d) **Enforcement Proceedings:** attachment is made of the whole or substantially the whole of the assets or undertaking of the Issuer and such attachment is not released or cancelled within 90 days or an encumbrancer takes possession or an administrative or other receiver or similar officer is appointed of the whole or substantially the whole of the assets or undertaking of the Issuer or an administration or similar order is made in relation to the Issuer and such taking of possession, appointment or order is not released, discharged or cancelled within 90 days; or
- (e) **Insolvency:** the Issuer ceases to carry on all or substantially all of its business or is unable to pay its debts within the meaning of Section 123(1)(e) or Section 123(2) of the Insolvency Act 1986; or
- (f) **Bankruptcy:** the Issuer is adjudged bankrupt or insolvent by a court of competent jurisdiction in its country of incorporation; or

- (g) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries (as that term is defined in Condition 3.8) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that, no Event of Default shall occur under this Condition 9(g) unless the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(g) have occurred equals or exceeds £100 million (or its equivalent in any other currency),

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

Any such notice by the Trustee to the Issuer shall specify the serial number(s) of the Instrument(s) concerned.

## 10 Enforcement

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

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

No Instrumentholder or Couponholder shall be entitled to institute such actions, steps or proceedings directly against the Issuer unless the Trustee, having become bound to proceed as specified above, fails or is unable to do so within 60 days and such failure or inability is continuing.

## 11 Meetings of Instrumentholders, Modifications and Substitution

### 11.1 Meetings of Instrumentholders

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

the Extraordinary Resolution will only be binding if passed at a meeting of the Instrumentholders (or at any adjournment of that meeting) at which a special quorum (as defined in the Trust Deed) is present. A resolution in writing signed by the holders of not less than 95 per cent. in nominal amount of the Instruments will be binding on all Instrumentholders and Couponholders. The Issuer may convene a meeting of Instrumentholders jointly with the holders of all other instruments issued pursuant to the Agency Agreement and not forming a single series with the Instruments to which meeting the provisions referred to above apply as if all such instruments formed part of the same series, provided that the proposals to be considered at such meeting affect the rights of the holders of the instruments of each series attending the meeting in identical respects (save insofar as the Conditions applicable to each such series are not identical).

## **11.2 Modification of the Trust Deed**

- 11.2.1** The Trustee may agree, without the consent of the Instrumentholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Instrumentholders. In addition, the Trustee shall be obliged to concur with the Issuer in (x) using its reasonable endeavours to effect any Benchmark Amendments in the circumstances and as otherwise set out in Condition 3.10; and (y) modifying or varying Condition 2.3 in accordance with Condition 11.2.3 below, without the consent or approval of the Instrumentholders and Couponholders. Any such modification, authorisation or waiver shall be binding on the Instrumentholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Instrumentholders as soon as practicable.
- 11.2.2** Notwithstanding anything contained in these Conditions or the Trust Deed but without limiting Condition 11.2.3 below, the Issuer may from time to time, modify, abrogate or vary the provisions of Condition 2.3 in respect of an individual series of Instruments (such series of Instruments to which such modification, abrogation or variation relates being the "Affected Series") (and for the avoidance of doubt the series of Instruments other than the Affected Series shall not be affected by such modification, abrogation or variation of Condition 2.3), 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 these Conditions and the Trust Deed of such Affected Series including, by acting on the instructions of the relevant percentage of Instrumentholders of that Affected Series required under these Conditions and the Trust Deed of that Affected Series).
- 11.2.3** Notwithstanding anything contained in these Conditions or the Trust Deed, the Issuer may from time to time, modify or vary Condition 2.3 in respect of all outstanding series of Instruments if:
- (a) the Issuer delivers a certificate in writing to the Trustee confirming that such modification or variation is being made in connection with a change in applicable law or regulation or the Applicable Accounting Principles, which change becomes effective on or after the date on which agreement is reached to issue the last tranche of the Instruments; and
  - (b) either:
    - (i) the Issuer delivers to the Trustee a rating affirmation from each Rating Agency then providing a solicited long-term credit rating of any outstanding series of Instruments confirming in writing that the then current rating of such Instruments 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 Trustee that, in its opinion (and where the relevant Rating Agency was prepared to consult with the 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 outstanding series of Instruments rated by such Rating Agency.

11.2.4 For the purposes of this Condition 11.2, “**Rating Agency**” means Moody’s, Fitch, S&P or their respective successors or affiliates or any rating agency substituted for any of them by the Issuer from time to time.

### 11.3 Substitution

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

### 11.4 Entitlement of the Trustee

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

## 12 Replacement of Instruments, Coupons and Talons

If an Instrument, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, listing authority and stock exchange regulations, at the specified office of such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Instrumentholders in accordance with Condition 14 on payment by the claimant of the fees and costs incurred in connection with that replacement and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Instrument, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Instruments, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Instruments, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues

The Issuer may from time to time without the consent of the Instrumentholders or Couponholders create and issue further instruments having the same terms and conditions as the Instruments and so that such further issue shall be consolidated and form a single series with such Instruments. References in these Conditions to the Instruments include (unless the context requires otherwise) any other instruments issued pursuant to this Condition 13 and forming a single series with the Instruments. Any

such further instruments forming a single series with Instruments constituted by the Trust Deed or any deed supplemental to it shall, and any other instruments may (with the consent of the Trustee), be constituted by the Trust Deed.

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

#### **14 Notices**

All notices to the Instrumentholders will be valid if published in a daily English language newspaper of general circulation in the United Kingdom (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Instruments in accordance with this Condition 14.

#### **15 Indemnification of Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or any of its subsidiary undertakings, parent undertakings, joint ventures or associated undertakings without accounting for any profit resulting from these transactions and to act as trustee for the holders of any other securities issued by the Issuer or any of its subsidiary undertakings, parent undertakings, joint ventures or associated undertakings.

#### **16 Contracts (Rights of Third Parties) Act 1999**

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

#### **17 Governing Law and Jurisdiction**

- (a) The Instruments and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising from or connected with the Instruments.
- (c) The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) Nothing in this Condition 17 prevents the Trustee or any Instrumentholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Trustee or Instrumentholders may take concurrent Proceedings in any number of jurisdictions.

## **OVERVIEW OF PROVISIONS RELATING TO THE INSTRUMENTS WHILE IN GLOBAL FORM**

### **Initial Issue of Instruments**

If the Global Instruments are intended to be issued in NGN form, the Global Instruments will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper. Depositing the Global Instruments with the Common Safekeeper does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If the Global Instruments are to be issued in NGN form, the Issuer shall confirm to the Issuing and Paying Agent and to the clearing systems whether or not such Global Instruments are intended to be held in a manner which would allow recognition as eligible collateral for Eurosystem monetary policy and intra-day credit operations and if such relevant Global Instrument is to be deposited with one of the ICSDs as Common Safekeeper.

Global Instruments which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to the Common Depository.

If the Global Instrument is a CGN, upon the initial deposit of a Global Instrument with the Common Depository for Euroclear and Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Instruments equal to the nominal amount thereof for which it has subscribed and paid. If the Global Instrument is an NGN, the nominal amount of the Instruments shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Instruments represented by the Global Instrument and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Instruments which are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Instruments that are initially deposited with another clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **Relationship of Accountholders with Clearing Systems**

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

The Trustee may call for any certificate or other document to be issued by Euroclear, Clearstream, Luxembourg or such Alternative Clearing System as to the principal amount of Instruments represented by a Global Instrument standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual



procedures and in which the holder of a particular principal amount of any Alternative Clearing System is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by Euroclear, Clearstream, Luxembourg or such Alternative Clearing System and subsequently found to be forged or not authentic.

Instruments issued under the Programme may be represented by one or more temporary Global Instruments or permanent Global Instruments. Such Global Instruments may be deposited with a common depository or a depository for the relevant Clearing System. Except in the circumstances described in the relevant Global Instrument, investors will not be entitled to receive Definitive Instruments. The relevant Clearing System will maintain records of the interests in the Global Instruments. While the Instruments are represented by one or more Global Instruments, investors will be able to trade their interests only through the relevant Clearing System.

While Instruments are represented by one or more Global Instruments, the Issuer will discharge its payment obligations under such Instruments by making payments to the common depository or a depository for the relevant Clearing System for distribution to its account holders. A holder of an interest in a Global Instrument must rely on the procedures of the relevant Clearing System to receive payments under the relevant Instruments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Instruments.

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

## **Exchange**

### **1 Temporary Global Instruments**

Each temporary Global Instrument will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Instrument is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the Programme — Selling Restrictions”), in whole, but not in part, for the Definitive Instruments defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Instrument or, if so provided in the relevant Final Terms, for Definitive Instruments.

If the relevant Final Terms indicates that the temporary Global Instrument may be exchanged for Definitive Instruments, trading of such Instruments in Euroclear and Clearstream, Luxembourg will only be permitted in amounts which are an integral multiple of the minimum Specified Denomination, specified in the relevant Final Terms.

### **2 Permanent Global Instruments**

Each permanent Global Instrument will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Instruments”, in part for Definitive Instruments if the permanent Global Instrument is held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Instrument is exchanged for Definitive Instruments, such Definitive Instruments shall be issued in Specified Denomination(s) only. An Instrumentholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Instrument in respect of such holding and would need to purchase a principal amount of Instruments such that it holds an amount equal to one or more Specified Denominations.

Accordingly, the 'exchangeable upon 40 days' notice' option at item 25 of the relevant Final Terms of any relevant Instruments should not be expressed to be applicable if the stated Specified Denomination of the Instruments includes language substantially to the following effect "(€100,000) and integral multiples of (€1,000) in excess thereof up to and including (€199,000)".

### **3 Partial Exchange of Permanent Global Instruments**

For so long as a permanent Global Instrument is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Instrument will be exchangeable in part on one or more occasions for Definitive Instruments if principal in respect of any Instruments is not paid when due.

### **4 Delivery of Instruments**

If the Global Instrument is a CGN, on or after any due date for exchange the holder of a Global Instrument may surrender such Global Instrument or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Instrument, or the part of that Global Instrument to be exchanged, the Issuer will (i) in the case of a temporary Global Instrument exchangeable for a permanent Global Instrument, deliver, or procure the delivery of, a permanent Global Instrument in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Instrument that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Instrument to reflect such exchange or (ii) in the case of a Global Instrument exchangeable for Definitive Instruments, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Instruments or, if the Global Instrument is an NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Prospectus, "Definitive Instruments" means, in relation to any Global Instrument, the Definitive Instruments for which such Global Instrument may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Instrument and a Talon). Definitive Instruments will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Instrument, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Instruments.

### **5 Exchange Date**

"**Exchange Date**" means, in relation to a temporary Global Instrument, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Instrument, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Instruments when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## **6 Amendment to Conditions**

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

## **7 Payments**

No payment falling due after the Exchange Date will be made on any Global Instrument unless exchange for an interest in a permanent Global Instrument or for Definitive Instruments is improperly withheld or refused. Payments on any temporary Global Instrument issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Instruments represented by a Global Instrument in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Instruments, surrender of that Global Instrument to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Instrumentholders for such purpose. Each payment so made will to the relevant extent discharge the Issuer's obligations to make the relevant payment in respect of the Instruments represented by that Global Instrument. If the Global Instrument is a CGN, a record of each payment so made will be endorsed on each Global Instrument, which endorsement will be prima facie evidence that such payment has been made in respect of the Instruments. If the Global Instrument is an NGN, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Instruments recorded in the records of the relevant clearing system and represented by the Global Instrument will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Instrument, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6.6 (Non-business days).

The records of the relevant clearing systems which reflect the amount of the Instrumentholders' interests in the Instruments shall be conclusive evidence of the nominal amount of Instruments represented by the Global Instruments.

## **8 Prescription**

Claims against the Issuer in respect of Instruments which are represented by a permanent Global Instrument will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

## **9 Meetings**

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

## **10 Cancellation**

Cancellation of any Instrument represented by a permanent Global Instrument which is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Instrument.

## **11 Purchase**

Instruments represented by a permanent Global Instrument may only be purchased by the Issuer or any of its subsidiary undertakings if they are purchased together with the rights to receive all future payments of interest (if any) on those Instruments.

## **12 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Instruments while such Instruments are represented by a permanent Global Instrument shall be exercised by the Issuer giving notice to the Instrumentholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Instruments drawn in the case of a partial exercise of an option and accordingly no drawing of Instruments shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Instruments of any Series, the rights of accountholders with a clearing system or Approved Intermediary in respect of the Instruments will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg either as a pool factor or as a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

## **13 Instrumentholders' Options**

Any option of the Instrumentholders provided for in the Conditions of any Instruments while such Instruments are represented by a permanent Global Instrument may be exercised by the holder of the permanent Global Instrument giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Instruments with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Instruments in respect of which the option has been exercised, and stating the nominal amount of Instruments in respect of which the option is exercised and at the same time, where the permanent Global Instrument is a CGN, presenting the permanent Global Instrument for notation. Where the Global Instrument is an NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Instruments recorded in those records will be reduced accordingly.

## **14 NGN nominal amount**

Where the Global Instrument is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Instruments, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Instruments represented by such Global Instrument shall be adjusted accordingly.

## **15 Trustee's Powers**

In considering the interests of Instrumentholders while any Global Instrument is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system

or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Instrument and may consider such interests as if such accountholders were the holders of the Instruments represented by such Global Instrument.

## **16 Events of Default**

Each Global Instrument provides that the Trustee, at its discretion, may, and if so requested by holders of at least one-quarter in nominal amount of the Instruments then outstanding or if so directed by an Extraordinary Resolution, shall cause such Global Instrument, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Issuer the principal amount of such Global Instrument which is becoming due and repayable. If principal in respect of any Instrument is not paid when due, only the Trustee may enforce the rights of the Instrumentholders against the Issuer under the terms of the Trust Deed unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure is continuing.

## **17 Notices**

So long as any Instruments are represented by a Global Instrument and such Global Instrument is held on behalf of a clearing system, notices to the holders of Instruments of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Instrument.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be used for general corporate purposes. If in respect of an issue of Instruments, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## DESCRIPTION OF NATIONAL GAS TRANSMISSION PLC

### Overview

National Gas Transmission PLC (formerly known as National Grid Gas plc) is a direct wholly-owned subsidiary of National Gas Transmission Holdings Limited (formerly known as National Grid Gas Holdings Limited). The Issuer was incorporated in England and Wales on 1 April 1986 as a public company limited by shares under the Companies Act 1985.

The address of National Gas Transmission's registered office is National Grid House, Warwick Technology Park, Gallows Hill, Warwick CV34 6DA and the telephone number of the registered office is +44 (0) 1926 65 3000. The website of National Gas Transmission is <https://www.nationalgas.com/>. No information on such website forms part of this Prospectus except as specifically incorporated by reference, see "*Documents incorporated by reference*".

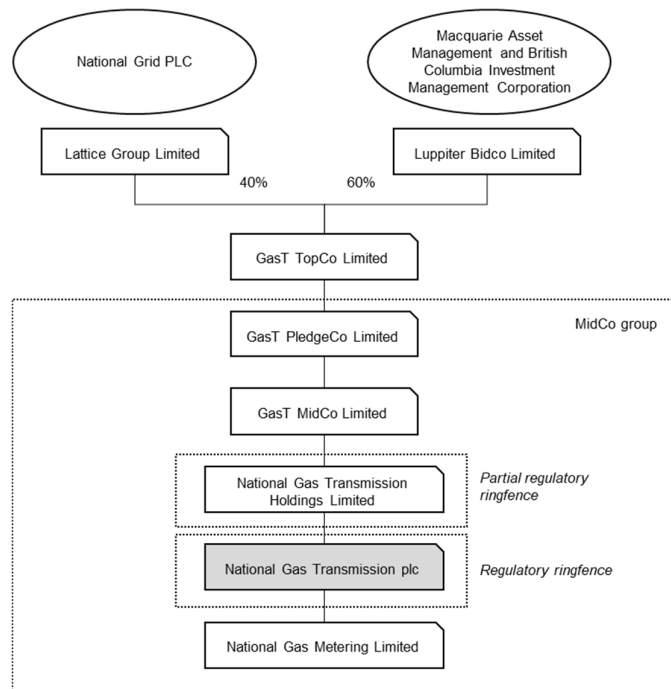
The Issuer used to be an indirect wholly-owned subsidiary of National Grid plc ("**National Grid**"). On 27 March 2022, National Grid announced the agreement for sale of a 60 per cent. equity interest in the Issuer to a consortium comprised of Macquarie Asset Management and British Columbia Investment Management Corporation (the "**Consortium**"). Additionally, National Grid also granted a call option giving the consortium the option to purchase the remaining 40 per cent. equity interest in the Issuer. This call option could be exercised at the consortium's discretion.

On 31 January 2023, the sale of 60 per cent. equity interest in the Issuer was completed. Following completion of sale, on 6 February 2023 the Issuer changed its name from National Grid Gas plc to National Gas Transmission PLC along with various subsidiaries within the National Gas Transmission Group which also changed their names.

On 19 July 2023, National Grid agreed, subject to regulatory approval, to sell a further 20 per cent. equity interest in the Issuer to the Consortium on equivalent financial terms as agreed for the sale of initial 60 per cent. transaction.

Additionally, National Grid granted a new option giving the Consortium the option to purchase all or part of the remaining 20 per cent. equity interest in the Issuer exercisable between 1 May 2024 and 31 July 2024. If the option for the remaining 20 per cent. equity interest is partially exercised by the Consortium, National Grid will have the right to put the remainder of its equity interest in National Gas Transmission to the Consortium, which can be exercised by National Grid between 1 December 2024 and 31 December 2024.

Please see below a simplified structure chart for the Issuer:



### **Midco Financing**

The Issuer's indirect shareholders has a financing platform in a ring-fenced group of companies at the level of GasT MidCo Limited ("**Midco**") which is capable of being used to provide finance to the Issuer's business (the "**Midco Financing**").

The Midco Financing is a multi-source secured financing platform at the Midco level including capability for capital market financing, hedging, private placements, term loans and other forms of debt. All the secured creditors under the multi-source secured debt platform benefit from a common security package, common covenants and common intercreditor terms.

The Issuer is part of the ring-fenced group. However, in relation to the Midco Financing, the secured creditors in respect of the Midco Financing have only limited recourse to the Issuer.

The Issuer has not guaranteed the debt (or other obligations) created at the level of the Midco Financing nor has the Issuer granted any security in favour of the creditors under the Midco Financing. However, the Issuer has given certain representations and undertakings (in certain cases, in respect of itself and its subsidiaries) in respect of the Midco Financing.

As the Issuer has not provided a guarantee in respect of the Midco-level debt, no Midco creditor may claim against the Issuer for the amount of the debt owed to it. Instead, claims by any Midco creditor against the Issuer in respect of any breach of a representation or undertaking given by the Issuer in relation to the Midco Financing would be limited to a damages claim for breach of contract (and subject to satisfying standard loss, causation and remoteness requirements in making any such claim).

### **Business of National Gas Transmission PLC**

As at the date of this Prospectus, the business of National Gas Transmission comprises two principal activities:

- (i) owning and operating the high-pressure gas national transmission system ("**NTS**") in Great Britain, connecting to eight distribution networks and to third party independent systems for onward transportation of gas to end consumers as well as interconnectors; and



- (ii) through its subsidiary National Gas Metering Ltd (“**NGM**”) providing regulated gas metering and meter reading services in Great Britain.

National Gas Transmission holds a gas transporter licence under the Gas Act 1986 as amended (the “**Gas Act**”) in respect of its NTS gas transportation activities (i.e. the activities described in paragraph (i) above) (the “**Licence**”).

National Gas Transmission’s customers are gas shippers, for whom it transports gas through the NTS to other gas transporters’ gas distribution networks for onward conveyance to consumers, and gas suppliers to whom it provides gas meters and related services.

National Gas Transmission is also the national gas transmission system operator (“**SO**”) meaning it is responsible for the NTS in Great Britain, specifically residual energy balancing on the NTS in Great Britain (the “**GB system**”) and for keeping the physical system within safe operating limits. This role is given to National Gas Transmission under the commercial arrangements governing the GB system (the Uniform Network Code). To facilitate this, the Licence permits National Gas Transmission to (and it does) buy gas or rights to use gas systems (including capacity rights) in order to meet anticipated physical requirements for energy balancing on the GB system. In some circumstances, National Gas Transmission may also sell gas or capacity rights it has bought if it becomes clear that the anticipated physical position will not be required (and may make a profit, or avoid a loss in doing so). The purpose of this activity is not to make a profit from such trades, but to balance inputs of gas onto, and offtakes of gas from the GB system (although National Gas Transmission’s price control does incentivise it to keep its costs of system operation to a minimum). On 6 April 2022, the UK government announced its intention to create a future system operator, that will, inter alia, take on the longer-term elements of the SO currently forming part of National Gas Transmission. National Gas Transmission will work closely with all relevant parties to ensure a smooth transition, subject to parliamentary approval and conclusion of the transaction process, expected by or in 2024.

Aside from the permitted balancing activities described above, the Licence prohibits National Gas Transmission from purchasing or otherwise acquiring gas, gas derivatives or capacity rights in respect of the flow of gas for the purposes of resale or other disposition to third parties. As a result, National Gas Transmission is prohibited from (i) engaging in any gas “trading” activity (other than in the very limited circumstances broadly related to the need to balance the GB system as described above) and (ii) acting as a gas shipper or gas supplier.

National Gas Transmission is the parent company of NGM. NGM primarily provides gas metering services to National Gas Transmission for both (i) industrial and commercial, and (ii) domestic customers throughout Great Britain. The provision of gas metering services to National Gas Transmission enables NGM to discharge National Gas Transmission’s obligations in the Licence in respect of metering. The independent networks can choose to wholly back off their new and replacement metering obligations to National Gas Transmission. Wales and West Utilities, Northern Gas Networks and Cadent Gas have elected to choose this option. The obligations are not material to the overall risks faced by NGM (and hence National Gas Transmission).

At the date of this Prospectus, National Gas Transmission has been rated ‘Baa1’ by Moody’s and ‘BBB+’ by Fitch and the Programme has been rated ‘Baa1’ by Moody’s and ‘A-’ by Fitch. Moody’s and Fitch are each established in the United Kingdom and registered under the UK CRA Regulation.

All of National Gas Transmission’s current issued Instruments currently have an investment grade rating.

## **Operating environment**

The UK’s gas market and sources of gas are changing. The UK now obtains less than half of its gas from the North Sea (or UK Continental Shelf – “**UKCS**”). The UK receives gas from Norway, continental Europe and further afield via liquefied natural gas (“**LNG**”) shipments into three import terminals around the country.

Flexible sources of supply, such as LNG importation terminals, interconnectors and storage sites, can respond to demand more quickly than traditional UKCS supplies. Therefore, the network needs to be able to respond in real time to changing day-to-day and within-day supply and demand patterns.

National Gas Transmission also needs to prepare for an uncertain energy landscape in the long term. UK reliance on imported gas supplies will vary depending on the level of gas supply from the UKCS and the development of indigenous gas sources. National Gas Transmission is working closely with its customers and stakeholders to meet these operational challenges and are focused on continuing to develop its network and services to meet their needs safely, reliably and efficiently.

In line with the UK government's net zero legislative target, National Gas Transmission is continuing to progress towards its commitment to reduce its greenhouse gas emissions to net zero by 2050. Additionally, in this 'critical decade' (2020 – 2030) for climate action, National Gas Transmission is committed to working with the government, the regulators, its customers and other stakeholders to help it meet its carbon reduction targets.

National Gas Transmission continues to work with industry peers to support the transition to a hydrogen network and commenced construction of FutureGrid – a £9 million full-scale hydrogen test facility, funded through the Network Innovation Competition. The programme aims to build a hydrogen test facility, carry out initial hydrogen testing, explore ways to separate hydrogen from natural gas and demonstrate the impact of hydrogen on compressors. National Gas Transmission will continue to develop proposals to support the transition to hydrogen through its dedicated hydrogen team.

National Grid publishes information on potential future energy scenarios to meet net zero targets annually in the 'Future Energy Scenarios' ("FES") document, available on its website at [fes.nationalgrid.com](https://www.nationalgrid.com/fes).

## Subsidiaries

The following table shows certain information on National Gas Transmission's subsidiaries as at the date of this Prospectus:

<b>Name</b>	<b>Country of Incorporation</b>	<b>National Gas Transmission's Shareholding (either direct or indirect)</b>
National Gas Metering Ltd	England & Wales	100 per cent.
National Gas Transmission Pension Trustee Limited	England & Wales	100 per cent.

## Directors

As at the date of this Prospectus, the Directors of National Gas Transmission and their principal activities outside National Gas Transmission are as follows:

<b>Name</b>	<b>Title</b>	<b>Principal Activities outside National Gas Transmission PLC</b>
Jonathan Butterworth	Director	Non-Executive Director of Pennon Group plc, Non-Executive Director of South West Water Limited, Director of TMA Property Limited, Director of The National Gas Museum Trust and Director of E. Tapp & Co Limited.
Nick Hooper	Director	None.
Dr Phil Nolan	Director	Chair of Associated British Ports Holdings Limited, Chair of ABPA Holdings Limited, Non-Executive Chair of Encyclis HoldCo Limited and Non-Executive Director of KKR Infrastructure Conglomerate LLC.

<b>Name</b>	<b>Title</b>	<b>Principal Activities outside National Gas Transmission PLC</b>
Cathryn Ross	Director	Sufficiently Independent Director of National Grid Electricity Transmission plc and Director of Oxford Economic Consulting Limited.
William Price	Director	Manager of CEI Investments S.à r.l., Manager of CEI Ventures S.à r.l., Manager of CGN Holdings 2 Sarl, Manager of CGN Holdings Sarl, Manager A of Czech Gas Networks Investments S.à r.l., Manager A of Czech Gas Networks S.à r.l., Director of Czech Grid Holding, a.s., Director of Distributie Energie Oltenia SA, Director of EP Energy, a.s., Director of EP Infrastructure, a.s., Manager of Filly Co-Invest Sarl, Manager of Filly Investments S.à r.l., Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of Greensands (UK) Limited, Director of Greensands Europe Limited, Director of Greensands Finance Holdings Limited, Director of Greensands Finance Limited, Director of Greensands Financing Plc, Director of Greensands Holdings Limited, Director of Greensands Investments Limited, Director of Greensands Junior Finance Limited, Director of Greensands Senior Finance Limited, Manager of LMIF CEI Investments S.à r.l., Director of Luppiter Bidco Limited, Director of Luppiter Consortium Limited, Manager of Luppiter Ventures 1 S.à r.l., Manager of Luppiter Ventures 2 S.à r.l., Manager of MEIF 5 CEI Holdings S.à r.l., Manager of MEIF 5 Co-Invest CEI Investments S.à r.l., Manager of MGIF Luppiter Holdings S.à r.l., Manager of MGIF Luppiter Investments S.à r.l., Manager of MGIF SC 4 S.à r.l., Manager of MGIF SC 5 S.à r.l., Manager of MGIF SC 8 S.à r.l., Director of MIRA Core Gas Limited, Manager of MSCIF Luppiter Investments S.à r.l., Manager of MSCIF SC 6 S.à r.l., Manager of MSCIF SC 7 S.à r.l., Manager of MSCIF SC 8 S.à r.l., Director of MSCIF Wight Bidco Limited, Manager of MSCIF Wight Holdings Sarl, Director of MSCIF Wight Midco Limited, Director of National Gas Transmission Holdings Limited, Director of National Gas Metering Limited, Manager of Smetana Investments S.à r.l., Director of Southern Water (Greensands) Financing Plc, Director of Southern Water Capital Limited, Director of Southern Water Services Limited, Manager of UK Electricity Networks Holdings S.à r.l. and Manager of Wight Ventures S.à r.l.
Mark Mathieson	Director	Director of Cadent Gas Limited, Director of Distributie Energie Oltenia SA, Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of Greensands Holdings Limited, Director of Luppiter Bidco Limited, Director of Luppiter Consortium Limited, Director of MIRA Core Gas Limited, Director of MSCIF Wight Bidco Limited, Director of MSCIF Wight Midco Limited, Director of National Gas Transmission Holdings Limited, Director of National Gas Metering Limited, Director of Quadgas HoldCo Limited, Director of Quadgas Holdings Topco Limited, Director of Quadgas Investments Bidco Limited, Director of Quadgas MidCo Limited, Director of Quadgas PledgeCo Limited and Director of Southern Water Services Limited.

<b>Name</b>	<b>Title</b>	<b>Principal Activities outside National Gas Transmission PLC</b>
Howard Higgins	Director	Member of Czech Grid Holding, a.s., Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of LMIF Storage Holdings Ltd, Director of Lombard Odier Infrastructure Fund GP Limited, Director of Luppiter Bidco Limited, Director of Luppiter Consortium Limited, Director of Macquarie Storage Holdings Limited, Director of National Gas Transmission Holdings Limited, Director of National Gas Metering Limited and Director of Tanquid Administration Limited.
Lincoln Webb	Director	Director of Czech Grid Holding, a.s., Director of Edwards A Pty Limited, Director of Edwards A Holdings Pty Limited, Director of Endeavour Energy Network Asset Partnership, Director of Endeavour Energy Network Operator Partnership, Director of Mosaic Forest Management Corp, Director of Open Grid Europe GmbH, Director of Viterra Limited, Director of Pacific Pension & Investment Institute, Director of Global Infrastructure Investor Association, Director of Luppiter BidCo Limited, Director of Luppiter Consortium Limited, Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of Luppiter Bidco Limited, Director of Luppiter Consortium Limited, Director of National Gas Transmission Holdings Limited and Director of National Gas Metering Limited.
Jerry Divoky	Director	Director of Czech Grid Holding, a.s., Director of GCT Global Container Terminals Inc., Director of Pacific National Pty Ltd, Australia, Director of Kemble Water Eurobond PLC, Director of Kemble Water Finance Limited, Director of Kemble Water Holdings Limited, Director of Thames Water Limited, Director of Thames Water Utilities Holdings Limited, Director of Luppiter BidCo Limited, Director of Luppiter Consortium Limited Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of Luppiter Bidco Limited, Director of Luppiter Consortium Limited, Director of National Gas Transmission Holdings Limited and Director of National Gas Metering Limited.
Ben Wilson	Director	Chairman of National Grid Renewables, Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of National Gas Transmission Holdings Limited, Director of National Gas Metering Limited, Director of National Grid Grain LNG Limited, Director of National Grid North America Inc., Manager of National Grid Partners Limited, Manager of Community Offshore Wind, LLC, Manager of NGV US, LLC, Manager of National Grid Renewables, LLC and Director of Cambria Mews Limited.
Katerina Tsirimpa	Director	Director of GasT Midco Limited, Director of GasT Pledgeco Limited, Director of GasT Topco Limited, Director of National Gas Transmission Holdings Limited, Director of National Gas Metering Limited and Director of Lattice Group Limited.

The business address of each of the Directors listed above is National Grid House, Warwick Technology Park, Gallows Hill, Warwick CV34 6DA.

There are no potential conflicts of interest between the duties to National Gas Transmission of each of the Directors listed above and his/her private interests or other duties.

On 31 January 2023, the following individuals were appointed as Directors: Dr Phil Nolan, William Price, Mark Mathieson, Howard Higgins, Lincoln Webb, Jerry Divoky and Katerina Tsirimpa.

The following individuals resigned from their role as Director on 31 January 2023: Alexandra Lewis and Clive Elphick, and Lawrence Hagan resigned as a company secretary on 18 November 2022.

### **Regulatory Framework**

National Gas Transmission's business operates as a regulated monopoly and it has one economic regulator for its business, Ofgem. The regulator safeguards customers' interests by putting in place an incentive regime and setting the level of revenues National Gas Transmission is allowed to recover, ensuring it provides value for money while maintaining a safe and reliable network, and delivering good customer service.

As indicated above, the gas transportation business of National Gas Transmission is operated pursuant to the Licence which was granted under the Gas Act.

The Licence established under the Gas Act requires National Gas Transmission to develop, maintain and operate economic and efficient networks and to facilitate competition in the supply of gas in Great Britain. It also gives statutory powers. These include the right to bury pipes under public highways and the ability to use compulsory powers to purchase land so National Gas Transmission can conduct its business.

National Gas Transmission's licenced activities are regulated by Ofgem, which has a statutory duty under the Gas Act to protect the interests of consumers. Ofgem also has responsibility to enable competition and innovation to drive down prices and introduce new products and services; and deliver a net zero economy at lowest cost to consumers. To protect consumers from the ability of companies to set unduly high prices, Ofgem has established price controls that limit the amount of revenue such regulated businesses can earn. In setting price controls, Ofgem must have regard to the need to secure that licence holders are able to finance their obligations under the Gas Act. Licensees and other affected parties can appeal licence modifications which have errors, including in respect of finance ability. This should give National Gas Transmission a level of revenue for the duration of the price control that is sufficient to meet its statutory duties and licence obligations with a reasonable return on its investments.

The price control includes a number of mechanisms designed to help achieve its objectives. These include financial incentives that encourage National Gas Transmission to:

- efficiently deliver by investing and maintaining the network outputs that customers and stakeholders require, including reliable supplies, new connections and infrastructure capacity;
- innovate in order to continuously improve the services National Gas Transmission gives its customers, stakeholders and communities; and
- efficiently balance the transmission networks to support the wholesale markets.

The main price controls for National Gas Transmission's gas transmission networks came into effect on 1 April 2013 for the eight-year period until 31 March 2021 – this period was called RIIO-1. The current price control period, called RIIO-2, came into effect on 1 April 2021 and continues for 5 years to 2026. They follow the RIIO (revenue = incentives + innovation + outputs) ("**RIIO**") framework established by Ofgem.

The Gas Transmission ("**GT**") business operates under two separate price controls in the UK. These comprise one as transmission owner ("**TO**") and one as system operator ("**SO**"). In addition to the two regulated network

price controls, there is also a tariff cap price control applied to certain elements of domestic sized metering and daily meter reading activities carried out by National Gas Metering.

### **RIIO price controls**

The building blocks of the RIIO price control are broadly similar to the historical price controls used in the UK. However, there are some significant differences in the mechanics of the calculations.

Under RIIO, the outputs National Gas Transmission delivers are explicitly articulated and its allowed revenues are linked to their delivery. These outputs have been determined through an extensive consultation process, which has given stakeholders a greater opportunity to influence the decisions.

The three main output categories for transmission under the RIIO-T2 price controls are:

- **Meeting the needs of consumers and network users:** using outputs and a range of incentives to improve service quality and to encourage the efficient operation of the transmission network. This includes incentives aimed at encouraging National Gas Transmission to provide fast access to high quality connections and high network reliability;
- **Maintaining a safe and resilient network:** by funding given to replace ageing assets while ensuring costs to consumers are kept as low as possible. National Gas Transmission will allow funding for cyber resilience projects as well as IT investments where the scope of work is well understood. National Gas Transmission will use uncertainty mechanisms to fund further upgrades during RIIO-ET2 when there is more certainty around the scope of work required; and
- **Supporting the delivery of an environmentally sustainable network:** by providing funding or uncertainty mechanisms which will facilitate the connection of low carbon generation and by setting outputs and incentives to further reduce the harmful impact that the transmission network and related business activities can have on the environment. National Gas Transmission is confident that the up-front funding it is providing, combined with its range of fast and flexible uncertainty mechanisms and incentives, will enable proactive work to deliver net zero.

Within each of these output categories are a number of primary and secondary deliverables, reflecting what National Gas Transmission's stakeholders want it to deliver over the remaining price control period and in preparation for future periods. The nature and number of these deliverables varies according to the output category, with some being linked directly to its allowed revenue, some linked to legislation, and others having only a reputational impact.

Ofgem, using information submitted by National Gas Transmission along with independent assessments, determines the efficient level of expected costs necessary to deliver them. Under RIIO this is known as totex, which is a component of total allowable expenditure ("**totex**"), and is broadly the sum of what was defined in previous price controls as operating expenditure ("**opex**") and capital expenditure ("**capex**").

A number of assumptions are necessary in setting these outputs, including the volumes of work that will be needed and the price of the various external inputs to achieve them. Consequently, there are a number of uncertainty mechanisms within the RIIO framework that can result in adjustments to totex allowances if actual prices or volumes differ from the assumptions. These mechanisms protect National Gas Transmission and its customers from windfall gains and losses.

Where National Gas Transmission under or over-spends the allowed totex for reasons that are not covered by uncertainty mechanisms, there is a sharing factor. This means that the under- or over-spend is shared between National Gas Transmission and its customers through an adjustment to allowed revenues in future years. This sharing factor provides an incentive for National Gas Transmission to provide the outputs efficiently, as National Gas Transmission is able to keep a portion of the savings it makes, with the remainder benefiting its customers.

Allowed revenue to fund totex costs is split between RIIO fast and slow money categories using specified ratios that are fixed for the duration of the price control. Fast money represents the amount of totex that National Gas Transmission is able to recover in the next available year. Slow money is added to its regulatory asset value (“RAV”) – effectively the regulatory IOU.

In addition to fast money, in each year National Gas Transmission is allowed to recover a portion of the RAV (regulatory depreciation) and a return on the outstanding RAV balance. Regulatory depreciation permits recovery of RAV consistent with each addition bringing equal real benefit to consumers for a period of up to 45 years. In RIIO-T2 this is based on sum-of-digit depreciation (so that depreciation is front loaded but then lower in the later years of the life of the asset). National Gas Transmission is also allowed to collect additional revenues related to noncontrollable costs and incentives. In addition to totex sharing, RIIO incentive mechanisms can increase or decrease National Gas Transmission’s allowed revenue to reflect its performance against various other measures related to its outputs.

In respect to innovation and environment impact, RIIO-T2 builds on the framework established for RIIO-T1. For example, it introduces a range of new mechanisms to facilitate the transition to net zero and increases support for innovation via allocation of direct additional funding for hydrogen innovation (in recognition of the uncertainty around the extent networks may have a role in transporting hydrogen).

The RIIO-T2 price controls for transmission also includes a ‘re-opener mechanism’. This covers specific cost categories where there is uncertainty about expenditure requirements at the time of setting allowances. The mechanism specifies windows during which networks could propose adjustments to allowances, which may lead to some changes to the allowed revenues.

The RIIO-T2 price control will provide a high degree of cash flow certainty for the GT business for the five-year period to March 2026. Detailed plans are in place to deliver against National Gas Transmission’s targets, through continued strong incentive performance, as well as preparing for the energy transition. GT made a strong start to RIIO-T2, with strong financial results, customer metrics, and continued high levels of safety and operational performance.

**Some of the key financial metrics are included below:**

	2022/23	2021/22	Percentage Change
RAV (£m)	7,075	6,561	7.83 per cent.
Return on Equity	7.8 per cent.	7.8 per cent.	0 per cent.

Regulated return on equity (“RoE”) is a measure of how National Gas Transmission is performing against the assumptions used by its regulator. These returns are calculated using the assumption that National Gas Transmission is financed in line with the regulatory adjudicated capital structure, at the assumed cost of debt and that UK taxation paid is at the level assumed by the regulator and that CPIH inflation is equal to a long-run assumption of 2.0 per cent. They are calculated by dividing elements of out- or under-performance versus the regulatory contract by the average equity regulatory asset value in line with the regulatory assumed capital structure and adding to the base allowed RoE.

This is an important measure of regulated business performance. RoE is underpinned by the RAV. The way in which National Gas Transmission’s transactions impact RAV is driven by principles set out by Ofgem. In a number of key areas these principles differ from the requirements of International Financial Reporting Standards (“IFRS”), including areas such as additions and the basis for depreciation. Further, the RAV is adjusted annually for inflation. RAV has evolved over the period since privatisation in 1990 and as a result, historical differences between the initial determination of RAV and balances reported under Generally Accepted Accounting Principles in the UK (“UK GAAP”) at that time still persist. Due to the

above, substantial differences exist in the measurement bases between RAV and an IFRS balance metric, and therefore it is not possible to provide a meaningful reconciliation between the two. RoE is not reconciled to IFRS as National Gas Transmission does not believe it to be practical.

#### Allowed returns

The cost of equity allowed under NGT's current RIIO-2 price control is as follows:

	Gas Transmission
Allowed return on equity <sup>1</sup>	5.0 per cent. (real, relative to CPIH)
Allowed debt funding	Calculated and updated each year using an extending 'tombone-like' trailing average of iBoxx Utilities 10+ year index (increases from 10 years for 2021/2 to 14 years for 2025/6), plus 25 bps additional borrowing costs.
Depreciation of RAV	TO 45-year sum of digits and SO 7-year straight line regulatory depreciation applied to RIIO-T2 additions.
Notional gearing	60. per cent.
Split between fast/slow money	Fast: TO baseline 35 per cent., SO baseline 66 per cent., TO uncertainty mechanisms 25 per cent. Slow: TO baseline 65 per cent., SO baseline 34 per cent., TO uncertainty mechanisms 75 per cent.
Sharing factor	39 per cent.
Core baseline totex in 2018/19 prices (cumulative for the 5 years of RIIO-T2)	£2.2 billion

Sharing factors under National Gas Transmission's current RIIO-2 price control are as follows:

		Transmission Owner	System Operator
1	Fast <sup>2</sup>	Baseline <sup>3</sup> 35 per cent. Uncertainty 25 per cent.	66 per cent.
2	Slow <sup>4</sup>	Baseline <sup>2</sup> 65 per cent. Uncertainty 75 per cent.	34 per cent.
3	Sharing <sup>5</sup>	39 per cent.	

The sharing factor means that any over- and under-spend is shared between businesses and consumers. The shared figures displayed are the sharing factors that apply to the NTS business.

<sup>1</sup> The cost of equity in RIIO-2 is subject to annual adjustments that are calculated using the Capital Asset Pricing Model, through indexation of the 'risk-free rate' parameter. The 5.0 per cent. figure shown is Ofgem's estimate of the average allowed return on equity over the five years of RIIO-2, as given in the RIIO-2 Final Proposals Adjusted for the result of National Gas Transmission's technical appeal to the Competition and Markets Authority, which resulted in the removal of a "performance wedge".

<sup>2</sup> Fast money allows network companies to recover a percentage of total expenditure within a one year period.

<sup>3</sup> The Baseline is the expenditure that is funded through ex ante allowances whereas the certainty adjusts the allowed expenditure automatically where the level outputs delivered differ from the baseline level, or if triggered by an event.

<sup>4</sup> Slow money is where costs are added to RAV and, therefore, revenues are recovered slowly (e.g. over 45 years) from both current and future customers.

<sup>5</sup> The sharing factor is the proportion of over and under spend retained by National Gas Transmission.



## Recent Developments in 2022/2023

### *Recent UK Developments*

#### **Transmission**

The Issuer continues to deliver a good level of performance with its operating profit in 2022/23 of £577 million being 16 per cent. higher than prior year's (2021/22) operating profit of £499 million.

In response to the war in Ukraine, in April 2022 the UK increased its ambition further by publishing the British Energy Security Strategy, which included a doubling of the hydrogen production target to 10GW by 2030 and a commitment by the government to new business models for hydrogen transport and storage, as well as a hydrogen certification scheme by 2023. This strategy outlined how two National Gas Transmission projects, FutureGrid and Project Union, are critical enablers to the hydrogen transition in the UK. FutureGrid, in collaboration with numerous industry stakeholders and funded via the Network Innovation Competition, is using decommissioned assets to test and prove the feasibility of using hydrogen on the NTS and in homes and industry. Project Union, for which the Launch Report was published in May 2022, aims to repurpose around 25 per cent. of the current gas transmission pipelines to unlock the potential of connecting industrial clusters to hydrogen supply. National Gas Transmission also secured funding from the Strategic Innovation Fund to carry out a series of projects which aim to assess and ultimately prove the feasibility of several applications of new engineering or technology to facilitate the use of hydrogen on the gas network.

The UK government hydrogen strategy recognised that power generation will become more decentralised, variable and intermittent as we become increasingly dependent on wind and solar and will need a more flexible, low carbon generation and flexible technologies to manage demand peaks and balance electricity supply and demand. The development of a hydrogen transmission system by National Gas Transmission, through these projects, will support this transition and enable the UK network to manage the intermittency of decentralised, renewable power generation. In addition, through the publication of National Gas Transmission Summer and Winter outlook reports, it collaborates with industry to ensure the safe and effective operation of the system. National Gas Transmission is also part of the European Hydrogen Backbone Initiative, which consists of 31 energy infrastructure operators and aims to foster market competition and security of supply and demand through cross-border collaboration.

National Gas Transmission sponsored COP26 as a principal partner, leading the conversation and working closely with the UK government and other sponsors to create a successful and ambitious climate change conference in November 2021.

As well as continued focus on safety, National Gas Transmission is committed to delivering energy safely, reliably, and affordably against the backdrop of factors such as COVID-19 and the conflict in Ukraine driving surges in energy prices and the announcement in February 2022 by Ofgem of a 54 per cent. increase in the energy price cap. National Gas Transmission continues to work with the government, Ofgem and others in the industry to ensure the network can respond to changes in demand and supply patterns, particularly supporting increased flows to Europe as states manage the results of the conflict in Ukraine.

Driven by increased regulator demand, the digital aspiration of National Gas Transmission is to be an intelligent connected enterprise bringing customers, employees and assets together to create the most resilient and secure utility, and its vision is to create insights from a single source of consumable and consistent data. In March 2022, National Gas Transmission published its Digitalisation Strategy outlining how it can ensure it maintains a safe and reliable network through the use of data, whilst planning for a clean energy future enabled by hydrogen. Through its SO role, National Gas Transmission will use smart tooling to understand drivers and behaviours of its customers, in addition to the impact of its actions and decisions.

National Gas Transmission adds value to its stakeholders by ensuring safe and effective delivery of large and complex infrastructure projects, ranging from large portfolios of smaller works to stand-alone mega projects.

The skills of its engineers are vital to the delivery of safe, efficient, reliable and sustainable performance for the business.

Against the background of delivering on its priority of optimising operational performance, discussions continued with Ofgem on the RIIO-2 price control. National Gas Transmission published and submitted its business plans to Ofgem in December 2019 for the 2021–2026 RIIO-2 price control period. These plans were developed following National Gas Transmission's largest ever engagement exercise to date, with customers, industry stakeholders, businesses and households across the country. Its plans include investment to maintain network reliability and provide flexibility and optionality for the UK to achieve net zero greenhouse gas emissions by 2050, while being protected against new threats: National Gas Transmission' GT plan has a baseline total expenditure spend of £2.8 billion over the five-year period. The GT business, which comprises GB gas system operator and gas transmission, includes an increase in asset health and cyber resilience investment, as well as a programme of work to test and prove hydrogen conversion options. The baseline spend for GT, under National Gas Transmission's proposed financial plan, would see consumer bills reduce slightly in real terms.

These plans will deliver a safer, cleaner, greener and more affordable energy system. National Gas Transmission has challenged itself to ensure its business plans deliver at the lowest cost and create optionality as it develops the pathway to net zero.

## **Metering**

NGM continues to provide installation and maintenance services to energy suppliers in the regulated market in Great Britain. It maintains an asset base of around 7.6 million domestic, industrial and commercial meters. NGM continues to work with its customers on areas for improvement by exploring additional products and services so it can respond to the rapidly changing non-domestic sector.

The traditional metering business is changing as the Department for BEIS has mandated that energy suppliers must have taken all reasonable steps to install smart meters by the end of 2024.

In January 2022, a new four year regulatory framework came into effect, following several delays due to the disruption caused by the pandemic. Binding annual installation targets have been set, and a failure to achieve the targets will be a breach of a supplier's licence. The overall framework was confirmed by BEIS in June 2020 and the targets and tolerances for the first two years of the obligation were confirmed in June 2021.

The impact of the COVID-19 pandemic on the smart rollout programme continued to be felt by gas suppliers who continued the rollout of smart gas meters while faced with the challenge of customers and suppliers self-isolating. Suppliers continued to work towards Ofgem's 'all reasonable steps' obligation of installing a smart meter where possible and as of 31 December 2021, 47 per cent. of domestic gas meters were smart meters, though a number of these continued to operate in traditional model. Additionally, there has been significant market volatility during the year, with a significant number of energy suppliers exiting the market and their portfolios transferred through the Supplier of Last Resort process. Suppliers gaining new customers through this process are facing increases to their overall smart meter rollout targets which will have impacted on their plans for their rollout delivery.

National Grid's domestic gas meters are not suitable for conversion to the proposed smart functionality and as a result Metering's domestic meter population will continue to reduce as traditional meters are replaced with smart meters.

## TAXATION

### United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment, as at the date hereof, in relation to payments of principal and interest in respect of the Instruments. It is based on current United Kingdom tax law as applied in England and Wales and the published practice of HM Revenue and Customs ("HMRC") (which may not be binding on HMRC), both of which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Instruments. The comments relate only to the position of persons who are absolute beneficial owners of the Instruments. Prospective Instrumentholders should be aware that the particular terms of issue of any series of Instruments as specified in the relevant Final Terms may affect the tax treatment of that and other series of Instruments. The following is a general guide for information purposes which is not intended to be exhaustive and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Certain classes of persons such as dealers, certain professional investors or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Instrumentholders. Instrumentholders who are in any doubt as to their tax position should consult their professional advisers. Instrumentholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Instruments. In particular, Instrumentholders should be aware that they may be liable to taxation under the laws of other jurisdictions where an Instrumentholder is resident or otherwise subject to taxation in relation to payments in respect of the Instruments even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

#### (A) UK Withholding Tax on UK Source Interest

The Instruments issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Instruments will be treated as listed on the London Stock Exchange if they are included in the Official List of the FCA (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and are admitted to trading on the Market or the PSM.

Whilst the Instruments are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Instruments may be made without withholding or deduction for or on account of United Kingdom income tax.

While the Instruments are and continue to be admitted to trading on a multilateral trading facility operated by a recognised stock exchange that is regulated in the United Kingdom or in the European Economic Area within the meaning of Sections 987 and 1005 of the Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax.

In all cases falling outside the exemption described above, interest on the Instruments will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to the availability of other exemptions or reliefs under domestic law, or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty. However, the obligation to withhold will not apply if the relevant interest is paid on Instruments with a maturity date of less than one year from the date of issue and which (i) are not issued under a scheme or arrangement the intention or effect of which is to render such Instruments part of a borrowing with a total term of a year or

more and (ii) are not issued under a scheme or arrangement the intention of which is to render such Instruments part of a borrowing capable of remaining outstanding for a total term of a year or more.

## **(B) Other Rules Relating to UK Withholding Tax**

Where interest has been paid under deduction of United Kingdom income tax, Instrumentholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty and an appropriate claim is submitted to HMRC by the recipient of the interest.

The references in this part to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation. Instrumentholders should seek their own professional advice, as regards the withholding tax treatment of any payment on the Instruments which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 11.3 of the Instruments or otherwise and does not consider the tax consequences of any such substitution.

## **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Instruments, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, such withholding would not apply to foreign passthru payments prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Instruments characterised as debt (or which are not otherwise characterised as equity and have a fixed term ) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Instruments (as described under "Terms and Conditions of the Instruments —Further Issues") that are not distinguishable from grandfathered Instruments are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Instruments, including grandfathered Instruments, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Instruments.

In the event any deduction or withholding would be required pursuant to FATCA or an IGA with respect to payments on the Instruments, neither the Issuer nor any paying agent or any other person would be required to pay additional amounts as a result of the deduction or withholding.

## PLAN OF DISTRIBUTION

### Summary of Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Dealer Agreement dated 28 November 2023 (as amended or supplemented from time to time) between the Issuer, the Permanent Dealers and the Arranger (the “**Dealer Agreement**”), the Instruments will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to issue Instruments directly on its own behalf to dealers which are not Permanent Dealers. The Instruments may also be issued by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Instruments to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers. The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Instruments.

### Selling Restrictions

#### United States

The Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations promulgated thereunder. The relevant Final Terms will identify whether the C Rules or D Rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Instruments of any identifiable Tranche, (i) as part of its distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to, or for the account or benefit of, U.S. persons.

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

#### European Economic Area

##### Public Offer Selling Restriction under the EU Prospectus Regulation

If the Final Terms in respect of any Instruments specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA (each, a “**Member State**”), each Dealer has represented, warranted and agreed that it has not made and will not make an offer of Instruments which are the subject of an offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Instruments to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Instruments referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision only, the expression an “**offer of Instruments to the public**” in relation to any Instruments in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

#### **Prohibition of Sales to EEA Retail Investors**

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

(a) the expression “**retail investor**” means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

#### **United Kingdom**

##### **Public Offer Selling Restriction under the UK Prospectus Regulation**

If the Final Terms in respect of any Instruments specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed that it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Instruments to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Instruments referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Instruments to the public**” in relation to any Instruments means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

#### **Prohibition of Sales to UK Retail Investors**

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

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

#### **Other regulatory restrictions in the United Kingdom**

Each Dealer has represented, warranted and agreed that:

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

#### **Japan**

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Instruments in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity

organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

## **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) (“**Corporations Act**”) in relation to the Instruments has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”).

Each Dealer has represented and agreed that, it:

- (a) has not made or invited, and will not make or invite, an offer of the Instruments for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any offering circular or any other offering material or advertisement relating to the Instruments in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act;
- (ii) such action complies with all applicable laws, regulations and directives (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act);
- (iii) such action does not require any document to be lodged with ASIC; and
- (iv) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act.

## **Singapore**

If the Final Terms in respect of any Instruments specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA) or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Instruments specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Instruments or caused the Instruments to be made the subject of an



invitation for subscription or purchase and will not offer or sell any Instruments or cause the Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Instruments, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

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

## **Canada**

The Instruments have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof. Each Dealer has represented, warranted and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Instruments, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws. Each Dealer has also represented, warranted and agreed that it has not and will not distribute or deliver the Prospectus, or any other offering material in connection with any offering of Instruments, in Canada other than in compliance with applicable securities laws.

## **Switzerland**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Instruments. Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that the Instruments may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the “**FinSA**”) and no application has or will be made to admit the Instruments to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that neither this Prospectus nor any other offering or marketing material relating to the Instruments constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Instruments may be publicly distributed or otherwise made publicly available in Switzerland.

## **Belgium**

Other than in respect of Instruments for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the relevant Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Instruments may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Instruments,

and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Instruments, directly or indirectly, to any Belgian Consumer.

### **General**

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

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

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Instruments or has in its possession or distributes this Prospectus, any other offering material or any Final Terms and none of the Issuer or any other Dealer shall have responsibility for such material.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Instruments which is admitted to trading on the London Stock Exchange's regulated market will be substantially in the following form, duly completed to reflect the particular terms of the relevant Instruments and their issue.*

**Final Terms dated [●]**

### NATIONAL GAS TRANSMISSION PLC

Legal Entity Identifier (LEI): FPCHGTHKVH9ZWXS7S453  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]  
under the Euro 10,000,000,000 Euro Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

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

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

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

**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of

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

**[Singapore Securities and Futures Act Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)]<sup>6</sup>

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 28 November 2023 [and the supplementary Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”). This document constitutes the Final Terms of the Instruments described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplementary Prospectus(es)] [is] [are] available for viewing at, and copies may be obtained from, the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and [has/have] been published on the website of Regulatory News Services operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

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

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) contained in the Trust Deed dated [original date] and set forth in the Prospectus dated [original date] and incorporated by reference into the Prospectus dated 28 November 2023 and which are attached hereto. This document constitutes the Final Terms of the Instruments described herein for the purposes of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated [●] 2023 [and the supplementary Prospectus], which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus dated 28 November 2023 [and the supplementary Prospectuses dated [●]]. The Prospectus [and the supplementary Prospectus] [is/are] available for viewing at, and copies may be obtained from, the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and

---

<sup>6</sup> For any Instruments to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Instruments pursuant to Section 309B of the SFA prior to the launch of the offer.

[has/have] been published on the website of Regulatory News Services operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

1	Issuer:	National Gas Transmission PLC
2	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●]
	[(iii)] Date on which the Instruments become fungible:	[Not Applicable/The Instruments shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date/the Issue Date/exchange of the Temporary Global Instrument for interests in the Permanent Global Instrument, as referred to in paragraph [26] below [which is expected to occur on or about [insert date]]]</i> .]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	Specified Denominations:	[●] and integral multiples of [●] in excess thereof [up to and including [●]. No Instruments in definitive form will be issued with a denomination above [●].
7	Calculation Amount:	[●]
8	[(i)] Issue Date:	[●]
	[(ii)] Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
9	Maturity Date:	[●][Interest Payment Date falling on or nearest to [●]]
10	Interest Basis:	[[●] per cent. Fixed Rate] [[SONIA][EURIBOR][BBSW Rate][CDOR][CORRA] [+/-] [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] (See paragraph [15/16/17/18] below)
11	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at [●] per cent. of their nominal amount] [Index Linked Redemption]

- |    |                                                             |                                                                                                                |
|----|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 12 | Change of Interest or Redemption/Payment Basis:             | [[●]/[Not Applicable]]                                                                                         |
| 13 | Put/Call Options:                                           | [Investor Put]<br>[Issuer Call][[●]-month] par call]]<br>[(Make-whole)]<br>(See paragraph [19/20/21/22] below) |
| 14 | Date [Board] approval for issuance of Instruments obtained: | [●]                                                                                                            |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |    |                                            |                                                                                                                                                                                                                                                                  |
|----|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 15 | <b>Fixed Rate Instrument Provisions</b>    | [Applicable/Not Applicable]                                                                                                                                                                                                                                      |
|    | (i) Rate[(s)] of Interest:                 | [●] per cent. per annum [payable<br>[annually/semi-annually/quarterly/monthly] in<br>arrear]                                                                                                                                                                     |
|    | (ii) Interest Payment Date(s):             | [●] in each year commencing on [●] and<br>ending on [●]                                                                                                                                                                                                          |
|    | (iii) Fixed Coupon Amount[(s)]:            | [●] per Calculation Amount                                                                                                                                                                                                                                       |
|    | (iv) Broken Amount(s):                     | [●] per Calculation Amount, payable on the<br>Interest Payment Date falling [in/on] [●]                                                                                                                                                                          |
|    | (v) Day Count Fraction (Condition 3.8):    | [30/360 / Actual/Actual [(ICMA)/ISDA]] /<br>Actual/365(Fixed) / Actual/360 / 30E/360 /<br>360/360 / Bond Basis / 30E/360(ISDA) /<br>Eurobond Basis / RBA Bond Basis / Actual/<br>Actual Canadian Compound Method]                                                |
|    | (vi) Determination Dates (Condition 3.8):  | [●] in each year                                                                                                                                                                                                                                                 |
| 16 | <b>Floating Rate Instrument Provisions</b> | [Applicable/Not Applicable]                                                                                                                                                                                                                                      |
|    | (i) Interest Period(s):                    | [●], subject to adjustment in accordance<br>with the Business Day Convention set out in<br>(v) below/, not subject to any adjustment[, as<br>the Business Day Convention in (v) below is<br>specified to be Not Applicable]]]                                    |
|    | (ii) Specified Interest Payment Dates:     | [●], subject to adjustment in accordance<br>with the Business Day Convention set out in<br>(v) below/, not subject to any adjustment[, as<br>the Business Day Convention in (v) below is<br>specified to be Not Applicable]]]                                    |
|    | (iii) Interest Period Date:                | [Not Applicable]/[[●] in each year[, subject to<br>adjustment in accordance with the Business<br>Day Convention set out in (v) below/, not<br>subject to any adjustment[, as the Business<br>Day Convention in (v) below is specified to<br>be Not Applicable]]] |

- (iv) First Interest Payment Date: [Not Applicable]/ [●] [in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (vi) Business Centre(s) (Condition 3.8): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/BBSW Rate Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination (Condition 3.2.3(b) / 3.2.3(c) / 3.2.3(f)):
- Relevant Time: [●]
  - Interest Determination Date(s): [●] [[TARGET] Business Days in [●] for [●] prior to [●]]  
[Second London business day prior to the start of each Interest Accrual Period]  
[First day of each Interest Accrual Period]  
[Second day on which T2 is open prior to the start of each Interest Accrual Period]  
[The date which is ["p"] [London][Toronto] Business Days prior to each Interest Payment Date]
  - Primary Source for Floating Rate: [Relevant Screen Page / Reference Banks]
  - Reference Banks (if Primary Source is "Reference Banks"): [●]
  - Relevant Screen Page: [●] [[Bloomberg Screen Page: SONCINDX] / see pages of authorised distributors for SONIA Compounded Index Rate] or [Bloomberg Screen Page: SONIO/N Index] / SONIA Compounded Daily Reference Rate as applicable]
  - Relevant Fallback Screen Page: [[Bloomberg Screen Page: SONIO/N Index] / see pages of authorised distributors for SONIA Compounded Daily Reference Rate as applicable] [●]
  - Relevant Financial Centre: [●]

– Reference Rate:	[EURIBOR] [CDOR] [SONIA Compounded Index Rate / SONIA Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where “p” is: [specify number] London Business Days [being no less than 5 London Business Days]] [CORRA where “p” is: [specify number] Toronto Business Days]
– Representative Amount:	[●]
– Effective Date:	[●]
– Specified Duration:	[●]
(x) ISDA Determination (Condition 3.2.3(a)):	[Applicable/Not Applicable]
– Floating Rate Option:	[●]
– Designated Maturity:	[●]
– Reset Date:	[●]
(xi) BBSW Rate Determination (Condition 3.2.3(d)):	[Applicable/Not Applicable]
(xii) CDOR Rate Determination (Condition 3.2.3(e)):	[Applicable/Not Applicable]
– Interest Determination Date(s):	[●] [[●] Business Days in [●] for [●] prior to [●]] [Second Toronto business day prior to the start of each Interest Accrual Period] [The first day in each Interest Accrual Period]
(xiii) Linear Interpolation (Condition 3.2.3(g)):	[Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(xiv) Margin(s):	[+/-][●] per cent. per annum [Not Applicable]
(xv) Minimum Rate of Interest:	[●] per cent. per annum [Not Applicable]
(xvi) Maximum Rate of Interest:	[●] per cent. per annum [Not Applicable]
(xvii) Day Count Fraction (Condition 3.8):	[30/360 / Actual/Actual ([ICMA]/ISDA) / Actual/365(Fixed) / Actual/360 / 30E/360 / 360/360 / Bond Basis / 30E/360(ISDA) / Eurobond Basis / 30E/360(ISDA) / RBA Bond Basis / Actual/ Actual Canadian Compound Method]
17 <b>Zero Coupon Instrument Provisions</b>	[Applicable/Not Applicable]



	(i) Amortisation Yield (Condition 5.4):	[●] per cent. per annum
	(ii) Day Count Fraction (Condition 3.8):	[●]
18	<b>Index Linked Interest Instrument</b>	[Applicable/Not Applicable]
	(i) Index:	[RPI/CPI/CPIH/HICP]
	(ii) Interest Rate:	[●]
	(iii) Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Calculation Agent):	[[●] / Not Applicable]
	(iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	Condition(s) [4.3 to 4.5 / 4.9] apply
	(v) Specified Interest Payment Dates:	[●]
	(vi) First Interest Payment Date:	[●]
	(vii) Interest Period(s):	[●]
	(viii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(ix) Minimum Indexation Factor:	[Not Applicable/[●]]
	(x) Business Centre(s) (Condition 3.8):	[●]
	(xi) Maximum Indexation Factor:	[Not Applicable/[●]]
	(xii) Limited Indexation Month(s) or Period for calculation of Limited Indexation Factor:	[●] per cent. per annum
	(xiii) Base Index Figure (Condition 4.1):	[●]
	(xiv) Day Count Fraction (Condition 3.8):	[30/360 / Actual/Actual ([ICMA]/ISDA) / Actual/365(Fixed) / Actual/360 / 30E/360 / 360/360 / Bond Basis / 30E/360(ISDA) / Eurobond Basis / 30E/360(ISDA) / RBA Bond Basis / Actual/Actual Canadian Compound Method]
	(xv) "Index" or "Index Figure" (Condition 4.1):	Sub-paragraph [(i)/(ii) (iii)] of the definition of "Index" or "Index Figure" as set out in Condition 4.1 shall apply
	(xvi) Reference Gilt:	[●]

**PROVISIONS RELATING TO REDEMPTION**

19	<b>Residual Holding Call Option</b>	[Applicable/Not Applicable]
	(i) Residual Holding Percentage:	[●] per cent.

	(ii) Party responsible for calculating the Residual Holding Redemption Amount (if not the Calculation Agent):	[[●] / Not Applicable]
	(iii) Benchmark Security:	[●]
	(iv) Benchmark Spread:	[●] per cent. per annum
	(v) Benchmark Day Count Fraction:	[●]
20	<b>Call Option</b>	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Instrument:	[[●] per Calculation Amount]
	(iii) If redeemable in part:	
	(a) Minimum nominal amount to be redeemed:	[●]
	(b) Maximum nominal amount to be redeemed:	[●]
	(iv) Option Exercise Date(s):	[●]
	(v) Par Call Commencement Date:	[●]
	(vi) Notice periods (Condition 5.5.2):	Minimum Period: [15][●] days Maximum Period: [30][●] days
21	<b>Make-whole Redemption Option</b>	[Applicable/Not Applicable]
	(i) Make-whole Redemption Date(s):	[●]
	(a) Reference Bond:	[●]
	(b) Quotation Time:	[●]
	(c) Redemption Margin:	[[●] per cent.][None]
	(d) Determination Date:	[●]
	(ii) If redeemable in part:	
	(a) Minimum nominal amount to be redeemed:	[●]
	(b) Maximum nominal amount to be redeemed:	[●]
	(iii) Notice periods (Condition 5.5.3):	Minimum Period: [15][●] days Maximum Period: [30][●] days
22	<b>Put Option</b>	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Instrument:	[●] per Calculation Amount
	(iii) Option Exercise Date(s):	[●]

- (iv) Notice periods (Condition 5.6): Minimum Period: [15][●] days  
Maximum Period: [30][●] days
- (v) Option Period: [●]
- 23 **Redemption at the Option of the Instrumentholders on a Restructuring Event**
- (i) Restructuring Put Option Amount(s) of each Instrument: [●] per Calculation Amount
- 24 **Final Redemption Amount of each Instrument** [[●] per Calculation Amount]
- In cases where the Final Redemption Amount is Index-Linked:
- (i) Index/Formula: [RPI/CPI/CPIH/HICP]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): [[●] / Not Applicable]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: The Final Redemption Amount per Instrument shall be its outstanding nominal amount adjusted in accordance with Condition [4.2/ 4.8]
- (iv) Determination Date(s): [●]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: Condition(s) [4.3 to 4.5/ 4.9] shall apply
- (vi) Payment Date: [●]
- (vii) Minimum Final Redemption Amount: [●] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [●] per Calculation Amount
- (ix) Notice Periods (Condition [4.6/4.10]): Minimum Period: [30][●] days  
Maximum Period: [60][●] days
- 25 **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons (Condition 5.2) or on Event of Default (Condition 9): [●] per Calculation Amount
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5.2): [Yes/No]
- (iii) Notice Periods (Condition 5.2): Minimum Period: [30][●] days  
Maximum Period: [45][●] days

## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

### 26 Form of Instruments

[Temporary Global Instrument exchangeable for a permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument]

[Temporary Global Instrument exchangeable for Definitive Instruments on 40 days' notice]

[Permanent Global Instrument exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument]

New Global Note:

[No/Yes]

27 Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6):

[Not Applicable/[•]]

28 Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature):

[Yes, as the Instruments have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

### THIRD PARTY INFORMATION

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

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND TRADING

- (i) Listing: Official List
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange's regulated market with effect from [●].
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: The Instruments to be issued [have [not ]been][are expected to be] rated[
- [Moody's: [●]]
- An obligation rated '[●]' [*Insert definition of [●] available via weblink below*].
- The modifier ['1' indicates that the obligation ranks in the higher end of its generic category / '2' indicates a mid-range ranking / '3' indicates a ranking in the lower end of that generic rating category] [*Delete as applicable*].
- (Source: Moody's, <https://www.moody's.com/ratings-process/Ratings-Definitions/002002>)]
- [[Fitch: [●]]]
- An obligation rated '[●]' [*Insert definition of [●] available via weblink below*].
- The modifier ["+" / "-"] [*Delete as applicable*] appended to the rating denotes relative status within major rating categories.
- (Source, Fitch Ratings, <https://www.fitchratings.com/products/rating-definitions>)]
- [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[So far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.]

#### 4 [REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

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

[(ii)] Estimated net proceeds: [•]

#### 5 [Fixed Rate Instruments only – YIELD

Indication of yield: Calculated as [•] on the Issue Date. The yield is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

#### 6 [Index Linked Instruments only – PERFORMANCE OF INDEX AND OTHER INFORMATION CONCERNING THE UNDERLYING

(i) Name of underlying index: [UK Retail Prices Index (RPI) (all items) published by the Office for National Statistics] / [UK Consumer Prices Index (CPI) (all items) published by the Office for National Statistics] / [UK Consumer Prices Index including Owner Occupiers' Housing costs and Council Tax (CPIH) (all items) published by the Office for National Statistics]/ [non-revised Harmonised Index of Consumer Prices (HICP) (all items excluding tobacco), published by Eurostat]

(ii) Information about the Index, its volatility and past and future performance can be obtained from: Information on [RPI/CPI/CPIH/HICP] can be found at [www.statistics.gov.uk / www.epp.eurostat.ec.europa.eu]

#### 7 OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

Trade Date: [•]

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

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [•]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit

operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

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

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

Relevant Benchmark[s]:

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

If syndicated, names of Managers: [•]

If non-syndicated, name of Dealer: [•]

Stabilisation Manager(s) if any: [Not Applicable/[•]]

## 8 SELLING RESTRICTIONS

(i) U.S. Selling Restrictions: [Reg. S Compliance Category 2; C Rules / D Rules / TEFRA not applicable]

(ii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

- (iii) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (iv) [Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]]
- (v) Singapore Sales to Institutional Investors and Accredited Investors only: [Applicable/Not Applicable]  
*(N.B. advice should be taken from Singaporean counsel before disapplying this selling restriction)*  
*(If the Instruments are offered to Institutional Investors and Accredited Investors in Singapore only, "Applicable" should be specified. If the Instruments are **also** offered to investors other than Institutional Investors and Accredited Investors in Singapore, "Not Applicable" should be specified.)*
- (vi) Method of distribution: [Syndicated/Non-syndicated]
- (vii) Additional selling restrictions: [Not Applicable/give details]



## FORM OF PRICING SUPPLEMENT

*The Pricing Supplement in respect of each Tranche of PSM Instruments issued under the Programme which is listed on the official list of the FCA and admitted to trading on the London Stock Exchange's professional securities market will be in the following form, duly completed to reflect the particular terms of the relevant Instruments and their issue.*

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 FOR THE ISSUE OF THE INSTRUMENTS DESCRIBED BELOW.

### Pricing Supplement dated [●]

#### NATIONAL GAS TRANSMISSION PLC

Legal Entity Identifier (LEI): FPCHGTHKVH9ZWXS7S453  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Instruments]  
under the Euro 10,000,000,000 Euro Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

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

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

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution

of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturer[*s/s'*] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[*s/s'*] target market assessment) and determining appropriate distribution channels.]

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

**[Singapore Securities and Futures Act Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Instruments are [prescribed capital markets products] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).]<sup>7</sup>

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Listing Particulars dated 28 November 2023 which [together with the supplementary listing particulars dated [●]] constitutes listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the Financial Conduct Authority (the "**Listing Rules**"). This document constitutes the Pricing Supplement of the Instruments described herein for the purposes of Listing Rule 4.2.3 of the Listing Rules and must be read in conjunction with such Listing Particulars [as so supplemented]. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of this Pricing Supplement and the Listing Particulars [as so supplemented]. The Listing Particulars [and the supplementary listing particulars] [is] [are] available for viewing at and copies may be obtained from, the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and [has/have] been published on the website of Regulatory News Services operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

---

<sup>7</sup> For any Instruments to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Instruments pursuant to Section 309B of the SFA prior to the launch of the offer.

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

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) contained in the Trust Deed dated [*issue date of original Instruments*] a copy of which is set forth in the Listing Particulars dated [*original date*] and incorporated by reference into the Listing Particulars dated 28 November 2023 and which are attached hereto. This document constitutes the Pricing Supplement of the Instruments described herein for the purposes of Listing Rule 4.2.3 of the Listing Rules of the Financial Conduct Authority and must be read in conjunction with the Listing Particulars dated 28 November 2023 [and the supplementary listing particulars dated [●]], which [together] constitute[s] listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of the Listing Particulars dated [current date] [and the supplementary listing particulars dated [●] and [●]] and this Pricing Supplement. [The Listing Particulars [and the supplementary listing particulars] [is/are] available for viewing at and copies may be obtained from, the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and [has/have] been published on the website of Regulatory News Services operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

1. Issuer: National Gas Transmission PLC
2. [(i)] Series Number: [●]  
 [(ii)] Tranche Number: [●]  
 [(iii)] Date on which the Instruments become fungible: [Not Applicable/The Instruments shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date/exchange of the Temporary Global Instrument for interests in the Permanent Global Instrument, as referred to in paragraph [26] below [which is expected to occur on or about [*insert date*]].]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount: [●]  
 [(i)] Series: [●]  
 [(ii)] Tranche: [●]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6. Specified Denominations: [●] and integral multiples of [●] in excess thereof [up to and including [●]]. No Instruments in definitive form will be issued with a denomination above [●].
7. Calculation Amount: [●]
8. [(i)] Issue Date: [●]  
 [(ii)] Interest Commencement Date: [[●]/Issue Date/Not Applicable]
9. Maturity Date: [●] [Interest Payment Date falling on or nearest to [●]]

10. Interest Basis: [[●] per cent. Fixed Rate]  
 [[SONIA][EURIBOR][BBSW Rate][CDOR][CORRA]] +/- [●] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 See paragraph [15/16/17/18] below
11. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at [●] per cent. of their nominal amount]  
 [Index Linked Redemption]
12. Change of Interest or Redemption/Payment Basis: [[●] / Not Applicable]
13. Put/Call Options: [Investor Put]  
 [Issuer Call [[[●]-month] par call]]]  
 [(Make-whole)]  
 See paragraph [19/20/21/22] below
14. Date [Board] approval for issuance of Instruments obtained: [●]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
  - (ii) Interest Payment Date(s): [●] in each year commencing on [●] and ending on [●]
  - (iii) Fixed Coupon Amount(s): [●] per Calculation Amount
  - (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
  - (v) Day Count Fraction (Condition 3.8): [30/360 / Actual/Actual [[ICMA]/ISDA]] / Actual/365(Fixed) / Actual/360 / 30E/360 / 360/360 / Bond Basis / 30E/360(ISDA) / Eurobond Basis / RBA Bond Basis / Actual/ Actual Canadian Compound Method]
  - (vi) Determination Dates (Condition 3.8): [●] in each year
16. **Floating Rate Instrument Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [●][, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
  - (ii) Specified Interest Payment [Not Applicable] / [●][, subject to adjustment in accordance with

Dates:	the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
(iii) Interest Period Date:	[Not Applicable]/[[•] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(iv) First Interest Payment Date:	[Not Applicable]/ [•] [in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(v) Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
(vi) Business Centre(s) (Condition 3.8):	[•]
(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Rate Determination]
(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•]
(ix) Screen Rate Determination (Condition 3.2.3(b) / 3.2.3(c) / 3.2.3(f)):	[Applicable/Not Applicable]
– Relevant Time:	[•]
– Interest Determination Date(s):	[•] [[TARGET] Business Days in [•] for [•] prior to [•]]  [Second London business day prior to the start of each Interest Accrual Period]  [First day of each Interest Accrual Period]  [Second day on which T2 is open prior to the start of each Interest Accrual Period]  [The date which is [“p”] [London][Toronto] Business Days prior to each Interest Payment Date]
– Primary Source for Floating Rate:	[Relevant Screen Page / Reference Banks]
- Reference Banks (if Primary Source is “Reference Banks”):	[•]

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

(xvii) Day Count Fraction (Condition 3.8):	[30/360 / Actual/Actual ([ICMA]/ISDA) / Actual/365(Fixed) / Actual/360 / 30E/360 / 360/360 / Bond Basis / 30E/360(ISDA) / Eurobond Basis / 30E/360(ISDA) / RBA Bond Basis / Actual/Actual Canadian Compound Method]
<b>17. Zero Coupon Instrument Provisions</b>	[Applicable/Not Applicable]
(i) Amortisation Yield (Condition 5.4):	[•] per cent. per annum
(ii) Day Count Fraction (Condition 3.8):	[•]
<b>18. Index Linked Interest Instrument</b>	[Applicable/Not Applicable]
(i) Index:	[RPI/CPI/CPIH/HICP]
(ii) Interest Rate:	[•]
(iii) Party responsible for calculating the Rate(s) of Interest, Interest Amount and Redemption Amount(s) (if not the Calculation Agent):	[[•] / Not Applicable]
(iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	Condition(s) [4.3 to 4.5 / 4.9] apply
(v) Specified Interest Payment Dates:	[•]
(vi) First Interest Payment Date:	[•]
(vii) Interest Period(s):	[•]
(viii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(ix) Minimum Indexation Factor:	[Not Applicable/[•]]
(x) Business Centre(s) (Condition 3.8):	[•]
(xi) Maximum Indexation Factor:	[Not Applicable/[•]]
(xii) Limited Indexation Month(s) or Period for calculation of Limited Indexation Factor:	[•] per cent. per annum
(xiii) Base Index Figure (Condition 4.1):	[•]

- (xiv) Day Count Fraction (Condition 3.8): [30/360 / Actual/Actual ([ICMA]/ISDA) / Actual/365(Fixed) / Actual/360 / 30E/360 / 360/360 / Bond Basis / 30E/360(ISDA) / Eurobond Basis / 30E/360(ISDA) / RBA Bond Basis / Actual/Actual Canadian Compound Method]
- (xv) "Index" or "Index Figure" (Condition 4.1): Sub-paragraph [(i)/(ii)/(iii)] of the definition of "Index" or "Index Figure" as set out in Condition 4.1 shall apply
- (xvi) Reference Gilt: [•]

**PROVISIONS RELATING TO REDEMPTION**

19. **Residual Holding Call Option** [Applicable/Not Applicable]
- (i) Residual Holding Percentage: [•] per cent.
- (ii) Party responsible for calculating the Residual Holding Redemption Amount (if not the Calculation Agent): [[•] / Not Applicable]
- (iii) Benchmark Security: [•]
- (iv) Benchmark Spread: [•] per cent. per annum
- (v) Benchmark Day Count Fraction: [•]
20. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Instrument: [[•] per Calculation Amount]
- (iii) If redeemable in part:
- (a) Minimum nominal amount to be redeemed: [•]
- (b) Maximum nominal amount to be redeemed: [•]
- (iv) Option Exercise Date(s): [•]
- (v) Notice periods (Condition 5.5.2): Minimum Period: [15] [•] days  
Maximum Period: [30] [•] days
- (vi) Par Call Commencement Date: [•]
21. **Make-whole Redemption Option** [Applicable/Not Applicable]



- (i) Make-whole Redemption Date(s): [•]
- (a) Reference Bond: [•]
- (b) Quotation Time: [•]
- (c) Redemption Margin: [[•] per cent.][None]
- (d) Determination Date: [•]
- (iii) If redeemable in part:
  - (a) Minimum nominal amount to be redeemed: [•]
  - (b) Maximum nominal amount to be redeemed: [•]
- (iv) Notice periods (Condition 5.5.3):
  - Minimum Period: [15][•] days
  - Maximum Period: [30][•] days

**22. Put Option** [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Instrument: [•] per Calculation Amount
- (iii) Option Exercise Date(s): [•]
- (iv) Notice periods (Condition 5.6):
  - Minimum Period: [15] [•] days
  - Maximum Period: [30] [•] days
- (v) Option Period: [•]

**23. Redemption at the Option of the Instrumentholders on a Restructuring Event**

- (i) Restructuring Put Option Amount(s) of each Instrument: [•] per Calculation Amount

**24. Final Redemption Amount of each Instrument:** [[•] per Calculation Amount]

In cases where the Final Redemption Amount is Index-Linked:

- (i) Index/Formula: [RPI/CPI/CPIH/HICP]
- (ii) Party responsible for calculating the Final Redemption Amount (if not [•] / Not Applicable]

the Calculation Agent):

- |                                                                                                                                                                                            |                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:                                                      | The Final Redemption Amount per Instrument shall be its outstanding nominal amount adjusted in accordance with Condition [4.2/ 4.8] |
| (iv) Determination Date(s):                                                                                                                                                                | [●]                                                                                                                                 |
| (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | Condition(s) [4.3 to 4.5/ 4.9] shall apply                                                                                          |
| (vi) Payment Date:                                                                                                                                                                         | [●]                                                                                                                                 |
| (vii) Minimum Final Redemption Amount:                                                                                                                                                     | [●] per Calculation Amount                                                                                                          |
| (viii) Maximum Final Redemption Amount:                                                                                                                                                    | [●] per Calculation Amount                                                                                                          |
| (ix) Notice Periods (Condition [4.6/4.10]):                                                                                                                                                | Minimum Period: [30] [●] days<br>Maximum Period: [60] [●] days                                                                      |

## 25. Early Redemption Amount

- |                                                                                                                                                    |                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| (i) Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons (Condition 5.2) or on Event of Default (Condition 9): | [●] per Calculation Amount                                     |
| (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5.2)                                           | [Yes/No]                                                       |
| (iii) Notice Periods (Condition 5.2):                                                                                                              | Minimum Period: [30] [●] days<br>Maximum Period: [45] [●] days |

## GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

### 26. Form of Instruments

[Temporary Global Instrument exchangeable for a permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument]

[Temporary Global Instrument exchangeable for Definitive Instruments on 40 days' notice]

[Permanent Global Instrument exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument]

27. New Global Note

[No/Yes]

28. Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6):

[Not Applicable/[•]]

29. Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature):

[Yes, as the Instruments have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

### THIRD PARTY INFORMATION

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

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1 LISTING AND TRADING

- (i) Listing: Official List
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on [the London Stock Exchange's professional securities market with effect from [●].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange's professional securities market with effect from [●].]
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2 RATINGS

- Ratings: The Instruments to be issued [have [not ] been / are expected to be] rated[:  
[Moody's: [●]]  
An obligation rated '[●]' [Insert definition of [●] available via weblink below].  
The modifier ['1' indicates that the obligation ranks in the higher end of its generic category / '2' indicates a mid-range ranking / '3' indicates a ranking in the lower end of that generic rating category] [Delete as applicable].  
(Source: Moody's, <https://www.moodys.com/ratings-process/Ratings-Definitions/002002>)
- [[Fitch: [●]]]  
An obligation rated '[●]' [Insert definition of [●] available via weblink below].  
The modifier ["+" / "-"] [Delete as applicable] appended to the rating denotes relative status within major rating categories.  
(Source, Fitch Ratings, <https://www.fitchratings.com/products/rating-definitions>)  
*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[So far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.]

#### 4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

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

[(ii)] Estimated net proceeds: [•]

#### 5 **[Fixed Rate Instruments only – YIELD**

Indication of yield: Calculated as [•] on the Issue Date

The yield is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

#### 6 **[Index Linked Instruments only – PERFORMANCE OF INDEX and other information concerning the underlying**

(i) (Name of underlying index: [UK Retail Prices Index (RPI) (all items) published by the Office for National Statistics] / [UK Consumer Prices Index (CPI) (all items) published by the Office for National Statistics] / [UK Consumer Prices Index including Owner Occupiers' Housing costs and Council Tax (CPIH) (all items) published by the Office for National Statistics] / [non-revised Harmonised Index of Consumer Prices (HICP) (all items excluding tobacco) published by Eurostat]

(ii) Information about the Index, its volatility and past and future performance can be obtained from: Information on [RPI/CPI/CIPH/HICP] can be found at [www.statistics.gov.uk / www.epp.eurostat.ec.europa.eu]

#### 7 OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

Trade Date: [•]

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

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): [•]

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

[Intended to be held in a manner which would allow Eurosystem eligibility:

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

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

Relevant Benchmark[s]:

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

## 8 DISTRIBUTION

- |                                                     |                                                                          |
|-----------------------------------------------------|--------------------------------------------------------------------------|
| (i) U.S. Selling Restrictions:                      | Reg. S Compliance Category 2; [C Rules / D Rules / TEFRA not applicable] |
| (ii) Prohibition of Sales to UK Retail Investors:   | [Applicable/Not Applicable]                                              |
| (iii) Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]                                              |
| (iv) [Prohibition of Sales to Belgian Consumers:    | [Applicable/Not Applicable]]                                             |
|                                                     | [Applicable/Not Applicable]                                              |

- (v) Singapore Sales to Institutional Investors and Accredited Investors only: *(N.B. advice should be taken from Singaporean counsel before disapplying this selling restriction)*  
*(If the Instruments are offered to Institutional Investors and Accredited Investors in Singapore only, "Applicable" should be specified. If the Instruments are also offered to investors other than Institutional Investors and Accredited Investors in Singapore, "Not Applicable" should be specified.)*
- (vi) Method of distribution: [Syndicated/Non-syndicated]
- (vii) If syndicated, names of Managers: [Not Applicable/give names]
- (viii) Stabilisation Manager(s) (if any): [Not Applicable/give names]
- (ix) If non-syndicated, name of Dealer: [Not Applicable/give name]
- (x) Additional selling restrictions: [Not Applicable/give details]

## GENERAL INFORMATION

- (1) The admission of the Programme to listing on the Official List of the FCA and to trading on the Market and the PSM in respect of the Instruments is expected to take effect on or about 1 December 2023. The listing of the Instruments on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). Any Tranche of Instruments intended to be admitted to listing on the Official List of the FCA and admitted to trading on the Market or the PSM will be so admitted to listing and trading upon submission to the FCA and the London Stock Exchange (in accordance with their rules and procedures) of the relevant Final Terms and any other information required by the FCA and the London Stock Exchange, subject in each case to the issue of the relevant Instruments. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.
- (2) National Gas Transmission has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the issue and performance of the Instruments.
- (3) The Programme in its current form was established on 31 July 2006. The update of the Programme was authorised by a resolution of the Finance Committee of the Board of Directors of National Gas Transmission (which was established by a resolution of the Board of Directors of National Gas Transmission passed on 19 November 2002) passed on 26 January 2010.
- (4) Instruments have been accepted for clearance through the Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the relevant Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system(s) as shall have accepted the relevant Instruments for clearance together with any further appropriate information. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.
- (5) There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which National Gas Transmission is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past a significant effect on the financial position or profitability of National Gas Transmission or of the National Gas Transmission Group.
- (6) There has been no significant change in the financial performance or financial position of the National Gas Transmission Group since 31 March 2023 to the date of this Prospectus.
- (7) There has been no material adverse change in the prospects of National Gas Transmission or the National Gas Transmission Group since 31 March 2023.
- (8) Deloitte LLP (registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales) has audited the financial statements of the National Gas Transmission Group for the years ended 31 March 2022 and 31 March 2023 in accordance with International Financial Reporting Standards and reported thereon without qualification.
- (9) Each Instrument, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (10) For a period of 12 months following the date of this Prospectus, copies of the following documents will be available on the website of the Issuer (<https://www.nationalgas.com/about-us/investors>):
  - (i) a copy of this Prospectus with any supplement to this Prospectus or further Prospectus;
  - (ii) the Memorandum and Articles of Association of National Gas Transmission; and



(iii) the amended and restated Trust Deed.

In addition, this Prospectus is and, in the case of Instruments to be admitted to the Official List and admitted to trading on the Market or the PSM, the relevant Final Terms will be, available on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

- (11) The Issuer does not intend to provide any post-issuance information.
- (12) National Gas Transmission can issue Index Linked Instruments, where the amounts payable in respect of such Instruments is derived either (i) the UK Consumer Prices Index (CPI), (ii) the UK Consumer Prices Index including Owner Occupiers' Housing costs and Council Tax (CPIH) (iii) the UK Retail Prices Index (RPI) or (iv) the Non-revised Harmonised Index of Consumer Prices excluding tobacco (HICP). Further information on the CPI, CPIH, RPI and HICP (including past and current levels) can be found at [www.statistics.gov.uk](http://www.statistics.gov.uk) and [www.epp.eurostat.ec.europa.eu](http://www.epp.eurostat.ec.europa.eu), respectively.
- (13) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Instruments issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments issued under the Programme. Any such positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

- (14) The Legal Entity Identifier (LEI) of National Gas Transmission is FPCHGTHKVVH9ZWXS7S453.

**REGISTERED OFFICE OF THE ISSUER**

**National Gas Transmission PLC**

Warwick Technology Park  
Gallows Hill  
Warwick CV34 6DA

**THE TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**

Eighth Floor  
100 Bishopsgate  
London EC2N 4AG

**THE ARRANGER**

**Lloyds Bank Corporate Markets plc**

10 Gresham Street  
London EC2V 7AE

**THE DEALERS**

**ABN AMRO Bank N.V.**

Gustav Mahlerlaan 10  
1082 PP Amsterdam  
Netherlands

**BNP Paribas**

16, boulevard des Italiens  
75009 Paris  
France

**Lloyds Bank Corporate Markets plc**

10 Gresham Street  
London EC2V 7AE

**Mizuho International plc**

30 Old Bailey  
London EC4M 7AU

**MUFG Securities EMEA plc**

Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ

**NatWest Markets Plc**

250 Bishopsgate  
London EC2M 4AA

**RBC Europe Limited**

100 Bishopsgate  
London EC2N 4AA

**LEGAL ADVISERS**

*To the Issuer*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ

*To the Dealers*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

**ISSUING AND PAYING AGENT**

**The Bank of New York Mellon, London Branch**

160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

---

**AUDITORS**

**Deloitte LLP**

1 New Street Square  
London EC4A 3HQ

