

Q&As Cadent Sale - Section A and Section B Members

The questions and answers below are provided for active, deferred and pensioner members of Section A and/or Section B of the National Grid UK Pension Scheme ('the Scheme') June 2019.

1. What does the sale of Cadent mean for my pension benefits in Section A or Section B?

Neither the sale by National Grid of its remaining stake in Cadent nor the proposed transfer of Section C's assets and liabilities to a new Cadent pension scheme will impact your benefits in Section A or Section B of the Scheme. This includes no impact on spouse benefits, death benefits or the way your pension increases.

2. Would the proposed Section C transfer affect the Scheme's funding or the security of my benefits in Section A or Section B?

Section C's assets and liabilities (the pension benefits that are due to be paid now and in the future) have been ring-fenced since 1 January 2017 when the Scheme was split into three separate and independent sections. Cadent has requested that the existing assets and liabilities of Section C are transferred into a new Cadent pension scheme, which requires the consent of the Trustees. The proposed transfer would have no impact on the funding of Section A or Section B, or on your benefits in either Section A or Section B, which remain just as safe, secure and well supported.

National Grid will continue to support Sections A and B and the Trustee Board will continue to be responsible for managing Sections A and B of the Scheme in accordance with the Scheme's Trust Deed and Rules and legislation.

3. I am a pensioner in Section A and/or Section B. Would the proposed transfer affect the payment of my pension or my pension increases?

No. There would be no change to your pension as a result of the proposed transfer. It would continue to be paid in the same way and on the same date that it always has been, subject to the Scheme's Trust Deed and Rules. Likewise, increases would continue to be applied to your pension in accordance with the Scheme's Trust Deed and Rules. The Trustee Board would remain responsible for the Scheme and your pension would continue to be administered by the same team, UK Pensions Operations.

4. I am a deferred pensioner in Section A and/or Section B. Would I be affected by the proposed transfer?

No. There would be no change to your deferred pension benefits as a result of the proposed transfer. The benefits that you have built up in the Scheme whilst employed by National Grid

(or one of its predecessor companies) are protected by legislation. The Trustee Board would continue to remain responsible for the Scheme and your deferred pension would continue to be administered by the same team, UK Pensions Operations, in accordance with the Scheme's Trust Deed and Rules.

5. I am an active member of Section A and/or Section B. Would I be affected by the proposed transfer?

No. There would be no change to your pension benefits as a result of the proposed transfer. The benefits you have already built up in the Scheme are protected by legislation and benefits that you build up for future service would continue to build up in accordance with the Scheme's Trust Deed and Rules.

6. Who do I contact if I have any questions about the proposed transfer?

Please be rest assured that there is no impact on your benefits in Section A or Section B as a result of the proposed transfer. If you do have any questions about the proposed transfer of Section C to the new Cadent scheme: you should read these Q&As carefully. You may also wish to refer to previous communications from the Trustees regarding sectionalisation on the Scheme website, www.nationalgridpensions.com – click on 'Scheme information' and then select 'The sections'.

If you still have a specific enquiry you can email this to GDpensions@nationalgrid.com or telephone 01189 368922.

For general, day-to-day questions about your pension benefits: you should continue to use the Scheme website, www.nationalgridpensions.com and the My Online Pension portal (go to www.nationalgridpensions.com and click on 'Log into My Online Pension'). Alternatively, you can email pensions@nationalgrid.com

Issued on behalf of the Trustees of National Grid UK Pension Scheme, June 2019