

**NATIONAL GRID PLC
Human Resources Policy Guidelines - US**

Student Loan Repayment Program for Management Employees

1. Objective

The Company will offer a Student Loan Repayment Program to assist employees who have obtained or are in the process of obtaining a degree from an accredited institution and have outstanding student loans. The program will also assist employees that have taken out parent loans to help fund their child’s education. Through the program, the Company will make payments toward the principal portion of an eligible employee’s student loan in accordance with the guidelines established below.

2. Scope

This policy covers regular full-time and regular part-time U.S. management employees who work a minimum of twenty (20) hours per week. There is no waiting period for eligible new hires. Participation can begin as soon as practical after date of hire.

3. Policy/Implementation Framework

Program Eligibility: Employees must be on the Company’s active payroll at the time the benefit payment is made. Active management employees working more than 20 hours per week but less than 32 hours per week will be considered eligible as a part-time participant while employees working at least 32 hours per week will be considered a full-time participant. Employees working less than 20 hours per week and temporary or seasonal employees will not be eligible to participate in the program.

The Company will make monthly payments per the Benefit Payment Schedule towards the principal portion of an eligible employee’s student loan, totaling a potential maximum lifetime benefit of \$6,000.

Benefit Payment Schedule: Table 1 below outlines the benefit payment schedule for eligible participants

| Table 1 | | | | | |
|---|--|---|---|---|---|
| Status | Tier 1 (monthly program payments 1-12) | Tier 2 (monthly program payments 13-24) | Tier 3 (monthly program payments 25-36) | Tier 4 (monthly program payments 37-48) | Tier 5 (monthly program payments 49-60) |
| Full-time | \$50 | \$75 | \$100 | \$125 | \$150 |
| Maximum Lifetime Benefit = \$6,000 | | | | | |

For eligible full-time employees, the Company will make an initial payment of \$50 per monthly period for the initial twelve periods (‘Tier 1’) toward the payment of an employee’s student loan. Once an employee receives payments for the initial twelve periods, the periodic benefit payment amount will escalate by \$25 to the next tier (‘Tier

2'). Each subsequent twelve periods of monthly payments will result in an increase of \$25 per tier until the participant reaches \$6,000 in payments.

Eligible part-time employees will receive 50% of the monthly program payment. The Company will make an initial payment of \$25 per monthly period for the initial twelve periods ('Tier 1') toward the payment of an employee's student loan. Once an employee receives payments for the initial twelve periods, the periodic benefit amount will escalate by \$12.50 to the next tier ('Tier 2'). Each subsequent twelve periods of monthly payments will result in an increase of \$12.50 per tier until the participant reaches \$6,000 in payments.

Eligible active participants that transfer from eligible full-time status to eligible part-time status may continue to receive a monthly payment amount per the Benefit Payment Schedule that is dependent upon the participant's status on or about the time the payment is issued.

If at any time during the Benefit Payment Schedule, the employee pays off their student loan and no longer has outstanding student loan debt, the Company payments will discontinue.

Loan Eligibility:

Loans must be from a qualifying US financial institution. The following undergraduate and graduate degree program student loans are eligible to receive the monthly program payment:

- Loans accumulated from an undergraduate or graduate degree program in the employee's name
- Federal or private loans in the employee's name
- Subsidized or unsubsidized loans in the employee's name
- Educational lines of credit in the employee's name
- Federal Parent PLUS loans and private parent loans in the employee's name for their child's education

Participant Requirements:

All student loans must be in the name of the employee who is participating in the program and cannot be past due, delinquent, or defaulted in order to be eligible for benefit payments. Co-signers to a student loan are not eligible to participate in the program.

To receive the Company payment, employees must continue making their own monthly payments toward their student loans while participating in the program. The Company's benefit payments toward an employee's outstanding student loans are intended to be additional payments to aid in repayment and cannot be used in place of an employee's personal debt repayments. To remain eligible for continued benefits, benefit payments are contingent upon the participant's ability to provide documentation that payments are in good standing and are being made by the participant to the lender or servicer.

Participation in the program is intended for employees on active status only. If an employee goes on unpaid leave of absence status, participation in the program will be suspended until the employee returns to active status in the Company. During the leave

of absence period, the Company will not contribute payment toward an employee's student loan. When the employee returns from leave, the Company will resume payments at the appropriate payment tier in effect just prior to the leave.

Participation in the program is intended for management employees only. If an employee moves into a position that is not management, participation in the program will be suspended until the employee returns to an eligible management position. If the employee returns to a management position while the student loan is still in active repayment status the Company will resume payments at the appropriate payment tier in effect prior to leaving the management position.

An employee's participation in the program will be terminated if the employee:

- No longer meets the program eligibility requirements
- Has paid off the loans that are selected for the program
- Is past-due or has defaulted on their loans
- Terminates with the Company, either voluntarily or in-voluntarily
- Retires from active employment
- No longer maintains active management status
- No longer working at least 20 hours per week

Participant Enrollment:

The Company has contracted with a loan repayment administrator, "Tuition.io," to provide student loan repayment services to eligible employees of the Company. The administrator will assist employees with the account set-up process. Eligible employees will receive a communication from the administrator with instructions on how to set up an account and how to enter their outstanding student loans. Once enrolled, the employee becomes a participant of the program and will begin to receive monthly benefit payments toward his or her student loans. The Company payments will be issued by Tuition.io directly to the primary loan servicer chosen during enrollment.

Taxability:

Student loan payments made by the Company, through the plan administrator, are fully taxable imputed income subject to federal, state, FICA, and local withholding taxes. Employee tax obligations will be withheld via payroll and reported on employee's Annual Wage Statement, Form W-2.

4. Key Contacts

Owner: Vice President, US Compensation, Benefits and Pension

Lead/Expert: US Benefits Center of Expertise

First point of contact: National Grid Business Services – Employee Services

U.S. Response Team (1-888-483-2123)

Vendor point of contact: Tuition.io Support (855-353-9395)

5. Monitoring & Compliance

The Company can amend or terminate the Student Loan Repayment Program at any time but will notify employees in advance of program termination.

Employees who violate this policy will be subject to disciplinary action, up to and including termination.

6. Timing

Date the policy/procedure came into effect – April 3, 2018

Date the policy/procedure will next be reviewed – April 3, 2021