

## BASE ADMISSION PARTICULARS



### ***NORTHERN POWERGRID (YORKSHIRE) PLC***

*(incorporated in England with limited liability under the Companies Act 1985 with registered number 04112320 )*

### ***NORTHERN POWERGRID (NORTHEAST) PLC***

*(incorporated in England with limited liability under the Companies Act 1985 with registered number 02906593)*

**£1,000,000,000**

### **Euro Medium Term Note Programme**

Northern Powergrid (Yorkshire) plc ("**NPg Yorkshire**") and Northern Powergrid (Northeast) plc ("**NPg Northeast**") and together with NPg Yorkshire, the "**Issuers**" and each an "**Issuer**") have established a £1,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Any Notes (as defined below) issued under the Programme on or after the date of these Base Admission Particulars are issued subject to the provisions described herein.

Application has been made for Notes issued under the Programme to be admitted to trading on the International Securities Market (the "**ISM**") of the London Stock Exchange (the "**LSE**"). The ISM is not a UK regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law in the United Kingdom ("**UK**") by virtue of the European Union (Withdrawal) Act 2018, as amended ("**UK MiFIR**"). **The ISM is a market designated for professional investors. Securities admitted to trading on the ISM are not admitted to the Official List of the UK Financial Conduct Authority (the "FCA"). The LSE has neither approved or verified the information contained in these Base Admission Particulars.**

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuers.

The Issuers are rated A and A-, respectively by S&P Global Ratings UK Limited, a division of S&P Global Inc. ("**S&P**") and Fitch Ratings Limited ("**Fitch**"). Notes issued under the Programme are expected to be rated A and A by S&P and Fitch, respectively.

Each of S&P and Fitch is established in the United Kingdom ("**UK**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Each of S&P and Fitch appear on the latest update of the list of registered credit rating agencies (as of 27 November 2024) on UK FCA's Financial Services Register. The ratings issued by S&P and Fitch have been endorsed by S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited respectively, which are established in the EEA and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**").

**A security 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.**

***Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuers to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.***

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements.

The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except in certain transactions exempt from the registration requirements of the Securities Act.

**Arranger**

**BARCLAYS**

**Dealers**

**BARCLAYS**

**HSBC**

**LLOYDS BANK CORPORATE  
MARKETS**

**RBC CAPITAL MARKETS**

The date of these Base Admission Particulars is 21 March 2025

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## IMPORTANT NOTICES

### ***Responsibility for these Base Admission Particulars***

Each Issuer accepts responsibility for the information contained in these Base Admission Particulars and the Pricing Supplement for each Tranche issued by it under the Programme and declares that, to the best of its knowledge, the information contained in these Base Admission Particulars is, in accordance with the facts and these Base Admission Particulars makes no omission likely to affect its import.

### ***Pricing Supplement/Drawdown Admission Particulars***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called the pricing supplement (the "**Pricing Supplement**") or in a separate admission particulars specific to such Tranche (the "**Drawdown Admission Particulars**") as described under "*Pricing Supplement and Drawdown Admission Particulars*" below.

### ***Other relevant information***

These Base Admission Particulars must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of a Pricing Supplement, must be read and construed together with the relevant Pricing Supplement. In the case of a Tranche of Notes which is the subject of a Drawdown Admission Particulars, each reference in these Base Admission Particulars to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Admission Particulars unless the context requires otherwise.

Each of the Issuers confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### ***Unauthorised information***

No person has been authorised to give any information or to make any representation not contained in or not consistent with these Base Admission Particulars or any other document entered into in relation to the Programme or any information supplied by the Issuers or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuers or any Dealer.

None of the Arranger, the Dealers nor any of their respective affiliates have authorised the whole or any part of these Base Admission Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Base Admission Particulars or any responsibility for the acts or omissions of the Issuers or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of these Base Admission Particulars or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in these Base Admission Particulars is true subsequent to the date hereof or the date upon which these Base Admission Particulars 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 prospects or financial or trading position of the Issuers since the date thereof or, if later, the date upon which these Base Admission Particulars has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of these Base Admission Particulars and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Base Admission Particulars or any Pricing Supplement comes are required by the relevant Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of these Base Admission Particulars or any Pricing Supplement and other offering material relating to the Notes, see "*Subscription and Sale*".

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

Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in these Base Admission Particulars;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) understand thoroughly the Terms and Conditions of the Notes thereof;
- (iv) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes;
- (v) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In particular, the Notes have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

**NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THESE BASE ADMISSION PARTICULARS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Neither these Base Admission Particulars nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuers, the Arranger, the Dealers or any of them that any recipient of these Base Admission Particulars or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of these Base Admission Particulars or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuers.

#### **Product Governance under Directive 2014/65/EU (as amended)**

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 "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Pricing Supplement in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

## **Product Governance under UK MiFIR**

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, 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.

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 EU MiFID II; or (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 EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes 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 Notes 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**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 domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## ***UK Benchmarks Regulation***

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of EUWA (the "**UK Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement 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 Benchmarks Regulation. The registration status of any administrator under the UK Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the relevant Pricing Supplement to reflect any change in the registration status of the administrator.

## ***Product classification pursuant to Section 309B of the Securities and Futures Act 2001***

The Pricing Supplement in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Issuers will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding under the Programme will not exceed £1,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into pounds sterling at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

### ***Certain definitions***

In these Base Admission Particulars, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, and references to "**pounds**", "**sterling**", "**Sterling**" or "**£**" are to the currency of the UK.

Certain figures included in these Base Admission Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### ***Ratings***

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

### ***Stabilisation***

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over allot Notes or effect transactions with a view to supporting the market price of the Notes 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 of Notes 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 of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. 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.**

## FORWARD-LOOKING STATEMENTS

These Base Admission Particulars contain certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in these Base Admission Particulars, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Issuers are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors described in these Base Admission Particulars:

- regulatory price controls to which the Issuers are subject;
- potential financial penalties and compensation payments;
- potential license modifications;
- any failure by the Issuers to comply with legislation, or a health and safety incident;
- changes to environmental laws and regulations;
- failures or interruptions to the Issuers' information technology systems or network infrastructure;
- failure to invest sufficiently in technology and innovation;
- damage to the Issuers' infrastructure;
- factors affecting the ability of the Issuers to access the capital markets or other sources of finance at competitive rates;
- the ability of the Issuers to obtain insurance cover on commercially acceptable terms; and
- any significant price rises of key materials and/or failure to secure key materials by the Issuers.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". Any forward-looking statements made by or on behalf of the Issuers speak only as at the date they are made. The Issuers do not undertake to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.



## OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of these Base Admission Particulars and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The relevant Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Base Admission Particulars or Drawdown Admission Particulars will be published.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in these Base Admission Particulars have the same meanings in this overview.*

<b>The Issuers:</b>	Northern Powergrid (Yorkshire) plc  Northern Powergrid (Northeast) plc
<b>Arranger:</b>	Barclays Bank PLC
<b>Dealers:</b>	Barclays Bank PLC, HSBC Bank plc, Lloyds Bank Corporate Markets plc and RBC Europe Limited  and any other Dealers appointed in accordance with the Dealer Agreement
<b>Trustee:</b>	HSBC Corporate Trustee Company (UK) Limited
<b>Principal Paying Agent:</b>	HSBC Bank plc
<b>Registrar</b>	HSBC Bank plc
<b>Description:</b>	Euro Medium Term Note Programme
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of these Base Admission Particulars.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

<b>Programme Size:</b>	Up to £1,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
<b>Issuance in Series:</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Notes may be denominated in any currency or currencies agreed between the relevant Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(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 (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc. or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant pricing supplement, each as published by ISDA (or any successor) on its website (<a href="http://www.isda.org">http://www.isda.org</a>), on the date of issue of the first Tranche of the Notes of such Series; or</li> <li>(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.</li> </ul> <p>The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p>
<b>Benchmark discontinuation (Floating Rate Notes only):</b>	In the event that a Benchmark Event or Benchmark Transition Event (as applicable) occurs, such that any rate of interest (or any component part thereof) cannot (now or in the future) be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Pricing Supplement, then the relevant Issuer may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with

consequent amendment to the terms of such Series of Notes and the application of an adjustment spread (which could be positive, negative or zero, or the formula or methodology for calculating a spread)). See further Condition 7(f) (*Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*) and Condition 7(n) (*Benchmark Replacement-Independent Adviser*) for further details.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest.

**Redemption:**

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

*Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "Certain Restrictions – Selling Restrictions Addressing Additional United Kingdom Securities Laws".*

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Subscription and Sale - Other UK regulatory restrictions*", and the regulations of the applicable securities system in which the Notes are issued and save that the minimum denomination of each Note offered to the public either in a Member State of the European Economic Area or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under either the Regulation (EU) 2017/1129 ("**EU Prospectus Regulation**") or the (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA ("**UK Prospectus Regulation**") will be Euro 100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency).

**Taxation:**

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 12 (*Taxation*). In the event that any such deduction is made, the relevant Issuer will, save in certain limited circumstances provided in Condition 12 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:**

The terms of the Notes will contain a negative pledge provision as further described in Condition 5 (*Negative Pledge*).

**Cross Default:**

The terms of the Notes will contain a cross default provision as further described in Condition 13(a)(C) (*Events of Default*).

**Listing and admission to trading:**

Application has been made for Notes to be admitted during the period of twelve months after the date hereof to trading on the International Securities Market of the London Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the

relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

<b>United States Selling Restrictions:</b>	Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.
<b>Status:</b>	The Notes are direct, unconditional and (subject to the provisions of Condition 5 ( <i>Negative Pledge</i> )) unsecured obligations of the relevant Issuer.
<b>Form:</b>	The Notes will be issued in bearer or registered form as specified in the applicable Pricing Supplement.
<b>Rating:</b>	<p>The Notes are expected to be rated A by S&amp;P and A by Fitch.</p> <p>In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation.</p> <p>Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.</p>
<b>Governing Law:</b>	The Notes, the Trust Deed and the Agency Agreement, and any non-contractual obligations arising out of or in connection therewith, will be governed by English law.
<b>Clearing Systems:</b>	Euroclear/Clearstream, Luxembourg
<b>Selling Restrictions:</b>	See " <i>Subscription and Sale</i> ".
<b>Risk Factors:</b>	Investing in the Notes involves risks. See "Risk Factors".
<b>Use of proceeds:</b>	The net proceeds from each issue of Notes will be used for the general corporate purposes of the relevant Issuer.

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuers, the industry in which they operate, together with all other information contained in these Base Admission Particulars, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in these Base Admission Particulars have the same meanings in this section.*

*Prospective investors should note that the risks relating to the Issuers, the industry in which they operate and the Notes summarised in the section of these Base Admission Particulars headed "Overview" are the risks that the Issuers believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuers face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of these Base Admission Particulars headed "Overview" but also, among other things, the risks and uncertainties described below.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuers that are not currently known to the Issuers, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuers and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in these Base Admission Particulars and their personal circumstances.*

### **Factors that may affect the Issuers' ability to fulfil their obligations under the Notes**

#### ***Risks related to regulatory price controls***

The Issuers are regulated by the Gas and Electricity Markets Authority for Great Britain (commonly referred to as "Ofgem"), each as distribution network operators ("DNOs"). As such, the Issuers are subject to price controls, set and enforced by Ofgem, that limit the revenue that may be recovered and retained from their electricity distribution activities. See "*Description of the Issuers – Regulatory Framework*" for more information on this. Ofgem has a duty to carry out its functions, including its price control functions, in a manner which it considers promotes value for money and protects the interests of consumers. Decisions by Ofgem in respect of permitted revenue and constraints on business developments may adversely impact the operations and financial position of the Issuers. The current electricity distribution price control, known as RIIO-ED2 became effective on 1 April 2023 and runs for the five-year period ending 31 March 2028. Ofgem published its Final Determination in November 2022 under RIIO-ED2.

There is no guarantee that future price control reviews will permit the generation of sufficient revenues to enable the Issuers to meet their financial obligations. If such a change were to occur, it would have a significant negative impact on the ability of each Issuer to meet its payment obligations in respect of Notes issued by it under the Programme.

#### ***Risks related to potential financial penalties and compensation payments***

Pursuant to their regulation by Ofgem, the Issuers may be subject to financial penalties, enforcement orders, compensation payments imposed by Ofgem, or loss of incentive revenues, if they fail to comply with the conditions of their respective distribution licences or certain statutory conditions, if they fail to achieve a satisfactory performance in relation to individual standards of performance, or if they fail to operate and/or maintain their distribution networks properly, including failing to meet their respective required investment programmes. See "*Description of the Issuers – Regulatory Framework*" for more information. If Ofgem deemed a failure to be so serious that severe penalties, enforcement orders or compensation payments were imposed on either of the Issuers, it would have a significant negative impact on the ability of such Issuer to meet its payment obligations in respect of Notes issued by it under the Programme.

#### ***Risks related to potential licence modifications***

Ofgem has formal powers to modify the distribution licences of DNOs, including the Issuers. In February 2023, Ofgem published its decision on proposed modifications to the DNO licences. These modifications are based on Ofgem's RIIO-ED2 price control decisions of November 2022.

There is no guarantee that Ofgem will not introduce a material modification to the Issuers' distribution licences under future price controls or other measures in the future which could have a significant negative impact on the ability of the Issuers to meet their respective payment obligations in respect of Notes issued under the Programme.

### ***Health and safety***

Failure to comply with legislation, or a health and safety incident, could lead to prosecution by the Health and Safety Executive, which could result in the Issuers being subject to substantial financial penalties, reputational damage, disruption of operations or criminal sanctions against the Issuers, their directors and their employees. The Issuers place the highest priority on health and safety and invest in robust training and auditing of all their employees. However, failure to implement and maintain effective health and safety management and governance could result in a serious health and safety incident which would have a significant negative impact on the ability of the Issuers to meet their respective payment obligations in respect of Notes issued under the Programme.

### ***Environmental laws and regulations***

The Issuers' activities, including the operation of their respective distribution networks and the distribution of electricity, are potentially dangerous. The Issuers are subject to laws and regulations relating to pollution, the protection of the environment and the use and disposal of hazardous substances and waste materials. These laws and regulations expose the Issuers to costs and liabilities relating to their operations and properties whether current, including those inherited from predecessor bodies, or formerly owned by the Issuers and sites used for the disposal of their waste.

Significant resources are committed towards ensuring compliance with these laws and regulations. Nevertheless, a major environmental impact incident could expose employees, contractors and third parties to the risk of injury, therefore exposing the Issuers to potential liability and/or loss of reputation. In addition, breaches of applicable environmental laws or regulations could expose the Issuers to penalties, claims for financial compensation and/or adverse regulatory consequences. Furthermore, there can be no assurance that costs of compliance with applicable environmental standards and regulations will not increase, and any such increased costs could adversely affect the Issuers' financial performance and their respective abilities to pay interest and repay principal on Notes issued under the Programme.

### ***Network or IT Systems failure or interruption***

The Issuers' businesses are heavily reliant on information technology ("IT") systems and the network infrastructure. The Issuers may suffer major network failures or interruptions or may not be able to carry out critical non-network operations. Operational performance could be materially adversely affected by a failure to maintain the health of the Issuers' respective systems or networks, inadequate forecasting of demand, inadequate record keeping or failure of information systems and supporting technology. This could cause the Issuers to fail to meet the standards of service with which they are bound to comply, requiring the payment of specific penalties for default, or it could cause the Issuers to be in breach of a licence, approval, regulatory requirement, or contractual obligation, which could result in adverse regulatory and financial consequences.

### ***Technology and Sustainability***

As the UK aims to make significant reductions in its carbon emissions, the way in which electricity is produced and used is expected to have a substantial impact on the electricity network over time. This has already been evidenced through the number of low-carbon technology installations such as photovoltaic solar panels, electric vehicles and heat pumps. The volume and total capacity of decentralised energy generation has also been growing steadily and, given the greater range of load and generation technologies now connected to the distribution network, the Issuers are taking action to develop innovative solutions that will reduce the need for traditional and potentially expensive reinforcement of the network.

Within the regulatory framework for innovation, the Issuers are running a portfolio of projects in the priority areas of decarbonisation, customer vulnerability and resilience. As the Issuers progress through the RIIO-ED2 period and the role of the Distribution System Operator ("DSO") becomes better defined, decarbonisation will continue to become central not only to the Issuers' strategy, but the way in which the Issuers contribute more broadly to the evolution of the energy industry and the stakeholders with whom they interact.

The Issuers recognise that failure to invest sufficiently in technology and innovation may lead to failure to operate efficiently and may adversely affect the Issuers' financial performance and their ability to pay interest and repay principal on Notes issued under the Programme.

### ***Damage to infrastructure***

The Issuers may be affected by potential events that are largely outside their control such as the impact of weather, unlawful or unintentional acts of third parties or force majeure. Terrorist attacks, sabotage or other intentional acts may also damage their assets or otherwise significantly affect corporate activities.

Cybercrime is an increasing risk and the introduction of the General Data Protection Regulation ("GDPR") during 2018 (which now forms part of United Kingdom domestic law by virtue of the EUWA) places additional duties on the Issuers which could lead to penalties for breaches.

Whilst the Issuers have in place measures to manage the risk that they sustain an adverse financial impact through inability to carry on their operations and have in place business continuity and IT disaster recovery plans, the risk remains that any failure or interruption could cause the Issuers to fail to meet agreed standards of service or be in breach of a licence, approval, regulatory requirement or contractual obligation and could result in adverse regulatory and financial consequences and therefore adversely affect the Issuers' ability to pay interest and repay principal on Notes issued under the Programme.

### ***Retail prices index movements and cost-base variations***

The annual revenues of the Issuers under RIIO-ED2 are adjusted by the published Consumer Prices Index Including Owner Occupiers' Housing Costs ("CPIH"). CPIH is similar to the Consumer Price Index (which excludes changes in housing costs and mortgage interest payments) but it includes a measure of owner-occupiers' housing costs (based on a rental equivalence approach). There is a risk that the Issuers' cost base may change at a different rate than their revenues due to changes in CPIH affecting components of the Issuers' cost base or the value ascribed by Ofgem to the capital employed in the regulated business ("RAV"). If that were to happen, the Issuers' profitability could be reduced and, if the differential between CPIH-linked inflation and experienced operating cost inflation was sufficiently large, it could adversely affect the Issuers' businesses, financial position and results of operations and therefore the Issuers' ability to pay interest and repay principal on Notes issued under the Programme.

### ***Financing***

The Issuers depend on being able to access financial markets to finance their operations and to refinance existing indebtedness as it becomes due. Financial markets can be subject to periods of volatility and shortages of liquidity. The stability of the global economy and financial institutions remains uncertain and if the Issuers were unable to access the capital markets or other sources of finance at competitive rates for a prolonged period, this could adversely affect the ability of the Issuers to meet their funding requirements, which could have a significant negative impact on the ability of the Issuers to meet their respective payment obligations in respect of Notes issued under the Programme.

### ***Insurance***

The Issuers seek to maintain insurance cover on all their key property and liability exposures to a level consistent with sound business practice, using appropriate insurance products and providers, including self-insurance where applicable. However, the insurance market is volatile, and it is not always possible to obtain appropriate cover at commercially acceptable premia or at all, which means that the Issuers may not always be able to obtain or renew insurance cover in respect of some risks. If one or more major incidents (such as accidents involving the Issuers' equipment) were to occur which were not covered, or not adequately covered, by insurance, this could adversely affect the Issuers' financial position and could have a significant negative impact on the ability of the Issuers to meet their respective payment obligations in respect of Notes issued under the Programme.

### ***Procurement***

To support their core business activities, it is necessary for the Issuers to purchase significant quantities of resources and enter into contracts for the supply of other products and services. Whilst the Issuers receive protection from inflation through their price controls being index-linked to CPIH, it will be exposed to any changes relative to inflation, either because of commodity prices or issues around supply and demand for plant and equipment or with their contractors. To the extent they purchase equipment from overseas, this exposure would also extend to exchange rate fluctuations.

Although the Issuers routinely enter into long-term contracts to protect their commercial position, significant price rises and/or failure to secure key materials could have a significant adverse effect on the operations and/or financial

position of the Issuers and could adversely affect their ability to pay interest and repay principal on Notes issued under the Programme.

### ***Pensions***

The Issuers are participating employers in the Northern Powergrid Group of the Electricity Supply Pension Scheme (the "**DB Scheme**"), a defined benefit pension scheme. Further details of the DB Scheme are set out in "*Description of the Issuers*" below.

The DB Scheme is currently in surplus and the surplus as at the last approved actuarial valuation date of 31 March 2022, was £3 million.

The valuation can be affected by several factors including asset volatility, bond yields, interest rates, inflation and life expectancy of the DB Scheme members and could result in the Issuers being required to make higher ongoing contributions and/or deficit repair payments.

Under the electricity regulatory framework, any deficit repair payments relating to regulated distribution businesses and cash contributions payable in respect of new benefit accrual in defined benefit schemes, along with cash contributions payable to any defined contribution arrangements are subject to efficiency reviews and will only be funded under the price control mechanism if deemed to be efficient.

Following an efficiency review of the DB Scheme by Ofgem in 2023, it was confirmed that the DB Scheme deficit, if any, would continue to be funded through the price control mechanism. However, if Ofgem deems under future efficiency reviews that any cash contributions have not been efficiently incurred, it may restrict the amount that can be recovered from customers in the future which could adversely affect the Issuers' financial position and the Issuers' ability to pay interest and repay principal on Notes issued under the Programme.

### ***Special Administration Regime for electricity DNOs***

The Energy Act 2004 provides for a special administration regime for the holders of electricity distribution licences. This regime makes provisions for energy administration orders and is designed to ensure the uninterrupted operation of electricity networks essential to secure supply of electricity in the event of actual or threatened insolvency of such a licence holder.

An application for an energy administration order can only be made by the Secretary of State, or by Ofgem with the consent of the Secretary of State. Upon application, a court can only make an energy administration order if it is satisfied that the DNO is or is likely to be unable to pay its debts or that, on a petition from the Secretary of State under the Insolvency Act 1986, it would be just and equitable (aside from the objective of energy administration) to wind up the DNO in the public interest.

The making of an application for an administration order in respect of either Issuer would give rise to a moratorium on the enforcement of debts against that Issuer.

The energy administrator may preserve the DNO as a going concern or may transfer its undertaking as a going concern to one or more other companies. The objective of an energy administrator is to ensure that a DNO's distribution network is maintained and developed efficiently and economically, and this objective takes precedence over the protection of the respective interests of members and creditors of the DNO and therefore could adversely affect the interests of the holders of Notes issued under the Programme.

### ***Risk Relating to the Notes***

#### ***The Notes may be redeemed prior to maturity***

In the event that, as a result of a change in law or regulation, an Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, and such obligation cannot be avoided by reasonable measures, the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Pricing Supplement specifies that the Notes are redeemable at the relevant Issuer's option in certain other circumstances and accordingly the relevant Issuer may



choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. An optional redemption feature is likely to limit the market value of the Notes. During any period when the relevant Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

***There is no active trading market for the Notes***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). Although applications have been made for the Notes to be admitted to listing on the International Securities Market of the London Stock Exchange, there can be no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, or that an active trading market will develop or, if developed, that it will continue. In addition, the ability of the Dealers to make a market in the Notes (if applicable) may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuers.

***Credit Rating may not reflect all risks***

One or more independent credit rating agencies may assign a credit rating to the issue of Notes. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit 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.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Neither the list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation nor the equivalent list published by the FCA on its website in accordance with the UK CRA Regulation is 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 or FCA list, as applicable.

If the status of a rating agency rating the Notes changes, certain regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in such regulated investors selling the Notes, which may impact the value of the Notes and any secondary market in such Notes.

***Modifications, waivers and substitution***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the

Conditions, the Trust Deed or the Agency Agreement without the consent of the Noteholders, (ii) that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company in place of the relevant Issuer assuming the obligations of the relevant Issuer provided certain conditions are fulfilled.

Accordingly, there is a risk that the terms of the Notes, the Conditions, the Trust Deed or the Agency Agreement may be modified, waived or amended in circumstances where a Noteholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Noteholder.

#### ***Notes with integral multiples***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. Noteholders who, as a result of trading such amounts, hold a principal amount of Notes other than a multiple of the minimum Specified Denomination will receive definitive Notes in respect of their holding (provided that the aggregate amount of Notes they hold is in excess of the minimum Specified Denomination), however, any such definitive Notes which are printed in denominations other than the minimum Specified Denomination may be illiquid and difficult to trade. Furthermore, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

#### ***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuers***

Notes issued under the Programme may be represented by one or more Global Bearer Notes or Global Registered Notes (together the "**Global Notes**") (as the case may be). Such Global Notes will be deposited with a common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, holders of the Notes will not be entitled to receive definitive Notes or, in the case of Global Registered Notes, Individual Note Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Notes are represented by one or more Global Notes, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

#### ***Interest Rate and Exchange Rate Risks***

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes.

#### ***The value of the Notes could be adversely affected by a change in law or administrative practice.***

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection with such Notes are governed by English law.

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 this Base Admission Particulars and any such change could materially adversely impact the value of any Notes affected by it.

***If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes***

The relevant Issuer will pay principal and interest on the Notes in the currency specified in the applicable Pricing Supplement (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 Notes; (2) the Investor's Currency equivalent value of the principal payable on the Notes; and (3) the Investor's Currency equivalent market value of the Notes.

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 relevant Issuer to make payments in respect of the Note. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***Regulation of benchmarks may lead to future reforms or discontinuation***

Interest rates or other types of rates and indices which are deemed to be benchmarks, including the Euro Interbank Offered Rate ("**EURIBOR**"), the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**") and the euro short-term rate ("**€STR**"), have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Notes linked to or referencing a benchmark rate or index – for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation and/or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks, or lead to the discontinuance or unavailability of quotes of certain benchmarks.

Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("**€STR**") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(n) (*Benchmark Replacement-Independent Adviser*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

***The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index***

Newer reference rates or any related indices and rates that fall outside the scope of the EU Benchmarks Regulation and UK Benchmarks Regulation may also be subject to changes or discontinuation. For example, the Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of

SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

***Interest rate "fallback" arrangements may lead to Notes performing differently or the effective application of a "fixed rate"***

If a relevant benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, occurs, the Conditions of the Notes provide for certain fallback arrangements. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective.

Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Moreover, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Additionally, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***Methodologies for the calculation of risk-free rates (including overnight rates or forward-looking rates) as reference rates for Floating Rate Notes may vary and may evolve***

"Risk-free" rates, such as SONIA, SOFR and €STR, as reference rates for Eurobonds, have become more commonly used as benchmark rates for bonds in recent years. Most of the rates are backwards-looking, but the methodologies to calculate the risk-free rates are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of otherwise similar securities.

The Issuers may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme.

Such variations could result in reduced liquidity or increased volatility or might otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time. In addition, investors should consider how any mismatch between applicable conventions for the use of 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 Notes referencing such risk-free rates. Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

***It is not possible to calculate interest rates in advance for Notes which reference SONIA, SOFR, €STR or any related indices***

Interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may therefore be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes.

Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 13 (*Events of Default*), or are otherwise

redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, these Base Admission Particulars:

1. the auditor's report and audited financial statements of NPg Yorkshire for the year ended 31 December 2022 which appear on pages 25 to 92 of the Issuer's Annual Report and Consolidated Financial Statements for the Year Ended 31 December 2022 (<https://www.northernpowergrid.com/sites/default/files/assets.pdf>);
2. the auditor's report and audited financial statements of NPg Yorkshire for the year ended 31 December 2023 which appear on pages 27 to 90 of the Issuer's Annual Report and Financial Statements for the Year Ended 31 December 2023 (<https://www.northernpowergrid.com/sites/default/files/assets.pdf>);
3. the unaudited half-yearly Financial Report of NPg Yorkshire for the six months ended 30 June 2024 (<https://www.northernpowergrid.com/sites/default/files/assets/Northern%20Powergrid%20%28Yorkshire%29%20%202024%20Interims%20Final.pdf>);
4. the auditor's report and audited financial statements of NPg Northeast for the year ended 31 December 2022 which appear on pages 27 to 110 of the Issuer's Annual Report and Financial Statements for the Year Ended 31 December 2022 (<https://www.northernpowergrid.com/sites/default/files/assets/Northern%20Powergrid%20%28Northeast%29%20plc%20Annual%20Accounts%20to%2031%2012%202022.pdf>);
5. the auditor's report and audited financial statements of NPg Northeast for the year ended 31 December 2023 which appear on pages 27 to 105 of the Issuer's Annual Report and Financial Statements for the Year Ended 31 December 2023 (<https://www.northernpowergrid.com/sites/default/files/assets>); and
6. the unaudited half-yearly Financial Report of NPg Northeast for the six months ended 30 June 2024 (<https://www.northernpowergrid.com/sites/default/files/assets>).

Copies of documents incorporated by reference in these Base Admission Particulars may be obtained (without charge) from the website of the relevant Issuer by using the links set out above.

Any documents themselves incorporated by reference in the documents incorporated by reference in these Base Admission Particulars shall not form part of these Base Admission Particulars. Any information contained in any of the documents specified above which is not expressly incorporated by references in these Base Admission Particulars does not form part of these Base Admission Particulars and is either not relevant to investors or is covered elsewhere in these Base Admission Particulars. Any information contained in any website referred to in any of the documents specified above does not form part of these Base Admission Particulars.

## **PRICING SUPPLEMENT AND DRAWDOWN ADMISSION PARTICULARS**

In this section the expression "necessary information" means, in relation to any Tranche of Notes, all information which is necessary to enable users of the ISM to make an informed assessment of the ability of the relevant Issuer to meet its obligations to holders of the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuers have included in these Base Admission Particulars all of the necessary information except for information relating to the Notes which is not known at the date of these Base Admission Particulars and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in these Base Admission Particulars and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Pricing Supplement or in a Drawdown Admission Particulars.

For a Tranche of Notes which is the subject of a Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, complete these Base Admission Particulars and must be read in conjunction with these Base Admission Particulars. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Pricing Supplement are the Conditions described in the relevant Pricing Supplement as amended or supplemented to the extent described in the relevant Pricing Supplement.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Admission Particulars will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Admission Particulars. In the case of a Tranche of Notes which is the subject of a Drawdown Admission Particulars, each reference in these Base Admission Particulars to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Admission Particulars unless the context requires otherwise.

Each Drawdown Admission Particulars will be constituted either by a single document containing the necessary information relating to the relevant Issuer and the relevant Notes.

## FORMS OF THE NOTES

### Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Pricing Supplement will indicate whether such Bearer Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### Temporary Global Note exchangeable for Permanent Global Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
  - (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,
- within 7 days of the bearer requesting such exchange.

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

15 4.4(a)(A)

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or



- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) an Event of Default as defined in Condition 13 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

#### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (b) at any time, if so specified in the relevant Pricing Supplement; or
- (c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
  - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) an Event of Default as defined in Condition 13 (*Events of Default*) occurs and the Notes become due and payable.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*"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."*

### **Registered Notes**

Each Tranche of Notes in registered form ("**Registered Notes**"), will be represented by either individual note certificates in registered form ("**Individual Note Certificates**") or a global note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Pricing Supplement.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The relevant Pricing Supplement will indicate whether such Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

### ***Global Registered Note exchangeable for Individual Note Certificates***

If the relevant Pricing Supplement specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:
  - (a) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (b) an Event of Default (as defined in Condition 13 (*Events of Default*)) occurs and the Notes become due and payable.

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. To the extent permitted by applicable law and/or regulation, the Pricing Supplement in respect of any Tranche of Notes may supplement, amend or replace any information in these Base Admission Particulars.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme:* Northern Powergrid (Yorkshire) plc ("**NPg Yorkshire**") and Northern Powergrid (Northeast) plc ("**NPg Northeast**") and together with NPg Yorkshire, the "**Issuers**" and each an "**Issuer**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to £1,000,000,000 in aggregate principal amount of notes (the "**Notes**"). References in the terms and conditions to the "**Issuer**" are to the entity named as such in the applicable Pricing Supplement.
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 21 March 2025 (as modified or amended or supplemented from time to time, the "**Trust Deed**") between the Issuers and HSBC Corporate Trustee Company (UK) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 21 March 2025 (the "**Agency Agreement**") between the Issuers, as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), HSBC Bank plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));

**"2021 ISDA Definitions"** means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

**"Accrual Yield"** has the meaning given in the relevant Pricing Supplement;

**"Additional Business Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Additional Financial Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Pricing Supplement, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

**"Calculation Amount"** has the meaning given in the relevant Pricing Supplement;

**"Companies Act"** means the Companies Act 2006 as amended or re-enacted from time to time and all subordinate legislation made pursuant thereto;

**"Coupon Sheet"** means, in respect of a Note, a coupon sheet relating to the Note;

**"DA Selected Bond"** means the government security or securities selected by the Determination Agent as having the nearest actual or interpolated maturity comparable with the Remaining Term of the relevant Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the Specified Currency and with a comparable remaining maturity to the Remaining Term; *provided however*, that, if the Remaining Term of the Notes to be redeemed is less than one year, a fixed maturity of one year shall be used;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iv) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

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 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";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

**"Determination Agent"** means an independent adviser, investment bank or financial institution of recognised standing with appropriate expertise selected by the Issuer at the Issuer's expense;

**"Early Redemption Amount (Tax)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Early Termination Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

**"Electricity Act"** means the Electricity Act 1989 as amended or re-enacted from time to time and all subordinate legislation made pursuant thereto;

**"Electricity Distribution Licence"** means the electricity distribution licence granted or treated as granted to the Issuer under section 6(1)(c) of the Electricity Act;

**"Energy Act"** means the Energy Act 2004 as amended or re-enacted from time to time and all subordinate legislation made pursuant thereto;

**"Energy Administrator"** means an energy administrator appointed pursuant to Part 3 of the Energy Act;

**"EURIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

**"Extraordinary Resolution"** has the meaning given in the Trust Deed;

**"Final Determination"** means the final determination document published by Ofgem for each electricity distribution price control review;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

**"First Interest Payment Date"** means the date specified in the relevant Pricing Supplement;

**"Fixed Coupon Amount"** has the meaning given in the relevant Pricing Supplement;



**"Holder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination and Title - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination and Title – Title to Registered Notes*);

**"Indebtedness for Borrowed Money"** means any indebtedness (whether being principal, premium, interest or other amounts) for (i) money borrowed, (ii) payment obligations under or in respect of any acceptance or acceptance credit, or (iii) any notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case selected and appointed by the Issuer at its own expense.

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

**"Interest Determination Date"** has the meaning given in the relevant Pricing Supplement;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date);

**"Investment Grade Rating"** means a credit rating assigned by a Rating Agency of BBB- (in the case of such ratings assigned by S&P and/or Fitch) or Baa3 (in the case of such ratings assigned by Moody's) or the equivalents of such ratings for the time being, or better;

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor);

**"ISDA Definitions"** has the meaning given in the relevant Pricing Supplement;

**"Issue Date"** has the meaning given in the relevant Pricing Supplement;

**"Make Whole Redemption Price"** has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

**"Margin"** has the meaning given in the relevant Pricing Supplement;

**"Maturity Date"** has the meaning given in the relevant Pricing Supplement;

**"Maximum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Minimum Rate of Interest"** for any Interest Period has the meaning given in the relevant Pricing Supplement but shall never be less than zero, including any relevant margin;

**"Minimum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Negative Certification"** has the meaning given in Condition 14;

A **"Negative Rating Event"** shall be deemed to have occurred if (i) the Issuer does not, either prior to or no later than 14 days after the date of a Negative Certification (as defined in Condition 14 (*Restructuring Event*)) in respect of the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, from a Rating Agency, a rating of the Reference Rated Securities or these Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more or (ii) if it does so seek and use such endeavours, it is unable, as a result of such Restructuring Event, to obtain such a rating which is an Investment Grade Rating;

**"Noteholder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination and Title - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination and Title - Title to Registered Notes*);

**"Ofgem"** means the Gas and Electricity Markets Authority and/or the Office of Gas and Electricity Markets, including their successor office or body, as appropriate;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Pricing Supplement;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Pricing Supplement;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Par Redemption Date"** has the meaning given in the relevant Pricing Supplement;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Quotation Time"** has the meaning given in the relevant Pricing Supplement;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**"Rating Agencies"** means S&P and Fitch, and **"Rating Agency"** means either one of them;

A **"Rating Downgrade"** shall be deemed to have occurred (i) if the then current rating assigned to any Reference Rated Securities by any Rating Agency (whether provided by a Rating Agency at the invitation of the Issuer or by its own volition) is withdrawn or reduced from an Investment Grade Rating to a non-Investment Grade Rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, (ii) if any Rating Agency shall then have already assigned a non-Investment Grade Rating (as described above) to the Reference Rated Securities, such rating is lowered one full rating category, provided that, in the case of (i) or (ii), if during the Restructuring Period the Reference Rated Securities have at least one Investment Grade Rating then it shall be deemed that no Rating Downgrade shall have occurred;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Price, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

**"Redemption Margin"** means the figure specified in the relevant Pricing Supplement;

**"Reference Bond"** means the bond specified in the relevant Pricing Supplement or, if not so specified or to the extent that such Reference Bond specified in the Pricing Supplement is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

**"Reference Bond Price"** means, with respect to any Reference Bond and any Reference Date, (i) if at least five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations, or (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

**"Reference Bond Rate"** means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Notes, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

**"Reference Date"** means the date falling three London Business Days prior to the Optional Redemption Date (Call);

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is appointed), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount): (a) which appear on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date; or (b) to the extent that in the case of (a) above either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant

Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**"Reference Price"** has the meaning given in the relevant Pricing Supplement;

**"Reference Rate"** means EURIBOR, SONIA, SONIA Compounded Index, SOFR, SOFR Compounded Index or €STR as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement. Other than in the case of U.S. dollar-denominated floating rate Notes for which the "Reference Rate" is specified in the relevant Pricing Supplement as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

**"Reference Rated Securities"** means the Notes for so long as they have a rating from a Rating Agency, and otherwise any other unsecured and unsubordinated debt securities of the Issuer having an initial maturity of five years or more which are rated by a Rating Agency;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

**"Regulated Asset Value"** means the regulatory asset value of the Issuer as set out in the most recent Final Determination or, if any electricity distribution price control financial model has been published on Ofgem's website since the most recent Final Determination, the regulatory asset value of the Issuer as set out in such financial model, in each case, adjusted for inflation, as of the 31 March nearest to the date of determination, *provided that* if at any time Ofgem alters its methodology of determining Regulated Asset Value in a manner which results in a change in Regulated Asset Value, appropriate adjustments to this definition (and to other terms defined or described herein solely for the purposes of this definition) so as to preserve the original intent of Condition 13(a)(C) (*Events of Default*) shall be determined by an independent accountant experienced in the regulated electricity distribution market selected by the Issuer;

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Indebtedness"** means any indebtedness (whether being principal, premium, interest or other amounts) in the form of or represented by notes, bonds, debentures, debenture stock, loan stock or other securities, whether issued for cash or in whole or in part for a consideration other than cash, and which, with the agreement of the person issuing the same, are quoted, listed or ordinarily dealt in on any stock exchange or recognised over-the-counter or other securities market;

**"Relevant Make Whole Screen Page"** means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information

service or such other information service, in each case, as may be nominated by the Determination Agent for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Remaining Term"** means the term to maturity or, if a Par Redemption Date is specified in the relevant Pricing Supplement, to such Par Redemption Date;

**"Reserved Matter"** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

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

- (i) (a) written notice being given to the Issuer of revocation of the Issuer's Electricity Distribution Licence which is requisite to the conduct of the Issuer's business at the relevant time or (b) the Issuer agreeing in writing to any revocation or surrender of the Issuer's Electricity Distribution Licence which is requisite to the conduct of the Issuer's business at the relevant time or (c) any legislation (whether primary or subordinate) being enacted terminating or revoking the Issuer's Electricity Distribution Licence which is requisite to the conduct of the Issuer's business at the relevant time, except in any such case in circumstances where a licence or licences is or are granted to the Issuer or a Subsidiary of the Issuer 100 per cent of the ordinary share capital of which is owned directly or indirectly by the Issuer (the **"Relevant Transferee"**) and *provided that* the terms of such licence or licences are substantially no less favourable than the Electricity Distribution Licence in which event all references in these Conditions to the Electricity Distribution Licence and the Issuer in its capacity as holder of the Electricity Distribution Licence shall hereafter be deemed to be references to the licence or licences on substantially no less favourable terms and the Relevant Transferee respectively; or
- (ii) any modification (other than a modification which is of a formal, minor or technical nature) being made to the terms and conditions of the Electricity Distribution Licence on or after the Issue Date unless two Directors of the Issuer have certified in good faith to the Trustee (and the Trustee may rely absolutely on such certification) that the modified terms and conditions are not materially less favourable to the business of the Issuer. For the purposes of this paragraph (ii) a modification which (a) results in a licence or licences being granted to the Issuer or a Subsidiary of the Issuer 100 per cent of the ordinary share capital of which is owned directly or indirectly by the Issuer (collectively, the **"Applicable Transferees"**) and *provided that* the terms of such licence or licences are substantially no less favourable than the terms of the Electricity Distribution Licence or (b) results in a licence or licences being granted to an Applicable Transferee *provided that* the terms of such licence or licences are substantially no less favourable than the terms of the Electricity Distribution Licence, shall not be deemed to be a modification within this paragraph (ii). In the event of such a modification as is referred to in (a) or (b), all references in these Conditions to the Electricity Distribution Licence and the Issuer in its capacity as holder of the Electricity Distribution Licence shall thereafter be deemed to be references to the licence or licences granted to the Applicable Transferee and to the Applicable Transferee, respectively; or
- (iii) 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) the duties of the Secretary of State (or any successor) and/or Ofgem under the Electricity Act as in force on the Issue Date, unless two Directors of the Issuer have certified in good faith to the Trustee (and the Trustee may rely absolutely on such certification) that such removal, qualification or amendment does not have a materially adverse effect on the financial condition of the Issuer;

A "**Restructuring Put Event**" occurs on the date of the last to occur of (i) a Restructuring Event, (ii) either a Rating Downgrade or, as the case may be, a Negative Rating Event, and (iii) the relevant Negative Certification;

"**Restructuring Period**" means:

- (i) if at the time a Restructuring Event occurs there are Reference Rated Securities, the period of 90 days starting from and including the day on which the Restructuring Event occurs; or
- (ii) if at the time a Restructuring Event occurs there are not Reference Rated Securities, the period starting from and including the day on which the Restructuring Event occurs and ending on the day 90 days following the later of (a) the date on which the Issuer shall seek to obtain a rating pursuant to the definition of Negative Rating Event prior to the expiry of the 14 days referred to in the definition of Negative Rating Event and (b) the date on which a Negative Certification shall have been given to the Issuer in respect of the Restructuring Event;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means a subsidiary or subsidiary undertaking within the meaning of the Companies Act;

"**Talon**" means a talon for further Coupons;

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes or are Registered Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;

- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

### 3. **Form, Denomination and Title**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. **Status**

*Status of the Notes:* The Notes constitute direct, unconditional and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, subject as aforesaid and save for such obligations as may be preferred by laws that are both mandatory and of general application, at all times rank at least equally with all its present and future unsecured and unsubordinated obligations.

#### 5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer will ensure that none of its Relevant Indebtedness or the Relevant Indebtedness of any of its Subsidiaries nor any guarantee given by it or by any such Subsidiary of the Relevant Indebtedness of any other person will be secured by a Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries unless the Issuer shall, before or at the same time as the creation of the Security Interest, take any and all action necessary to ensure that:

- (a) all amounts payable by the Issuer under the Notes and the Trust Deed are secured to the satisfaction of the Trustee equally and rateably with the Relevant Indebtedness or guarantee of Relevant Indebtedness, as the case may be, by such Security Interest; or
- (b) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by the Issuer under any Note and the Trust Deed either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders, or (ii) as shall be approved by an Extraordinary Resolution of the Noteholders.

#### 6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* Other than if the Notes are redeemed on any date that is not an Interest Payment Date, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.



- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest for such Interest Period and the Calculation Amount by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Paying Agents, the Registrar (in the case of Registered Notes) and the Noteholders in accordance with Condition 21 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.
- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified or if the Notes are redeemed on any date that is not an Interest Payment Date shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments - Bearer Notes*) and Condition 11 (*Payments - Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Pricing Supplement) determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
    - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

**provided, however, that** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however,** subject to Condition (n) (*Benchmark Replacement (Independent Adviser)*), that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions (provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee) and under which:

- (i) if the Pricing Supplement specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity, if applicable, is a period specified in the relevant Pricing Supplement;
- (C) the relevant Reset Date, unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions;
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

**provided, however, that** if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation

with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Pricing Supplement and:
  - (1) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;
  - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
  - (3) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Pricing Supplement and:
  - (1) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Pricing Supplement;
  - (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; or
  - (3) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement; and
- (H) if the specified Floating Rate Option is EUR-EURIBOR or EUR-EURIBOR Reuters and an Index Cessation Event occurs the Applicable Fallback Rate will be determined as if the Fallback Observation Day in respect of a Reset Date and the relevant Interest Period was five Business Days preceding the related Interest Payment Date;

- (ii) references in the ISDA Definitions to:

- (A) **"Confirmation"** shall be references to the relevant Pricing Supplement;
- (B) **"Calculation Period"** shall be references to the relevant Interest Period;
- (C) **"Termination Date"** shall be references to the Maturity Date;
- (D) **"Effective Date"** shall be references to the Interest Commencement Date; and
- (iii) if the Pricing Supplement specifies "2021 ISDA Definitions" as being applicable:
  - (A) **"Administrator/Benchmark Event"** shall be disappplied; and
  - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
- (iv) Unless otherwise defined capitalised terms used in this Condition 7(d) shall have the meaning ascribed to them in the ISDA Definitions.
- (e) *Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*
  - (i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SONIA".
  - (ii) Where "SONIA" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent.
  - (iii) For the purposes of this Condition 7(e):

**"Compounded Daily SONIA"**, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

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

**"d"** means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

**"D"** is the number specified in the relevant Pricing Supplement (or, if no such number is specified, 365);

**"d<sub>o</sub>"** means the number of London Banking Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"i" means a series of whole numbers from one to  $d_0$ , each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

**"London Banking Day"** or **"LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"n" for any London Banking Day "i", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

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

"p" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement or if no such period is specified, five London Banking Days;

**"SONIA Reference Rate"** means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

**"SONIA<sub>i</sub>"** means the SONIA Reference Rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant London Banking Day "i";

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised

distributors, such SONIA Reference Rate shall, subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), be:

- (A) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a 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
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (A).
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).
- (f) *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*
- (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SOFR".
  - (ii) Where "SOFR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
  - (iii) For the purposes of this Condition 7(f):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(f).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(f)(iv) below will apply.*

**"Compounded SOFR"** with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

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

"**d**" is the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

"**D**" is the number specified in the relevant Pricing Supplement (or, if no such number is specified, 360);

"**d<sub>o</sub>**" is the number of U.S. Government Securities Business Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

"**i**" is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

"**n<sub>i</sub>**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

**"Observation Period"** in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement or if no such period is specified, five U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (ii) Subject to Condition 7(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR<sub>i</sub>**" means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time. If the Issuer exercises its right to make Benchmark Replacement Conforming Changes at any time, at the request and expense of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate signed by two Directors of the Issuer pursuant to sub-paragraph (v) below, the Trustee, without any requirement for the consent or approval of the Noteholders, and the Agents shall concur with the Issuer in effecting any Benchmark Replacement Conforming Changes required to these Conditions, the Trust Deed and/or the Agency Agreement (and neither the Trustee nor the Agents shall be liable to any party for any consequences thereof). Notwithstanding the above, neither the Trustee nor any Agent shall be obliged so to concur if in its reasonable opinion doing so would have the effect of (i) exposing the Trustee or the Agents to any liabilities against which it has not been indemnified and/or prefunded and/or secured to their satisfaction or (ii) imposing more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or agency agreement) in any way.

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 7(f), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;



- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

**"Benchmark"** means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(f)(iv) above will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 21 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

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

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f); and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

The Trustee and the Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's or the Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Noteholders.

- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) *Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*

- (i) This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Pricing Supplement as being "€STR".
- (ii) Where "€STR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(g):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"D" means the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 360);

"d<sub>0</sub>" means the number of TARGET Settlement Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the €STR Administrator on the €STR Administrator's Website (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

"**€STR Administrator**" means the European Central Bank (or any successor administrator of €STR);

"**€STR Administrator's Website**" means as the website of the European Central Bank or any successor source;

"**€STR<sub>i</sub>**" means the €STR reference rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant TARGET Settlement Day "i".

"i" is a series of whole numbers from one to "d<sub>0</sub>", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable);

"n<sub>i</sub>" for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

"**Observation Period**" means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but

excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

"p" for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement or, if no such period is specified, five TARGET Settlement Days.

- (iv) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 7(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the €STR Administrator on the €STR Administrator's Website, as determined by the Calculation Agent.
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(g)(ii), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).
- (h) *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*

This Condition 7(h) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the relevant Pricing Supplement as being applicable.

Where "Index Determination" is specified in the relevant Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" means either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Pricing Supplement;

"**Compounded Index End**" means the relevant Compounded Index value on the End date;

"**Compounded Index Start**" means the relevant Compounded Index value on the Start date;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**"Index Days"** means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

**"Numerator"** means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

**"Relevant Decimal Place"** shall, unless otherwise specified in the Pricing Supplement, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards); and

**"Relevant Number"** is as specified in the applicable Pricing Supplement, but, unless otherwise specified shall be five.

**"SONIA Compounded Index"** means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

**"SOFR Compounded Index"** means the Compounded SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

**"Start"** means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Pricing Supplement and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 7(e) or Condition 7(f), as applicable) had been specified instead in the Pricing Supplement, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Pricing Supplement, and where the Observation Shift Period for the purposes of the references to that term in Condition 7(e) or Condition 7(f) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Pricing Supplement and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 7(n) (*Benchmark Replacement (Independent Adviser)*) shall apply, and (ii) (in the case of SOFR Compounded Index) a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 7(f)(iv) shall apply.

- (i) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (j) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination (if required by the rules of the relevant competent authority, stock exchange and/or quotation system (if any)). Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified

Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Determination of Rate of Interest following acceleration:* If (i) the Notes become due and payable in accordance with Condition 13 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Notes become due and payable is to be determined by reference to any of Conditions 7(e) (*Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*), 7(f) (*Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*), 7(g) (*Interest – Floating Rate Notes referencing ESTR (Screen Rate Determination)*) and 7(h) (*Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*), then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Trust Deed.
- (n) *Benchmark Replacement (Independent Adviser)*

Other than in the case of a U.S. dollar-denominated floating rate Note for which the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR" or where "SOFR Compounded Index" is specified in the Pricing Supplement as the Index Determination, if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall notify the Calculation Agent and shall use its reasonable endeavours to select and appoint an Independent Adviser, as soon as reasonably practicable, to determine no later than 5 business days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**Determination Cut-off Date**") a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(n)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(n)(ii)) and any Benchmark Amendments (in accordance with Condition 7(n)(iii)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agents or the Noteholders for any determination made by it pursuant to this Condition 7(n)) and the Trustee and the Agents will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

- (i) If the Independent Adviser determines in its discretion that:
  - (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(n) in the event of a further Benchmark Event affecting the Successor Rate; or
  - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(n) in the event of a further Benchmark Event affecting the Alternative Rate.
- (ii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

- (iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(n) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(n)(iv), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice. For the avoidance of doubt, the Trustee and the Agents shall, at the request and expense of the Issuer, without any requirement for the consent or approval of the Noteholders, but subject to receipt by the Trustee and the Agents of a certificate signed by two Directors of the Issuer pursuant to subparagraph (vi) below, concur with the Issuer in effecting any Benchmark Amendments required to these Conditions, the Trust Deed and/or the Agency Agreement (and neither the Trustee nor the Agents shall be liable to any party for any consequences thereof). Notwithstanding the above, neither the Trustee nor any Agent shall be obliged so to concur if in its reasonable opinion doing so would have the effect of (i) exposing the Trustee or the Agents to any liabilities against which it has not been indemnified and/or prefunded and/or secured to its satisfaction or (ii) impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or agency agreement) in any way.
- (iv) If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(n) prior to the relevant Interest Determination Date, the Reference Rate applicable to the relevant Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate that would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. For the avoidance of doubt, any adjustment pursuant to this Condition 7(n)(iv) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(n) (*Benchmark Replacement (Independent Adviser)*).
- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(n) will be notified promptly but in any event no later than the Determination Cut-off Date), by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 21 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer:
  - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(n); and
  - (B) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.

The Trustee and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.
- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad



faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any) and without prejudice to the Trustee's or the Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee and Principal Paying Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

- (viii) Notwithstanding any other provision of this Condition 7(n), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments, in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 7, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction or is otherwise unable (other than due to its own negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such negligence, wilful default or fraud) shall not incur any liability for not doing so.

- (ix) As used in this Condition 7(n):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant 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, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser determines 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 the Reference Rate; or
- (C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(n) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for a commensurate period and in the Specified Currency;

**"Benchmark Amendments"** has the meaning given to it in Condition 7(n)(iii);

**"Benchmark Event"** means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **"Specified Future Date"**); or

- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

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

- (A) 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
- (B) 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; and

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

## 8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant pricing supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant pricing supplement) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant pricing supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

The Trustee shall be entitled to accept (without further enquiry and without liability) such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *Redemption at the option of the Issuer:* If Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part. Such Notes may be redeemed on any Optional Redemption Date (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable,

but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer. The notice shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Pricing Supplement (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:

- (i) the Optional Redemption Amount (Call); or
- (ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be an amount equal to the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and (ii) the sum of the then present values (as determined by the Determination Agent) of the remaining scheduled payments of principal and interest on the Notes to be redeemed (but not including any portion of such payments of interest accrued to the Optional Redemption Date (Call), if any) discounted to the Maturity Date or, if applicable, any earlier Par Redemption Date, at the sum of: (x) the Reference Bond Rate plus (y) the Redemption Margin as determined by the Determination Agent provided however that, in the case of either (i) or (ii) above, if a Par Redemption Date is specified in the relevant Pricing Supplement and the Optional Redemption Date (Call) occurs on or after the Par Redemption Date, the Make Whole Redemption Price will be equal to 100 per cent of the principal amount of the Notes.

- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Clean-up Call:* If Clean-up Call Option is specified in the relevant Pricing Supplement as being applicable, and if, at any time (other than as a direct result of a redemption of some, but not all, of the Notes at the Optional Redemption Price at the Issuer's option pursuant to Condition 9(c) (*Redemption at the option of the Issuer*), the outstanding aggregate principal amount of the Notes is 25 per cent. (or such other amount as is specified in the relevant Pricing Supplement) or less of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 20 (*Further Issues*) and consolidated with the Notes as part of the same Series shall be deemed to have been originally issued) (the "**Clean-up Call Threshold**"), the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date (or, if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, on any Interest Payment Date) upon giving not less than 15 nor more than 30 days' notice to the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount (Clean-up Call) together with any accrued and unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 9(c), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate principal amount of the Notes is equal to or less than the Clean-up Call Threshold. The Trustee shall be entitled to accept such certificate (without further enquiry and without liability) as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.
- (f) *Redemption at the option of Noteholders:* If Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem, or at the election of the Issuer purchase or procure the purchase of, such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Holder

of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above or in accordance with Condition 14 (*Restructuring Event*).
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation (*provided that*, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons relating to them).
- (j) *Cancellation:* All Notes redeemed by the Issuer and any unmatured Coupons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition (i) (*Purchase*) above (together with all unmatured Coupons cancelled with them) may not be reissued or resold.

#### 10. **Payments – Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full

amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (e) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (f) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (g) *Unmatured Coupons void:* If the relevant Pricing Supplement specifies that this Condition 10(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders*), Condition 9(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

- (i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

#### 11. **Payments - Registered Notes**

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (d) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
  - (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) to, or to a third party on behalf of, a Holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
  - (iii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.
- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom, references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

## 13. **Events of Default**

- (a) If:
  - (A) default is made in the payment of (i) any principal or premium (if any) in respect of any Note pursuant to Condition 9 (*Redemption and Purchase*) and such default is continuing for a period of seven days or more, or (ii) for a period of 14 days or more in the payment of any interest due in respect of the Notes; or
  - (B) the Issuer fails to perform or observe any of its other obligations, covenants, conditions or provisions under the Notes or the Trust Deed and (except where the Trustee shall have certified to the Issuer in writing that it considers such failure to be incapable of remedy in which case no such notice or continuation as is hereinafter mentioned will be required) such failure continues for the period of 60 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
  - (C) (i) any other Indebtedness for Borrowed Money of the Issuer or any of its Subsidiaries becomes due and repayable prior to its stated maturity by reason of an event of default (however described) or (ii) any such Indebtedness for Borrowed Money is not paid when



due or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any Indebtedness for Borrowed Money of, any person or (iv) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money of any person or any guarantee or indemnity of Indebtedness for Borrowed Money of any person becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security save in any such case referred to in (i), (ii), (iii) or (iv) where there is a *bona fide* dispute as to whether the relevant Indebtedness for Borrowed Money or any such guarantee or indemnity as aforesaid shall be due and payable, and *provided that* the aggregate amount of the relevant Indebtedness for Borrowed Money in respect of which any one or more of the events mentioned above in this sub-paragraph (C) has or have occurred equals or exceeds 5 per cent of Regulated Asset Value and such event shall continue unremedied or unwaived for more than 14 days (or such longer grace period as may have been originally provided in the applicable instrument) and the time for payment of such amount has not been expressly extended (until such time as any payment default is remedied, cured or waived); or

- (D) any order shall be made by any competent court or any resolution shall be passed for the winding up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (E) the Issuer or any of its Subsidiaries shall cease to carry on the whole or substantially the whole of its business, save in each case for the purposes of amalgamation, merger, consolidation, reorganisation, reconstruction or other arrangement (i) not involving or arising out of the insolvency of the Issuer or such Subsidiary and under which all or substantially all of its assets are transferred, in the case of the Issuer, to a Subsidiary of the Issuer or, in the case of a Subsidiary, to the Issuer or another Subsidiary of the Issuer, or in either case, to a transferee which is, or immediately upon such transfer becomes a Subsidiary of the Issuer or (ii) under which all or substantially all of its assets are transferred to a third party or parties (whether a Subsidiary or Subsidiaries of the Issuer or not) for full consideration by the Issuer or any such Subsidiary on an arm's length basis or (iii) the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders *provided that* if the Issuer shall cease to hold or shall transfer the Electricity Distribution Licence (other than where the Electricity Distribution Licence is revoked, terminated or surrendered in the circumstances envisaged by paragraph (i)(a), (b) or (c) of the definition of Restructuring Event in Condition 2 (*Definitions*) and such revocation, termination or surrender does not constitute a Restructuring Event pursuant to paragraph (i) of such definition) the Issuer shall be deemed to have ceased to carry on the whole or substantially the whole of its business (and neither of exceptions (i) and (ii) above shall apply) unless the transferee of the Electricity Distribution Licence is the Issuer or a Subsidiary of the Issuer, at least 51 per cent of the ordinary share capital of which is owned directly or indirectly by the Issuer (the "**YE Transferee**") and in such event all references in these Terms and Conditions to the Issuer in its capacity as holder of the Electricity Distribution Licence shall thereafter be deemed to be references to the YE Transferee; or
- (F) the Issuer or any of its Subsidiaries shall suspend or shall threaten to suspend payment of its debts generally or shall be declared or adjudicated by a competent court to be unable, or shall admit in writing its inability, to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986) as they fall due, or shall be adjudicated or found insolvent by a competent court or shall enter into any composition or other similar arrangement with its creditors under Part I of the Insolvency Act 1986; or
- (G) a receiver, administrative receiver, Energy Administrator, administrator or other similar official shall be appointed in relation to the Issuer or any of its Subsidiaries or in relation to the whole or a substantial part of the undertaking or assets of any of them or a distress, execution or other process shall be levied or enforced upon or sued out against, or any encumbrancer shall take possession of, the whole or a substantial part of the assets of any of them and in any of the foregoing cases it or he shall not be paid out or discharged

within 120 days (or such longer period as the Trustee may in its absolute discretion permit),

and, in the case of sub-paragraphs (B), (C) and (E) to (G) (inclusive) the Trustee shall have certified in writing that the relevant event is in its opinion materially prejudicial to the interests of the Noteholders, the Trustee may at its discretion (and the Trustee shall on the request in writing of the holders of at least one quarter in principal amount of the Notes then outstanding or upon being so directed by an Extraordinary Resolution of the Noteholders), subject to having been indemnified and/or prefunded and/or provided with security to its satisfaction, by notice in writing to the Issuer, declare that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their principal amount together with accrued interest (as provided in the Trust Deed), *provided always that* the giving of any notice in relation to any Event of Default shall not operate as a waiver of any of the Trustee's rights (including the right to give a further notice) or prevent the Trustee from giving a further notice in the manner referred to above in relation to that Event of Default at any time thereafter.

- (b) So long as any of the Notes remain outstanding the Issuer will, forthwith upon becoming aware of any Event of Default or Potential Event of Default, give notice in writing thereof to the Trustee.
- (c) For the purpose of sub-paragraph (a)(F) above, Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for "£750" there was substituted "£250,000" or such higher figure as Ofgem may from time to time determine by notice in writing to the Issuer for the purposes of Schedule 2 (Revocation) of its Electricity Distribution Licence.
- (d) Neither the Issuer nor any Subsidiary shall be deemed to be unable to pay its debts for the purposes of sub-paragraph (a)(F) above if any such demand as is mentioned in Section 123(1)(a) of the Insolvency Act 1986 is being contested in good faith by the Issuer or the relevant Subsidiary with recourse to all appropriate measures and procedures.

#### 14. **Restructuring Event**

- (a)
  - (i) If, at any time while any of the Notes remains outstanding, a Restructuring Event occurs and during the Restructuring Period an Independent Financial Adviser (as defined below) shall have certified in writing to the Trustee that such Restructuring Event is not, in its opinion, materially prejudicial to the interests of the Noteholders, the following provisions of this Condition 14 shall cease to have any further effect in relation to such Restructuring Event.
  - (ii) If, at any time while any of the Notes remains outstanding, a Restructuring Event occurs and (subject to paragraph (a)(i) above):
    - (A) within the Restructuring Period, either:
      - (1) if at the time such Restructuring Event occurs there are Reference Rated Securities, a Rating Downgrade in respect of such Restructuring Event also occurs; or
      - (2) if at such time there are not Reference Rated Securities, a Negative Rating Event in respect of such Restructuring Event also occurs; and
    - (B) 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 Noteholders (a "**Negative Certification**"),

then, unless at any time the Issuer shall have given a notice under Condition 9(c) (*Redemption at the option of the Issuer*) or Condition 9(b) (*Redemption for tax reasons*), in each case expiring prior to the Restructuring Put Date (as defined below), the holder of each Note will, upon the giving of a Restructuring 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) that Note on the Restructuring Put Date at its principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Restructuring Put Date.

Notwithstanding the occurrence of a Rating Downgrade or a Negative Rating Event, no Noteholder shall be entitled to exercise the Restructuring Put Option and to serve a Restructuring Put Exercise Notice if the rating assigned to the Reference Rated Securities or these Notes by any Rating Agency is subsequently increased to, or, as the case may be, there is assigned to the Reference Rated Securities or these Notes by any Rating Agency an Investment Grade Rating or, in the event that the rating assigned to the Reference Rated Securities immediately prior to the occurrence of the Rating Downgrade or Negative Rating Event was not an Investment Grade Rating, if such rating is restored, in either case prior to any Negative Certification being issued.

Any certification by an Independent Financial Adviser as aforesaid as to whether or not, in its opinion, any Restructuring Event is materially prejudicial to the interest of the Noteholders shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Issuer and the Noteholders. For the purposes of this Condition, an "**Independent Financial Adviser**" means a financial adviser appointed by the Issuer and approved by the Trustee or, if the Issuer shall not have appointed such an adviser within 21 days after becoming aware of the occurrence of such Restructuring Event and the Trustee is indemnified and/or prefunded and/or secured to its satisfaction against the costs of such adviser, appointed by the Trustee.

A Rating Downgrade or a Negative Rating Event or a non-Investment Grade Rating shall be deemed not to have occurred as a result of or in respect of a Restructuring Event if the Rating Agency making the relevant reduction in rating or, where applicable, declining to assign an Investment Grade Rating as provided in this Condition does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction or, where applicable, declining 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 Trust Deed provides that the Trustee is under no obligation to ascertain whether a Restructuring Event, a Negative Rating Event, a Rating Downgrade or any event which could lead to the occurrence of or could constitute a Restructuring Event, a Negative Rating Event or a Rating Downgrade has occurred and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary the Trustee may assume that no Restructuring Event, Negative Rating Event, Rating Downgrade or other such event has occurred.

- (b) Promptly upon the Issuer becoming aware that a Restructuring Put Event has occurred, and in any event not later than 14 days after the occurrence of a Restructuring Put Event, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and (subject to it being indemnified and/or prefunded and/or secured to its satisfaction) if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding shall, give notice (a "**Restructuring Put Event Notice**") to the Noteholders in accordance with Condition 21 (*Notices*) specifying the nature of the Restructuring Put Event and the procedure for exercising the Restructuring Put Option.
- (c) To exercise the Restructuring Put Option, the holder of a Note must deliver such Note to the specified office of the Paying Agent, on a day which is a Business Day in London and in the place of such specified office falling within the period (the "**Restructuring Put Period**") of 45 days after that on which a Restructuring Put Event Notice is given, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Restructuring Put Exercise Notice**") and in which the holder may specify a bank account complying with the requirements of Condition 10 (*Payments*) to which payment is to be made under this Condition. Each Note should be delivered together with all Coupons appertaining thereto maturing after the day (the "**Restructuring Put Date**") being the fifteenth day after the date of expiry of the Restructuring Put Period, failing which any such missing Coupon will become void and no payment shall be made in respect of it. The Paying Agent to which such Note and Restructuring Put Exercise Notices are delivered shall issue to the Noteholder concerned a non-transferable receipt (a "**Restructuring Put Receipt**") in respect of the Note so delivered. Payment in respect of any Note so delivered shall be made, if the holder duly specifies a bank account in the Restructuring Put Exercise Notice to which payment is to be made on the Restructuring Put Date, by transfer to that bank account and, in every other case, on or after the Restructuring Put Date, in each case against presentation and surrender or (as the case may be) endorsement of such receipt at any specified office of any Paying Agent, subject in any such case as provided in Condition 10 (*Payments – Bearer Notes*) and 11 (*Payments – Registered Notes*). A Restructuring Put Exercise Notice, once given, shall be irrevocable. For the purposes of Conditions 13 (*Events of Default*), 15 (*Prescription*), 16 (*Replacement of Notes and Coupons*), 18 (*Meetings of Noteholders, Modification and Waiver*) and 19 (*Enforcement*), receipts issued pursuant to this Condition

shall be treated as if they were Notes. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Note on the applicable Restructuring Put Date unless previously redeemed or purchased.

15. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Trustee and Agents**

The Trust Deed contains provisions governing the responsibility of the Trustee and providing for its indemnification and relief from responsibility in certain circumstances, (including provisions relieving it from taking proceedings against the Issuer unless indemnified and/or secured and/or prefunded to its satisfaction) and to be paid its costs and expenses in priority to the claims of the Noteholders. The Trustee may not resign its appointment unless a successor, willing to act in such capacity, has been appointed by the Issuer and the Noteholders by Extraordinary Resolution, *provided that* the Trustee shall not be prevented from resigning its appointment if, having given notice in writing to the Issuer of its intention to so resign its appointment, a successor is not appointed within the period of three months from the date of such notice.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right with the prior approval of the Trustee any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a principal paying agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall, in respect of such Series of Notes, at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification and Waiver, Substitution**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Trustee may determine in accordance with the provisions of the Trust Deed.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions, the Notes, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of these Conditions, the Notes, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of these Conditions, the Notes, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Deed if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, the Issuer may, in accordance with Conditions 7(f), 7(n)(iv) and 7(n)(v) (as applicable), vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders of the relevant Notes or Coupons, as fully described in Conditions 7(f), 7(n)(iv) and 7(n)(v) (as applicable) and the Trustee and the Agents shall concur to such Benchmark Replacement Conforming Change and/or Benchmark Amendments.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

- (c) *Substitution:* The Trust Deed contains provisions under which a subsidiary of the Issuer may, without the consent of the Noteholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes provided that certain conditions specified in the Trust Deed are fulfilled.

No Noteholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder, except to the extent provided for in Condition 12 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

19. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (i) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified, prefunded or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

20. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The Issuer may from time to time with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

21. **Notices**

- (a) *Bearer Notes*: Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

22. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
- (b) *Jurisdiction*: Each of the Issuer has in the Trust Deed (i) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient.

## FORM OF PRICING SUPPLEMENT

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (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 domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[EU 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 Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")] [EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any [person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any person subsequently offering, selling or recommending the Notes (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 (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time]] (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018)]

**Pricing Supplement dated [•]**

**[NORTHERN POWERGRID (YORKSHIRE) PLC**

***Legal entity Identifier (LEI): 213800VZL2QT3Q7NOP46]***

**[NORTHERN POWERGRID (NORTHEAST) PLC**

***Legal entity Identifier (LEI): 21380072EMKFDZSTLD28]***

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]**

**under the £1,000,000,000 Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in these Base Admission Particulars dated 21 March 2025 [and the supplemental Base Admission Particulars dated [•] which together constitute a Base Admission Particulars] ([together,] the "**Base Admission Particulars**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with these Base Admission Particulars in order to obtain all the relevant information.

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]*

1. [(i)] Issuer: [Northern Powergrid (Yorkshire) plc]/[Northern Powergrid (Northeast) plc]
2. [(i)] Series Number: [•]  
[(ii)] Tranche Number: [•]  
[(iii)] Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 below [which is expected to occur on or about [•]].]
3. Specified Currency or Currencies: [•]  
*[(If Notes are being cleared through DTC with interest and or principal payable in a currency other than U.S. dollars, check whether DTC will accept payments in such currency)]*
4. Aggregate Principal Amount: [•]  
[(i)] [Series]: [•]  
[(ii)] Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•]]



6. (i) Specified Denominations: [•]  
(ii) Calculation Amount: [•]
7. (i) Issue Date: [•]  
(ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable] ]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[•] per cent. Fixed Rate]  
[•][•] [EURIBOR/SONIA/SONIA  
Compounded Index/SOFR/SOFR  
Compounded Index/€STR]+/- [•] per cent.  
Floating Rate]  
[Zero Coupon]  
(see paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100] per cent. of their principal amount.
11. Change of Interest or Redemption/Payment Basis: *[Specify the date when any Fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]*
12. Put/Call Options: [Call Option]  
[Put Option]  
[Clean-up Call Option]  
[See paragraph [17/18/19] below)]
13. Status of the Notes: Senior  
[Date [Board] approval for issuance of Notes] obtained: [•] [and [•], respectively  
*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date  
OR  
[Initial Rate of Interest: [ ] per cent. per annum]

- (ii) Interest Payment Date(s): [•] in each year
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Fixed Coupon Amount for a short or long Interest Period ("Broken Amount(s)": [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vii) Unmatured Coupons void: Condition 10(g) (*Unmatured Coupons void*) is [Applicable/Not Applicable]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) [First Interest Payment Date]: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [[Fiscal Agent][Principal Paying Agent]]/ [an institution other than the [Fiscal Agent][Principal Paying Agent]] shall be the Calculation Agent
- (viii) Screen Rate Determination: [Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
- Reference Rate: [•][•]  
[EURIBOR/SONIA/SOFR/€STR/SONIA Compounded Index (see Index Determination below)/SOFR Compounded Index (see Index Determination below)]
  - Observation Method: [Lag / Observation Shift]
  - Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
  - Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business

	Days/London Banking Days /Not Applicable]
	<i>(NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)</i>
• D:	[360/365/[ ]] / [Not Applicable]
• Index Determination	[Applicable/Not Applicable]
• SONIA Compounded Index	[Applicable/Not Applicable]
• SOFR Compounded Index	[Applicable/Not Applicable]
• Relevant Decimal Place	[ ] [5] <i>(unless otherwise specified in the Pricing Supplement, it should be the fifth decimal place)</i>
• Relevant Number of Index Days	[ ] [5] <i>(unless otherwise specified in the Pricing Supplement, the Relevant Number shall be 5)</i>
• Interest Determination Date(s):	[The first Business Day in the relevant Interest Period]/ <i>(select where Interest Determination Date has the meaning specified in Condition 7(e), 7(f) or 7(g))</i> [•] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to each Interest Payment Date]
• Relevant Screen Page:	[•]
• Relevant Time:	[•]
(ix) ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining sub-paragraphs of this paragraph)</i>
• ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
• Floating Rate Option:	[•]  <i>(The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions)</i>

- Designated Maturity: [•]  
*(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)*
- Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Compounding Method: [Compounding with Lookback
    - Lookback: [•] Applicable Business Days
  - [Compounding with Observation Period Shift
    - Observation Period Shift: [•] Observation Period Shift Business Days
    - Observation Period Shift Additional Business Days: [[•] / Not Applicable]]
  - [Compounding with Lockout
    - Lockout: [•] Lockout Period Business Days
    - Lockout Period Business Days: [[•]/Applicable Business Days]]
- Averaging [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Averaging Method: [Averaging with Lookback
    - Lookback: [•] Applicable Business Days
  - [Averaging with Observation Period Shift
    - Observation Period Shift: [•] Observation Period Shift Business Days
    - Observation Period Shift Additional Business Days: [[•]/Not Applicable]]
  - [Averaging with Lockout

	<ul style="list-style-type: none"> <li>• Lockout: [•] Lockout Period Business Days</li> <li>• Lockout Period Business Days: [[•]/Applicable Business Days]]</li> </ul>
• Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
- Index Method:	Compounded Index Method with Observation Period Shift
	<ul style="list-style-type: none"> <li>• Observation Period Shift: [•] Observation Period Shift Business Days</li> <li>• Observation Period Shift Additional Business Days: [[•] / Not Applicable]]</li> </ul>
(x) [Linear interpolation	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> )]
(xi) Margin(s):	[+/-][•] per cent. per annum
(xii) Minimum Rate of Interest:	[The Minimum Rate of Interest shall not be less than zero] / The Minimum Rate of Interest shall not be less than [•] per cent. per annum]
(xiii) Maximum Rate of Interest:	[•] per cent. per annum
(xiv) Day Count Fraction:	[•]
[(xv) Party responsible for calculating the amount of interest payable for any Rate Adjustment under Condition 6(e): ]	[The [Fiscal Agent][Principal Paying Agent]/other] shall be the Calculation Agent.
16. <b>Zero Coupon Note Provisions</b>	[Applicable/Not Applicable]  <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
(iii) Day Count Fraction in relation to Early Redemption Amount:	[30/360 / Actual/Actual (ICMA/ISDA) / other]

## PROVISIONS RELATING TO REDEMPTION

17. Call Option	[Applicable/Not Applicable]
(i) Optional Redemption Date(s):	[•]

- (ii) Optional Redemption Amount(s) of each Note: [[•] per Calculation Amount/Make Whole Redemption Price]
- [(in the case of the Optional Redemption Dates falling on [ ]/[in the period from and including [date]]]
- (iii) Make Whole Redemption Price: [Applicable/Not Applicable]
- [(a) Reference Bond: *[Insert applicable Reference Bond]*
- [(b) Quotation Time: [•]
- [(c) Redemption Margin: [•] per cent.
- [(d) Reference Dealers: [•]
- [(e) Par Redemption Date: [•]/Not Applicable]
- (iv) Redemption in part: [Applicable/Not Applicable]
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (v) Notice period: [•]
18. Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]
19. Clean-up Call Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Clean-up Call Threshold: [•] per cent.
- (ii) Optional Redemption Amount (Clean-up Call): [•]
- (iii) Notice period (if different from the Conditions) [Not less than [•] nor more than [•] days] / [Not Applicable – in line with Condition 9(d) (*Clean-up Call*)]
20. Final Redemption Amount of each Note [•] per Calculation Amount
21. Early Redemption Amount

- (i) Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable] / [•]
- (ii) Notice period on redemption for tax reasons (if different from Condition 9(b) (*Redemption for tax reasons*)): [Not less than [•] nor more than [•] days] / [Not Applicable – in line with Conditions]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 22. Form of Notes:

#### [Bearer Notes:]

[[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]

[[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]]

[[Permanent Global Note exchangeable for Definitive Notes on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]]

[ **Registered Notes:** ]

[ [Unrestricted ]Global [Registered ]Note[ Certificate] exchangeable for [unrestricted ]Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the [Unrestricted ]Global [Registered ]Note[ Certificate]]

[and

[Restricted Global Note Certificate exchangeable for Restricted Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances specified in the Restricted Global Note Certificate]]

[ [[and]] ]

[ [[Restricted Global Note Certificate [(U.S.\$ [•]/Euro [•] principal amount)] registered in the name of a nominee for [DTC].]]

[[Unrestricted ]Global [Registered] Note[ Certificate] [(U.S.\$/Euro [•] principal amount)] registered in the name of a nominee for [[[DTC/]]a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg

(that is, held under the New Safekeeping Structure).]]

23. New Global Note: [Yes] [No]/[Not Applicable]]
24. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]
25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of [Northern Powergrid (Yorkshire) plc]/[ Northern Powergrid (Northeast) plc]:

By: .....

Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application [has been made/is expected to be made] for the Notes to be admitted to trading on the International Securities Market] with effect from on or about [•.]/[Not Applicable]

*(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). *[[Insert legal name of particular credit rating agency entity providing rating]* appears on the latest update of the list of registered credit rating agencies (as of *[insert date of most recent list]*) on the ESMA website <http://www.esma.europa.eu>. [The rating *[Insert legal name of particular credit rating agency entity providing rating]* has given to the Notes is endorsed by *[insert legal name of credit rating agency]*, which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[ *Insert legal name of particular credit rating agency entity providing rating]* has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation** ").] / *[[Insert legal name of particular credit rating agency entity*

*providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority]. [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**CRA Regulation (UK)**").] / [[ *Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**CRA Regulation (UK)**").] / [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**CRA Regulation (UK)**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").

[[*Insert legal name of particular credit rating agency entity providing rating*]] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu>. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK)**").] /[[*Insert legal name of particular credit rating agency entity providing rating*]] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*]] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**"). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the FCA website: <https://data.fca.org.uk/#/cra/cradetails>. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Notes to be issued under the Programme is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").] [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009, as

amended (the "**EU CRA Regulation**").]  
[[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as amended (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but the rating it has given to the Notes to be issued under the Programme is endorsed by [*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ( the "**UK CRA Regulation**")].

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but is certified under [Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][ Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK and is not certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Notes is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement.)]*

#### 4. **[Fixed Rate Notes only – YIELD]**

1

Indication of yield: [•]

*[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

#### 5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

Delivery: Delivery [against/free of] payment

Names and addresses of additional  
Paying Agent(s) (if any):

Relevant Benchmark[s]: *[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to [Article 36] (Register of administrators and benchmarks) of the UK Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmarks Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of UK Benchmarks Regulation apply, such that [name of administrator] is not currently required to obtain recognition, endorsement or equivalence)]/[Not Applicable]*

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[ [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] *[include this text for registered notes held under the NSS structure]*] and does not

necessarily mean that the Notes 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 Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes 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.]

[Not Applicable]

## 6. DISTRIBUTION

- |  |  |
|--|--|
| (i) Method of Distribution:                        | [Syndicated/Non-syndicated]<br><br>[Not Applicable/ <i>give names</i> ]  |
| (ii) If syndicated:                                | [Not Applicable/ <i>give names</i> ]   |
| (A) Names of Dealers                               |  |
| (B) Stabilisation Manager(s), if any:              | [Not Applicable/ <i>give names</i> ]   |
| (iii) If non-syndicated, name of Dealer:           |  |
| (iv) U.S. Selling Restrictions:                    | Reg S Compliance Category 2; [ <i>In the case of Bearer Notes</i> ) –][TEFRA C/TEFRA D]/[TEFRA not applicable]   |
| (v) [Prohibition of Sales to EEA Retail Investors: | [Applicable]/[Not Applicable]<br><br><i>(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)]</i> |
| (vi) [Prohibition of Sales to UK Retail Investors: | [Applicable]/[Not Applicable]<br><br><i>(If the Notes clearly do not constitute "packaged" products, or the Notes do</i>   |

*constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.))*

**7. REASONS FOR THE OFFER  
AND ESTIMATED NET  
AMOUNT OF PROCEEDS**

Reasons for the offer:

[ ] [See ["Use of Proceeds"] in Base Admission Particulars"/Give details] *[If reasons differ from what is disclosed in these Base Admission Particulars, give details here.]*

Estimated net proceeds:

[ ].

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used for the general corporate purposes of the relevant Issuer.



## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

### Conditions applicable to Global Notes

Each Global Note or Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Calculation of interest:* the calculation of any interest amount in respect of any Note which is represented by a Global Note or Global Registered Note will be calculated on the aggregate outstanding principal amount of the Notes represented by such Global Note or Global Registered Note, as the case may be, and not by reference to the Calculation Amount.

*Payment Business Day:* In the case of a Global Note or Global Registered Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing

System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or a Global Registered Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Exercise of put option:* In order to exercise the option contained in Condition 9(f) (*Redemption at the option of Noteholders*) or Condition 14 (*Restructuring Event*) the bearer of a Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note give notice of such exercise to the Principal Paying Agent, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Notices:* Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or Global Registered Note is deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 21 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Similarly, the provisions for meetings of Noteholders in the Trust Deed contain provisions that apply while the Notes are represented by a Global Note or a Global Registered Note. The following is a summary of certain of those provisions:

*Electronic Consent and Written Resolution:* While any Global Note or Global Registered Note is held on behalf of a clearing system, then:

- (a) approval of a resolution proposed by the relevant Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which a special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the relevant Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the relevant Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note or a Global Registered Note and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the relevant Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. 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 EasyWay or Clearstream, Luxembourg's CreationOnline or Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or principal amount of the Notes is clearly identified together with the amount of such holding. Neither the relevant Issuer or the Trustee shall 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 any such person and subsequently found to be forged or not authentic.

## DESCRIPTION OF THE ISSUERS

### Background

Northern Powergrid (Yorkshire) plc (the "**NPg Yorkshire**") was incorporated on 22 November 2000 as a limited company with registered number 04112320. The registered office of NPg Yorkshire is Lloyds Court, 78 Grey Street, Newcastle Upon Tyne, NE1 6AF and its telephone number is +44 (0) 191 223 5151. NPg Yorkshire changed its name from Yorkshire Electricity Distribution plc to Northern Powergrid (Yorkshire) plc with effect from 31 October 2011. The website of NPg Yorkshire is <https://www.northernpowergrid.com>.

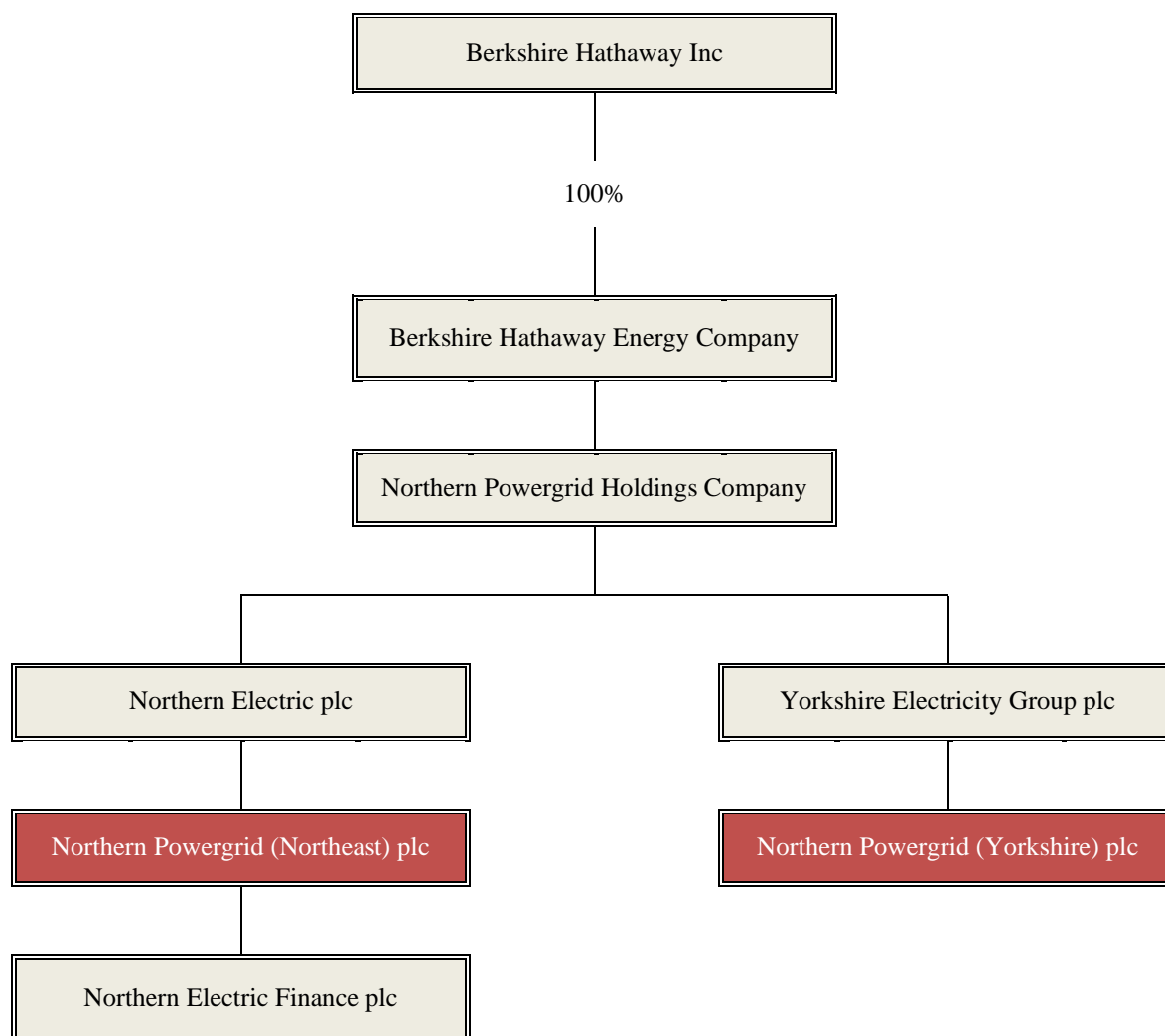
Northern Powergrid (Northeast) plc ("**NPg Northeast**" and, together with NPg Yorkshire, the "**Issuers**" and each an "**Issuer**") was incorporated on 9 March 1994 as a limited company with registered number 02906593. On 3 June 2020, NPg Northeast converted to a plc. The registered office of NPg Northeast is Lloyds Court, 78 Grey Street, Newcastle Upon Tyne, NE1 6AF and its telephone number is +44 (0) 191 223 5151. NPg Northeast changed its name from Northern Electric Distribution Limited to Northern Powergrid (Northeast) Limited with effect from 31 October 2011. The website of NPg Northeast is <https://www.northernpowergrid.com/>.

Each Issuer is a regulated electricity distribution network operator ("**DNO**"). NPg Yorkshire is a wholly-owned subsidiary of Yorkshire Electricity Group plc, and an indirect wholly-owned subsidiary of Northern Powergrid Holdings Company ("**Northern Powergrid**", and, together with its subsidiaries, the "**Northern Powergrid Group**"). NPg Northeast is a wholly-owned subsidiary of Northern Electric plc, and an indirect wholly-owned subsidiary of Northern Powergrid. Northern Powergrid was formerly known as CE Electric UK Funding Company. The Issuers' ultimate parent company is Berkshire Hathaway, Inc. a company incorporated in the United States of America.

NPg Yorkshire and NPg Northeast operate together as a single commercial entity under the brand "Northern Powergrid". As required by Ofgem (as defined below) in its regulation of DNOs, the Issuers are separate legal entities, which are subject to financial ring-fencing, and which hold separate distribution licences. The Issuers are separately assessed by the Gas and Electricity Markets Authority (commonly referred to as "**Ofgem**") through the distribution price control review process. On a management and commercial level, the Issuers are operated on a combined basis through shared divisional management. The costs of shared services, employees and operations are allocated back to the relevant Issuer as appropriate.

NPg Northeast holds 100% of the issued share capital of Northern Electric Finance plc.

The table below is a summary of the organisational structure showing certain holding companies and affiliated companies of the Issuers in the Northern Powergrid regulated business. Certain intermediate holding companies and affiliates of the Issuers carrying out non-regulated activities, such as engineering contracting and gas exploration, are not included.



### Distribution Business

Each Issuer is one of the fourteen DNOs in England, Wales and Scotland. NPg Yorkshire's distribution service area encompasses West Yorkshire, East Yorkshire and almost all of South Yorkshire, together with parts of North Yorkshire, Derbyshire, Nottinghamshire, Lincolnshire and Lancashire. Its electricity distribution network includes over 55,000 kilometres of overhead and underground cables and over 36,000 substations. NPg Northeast's distribution service area is in the northeast of England which extends from North Northumberland, south to York and west to the Pennines. Its electricity distribution network includes over 42,000 kilometres of overhead and underground cables and over 28,000 substations.

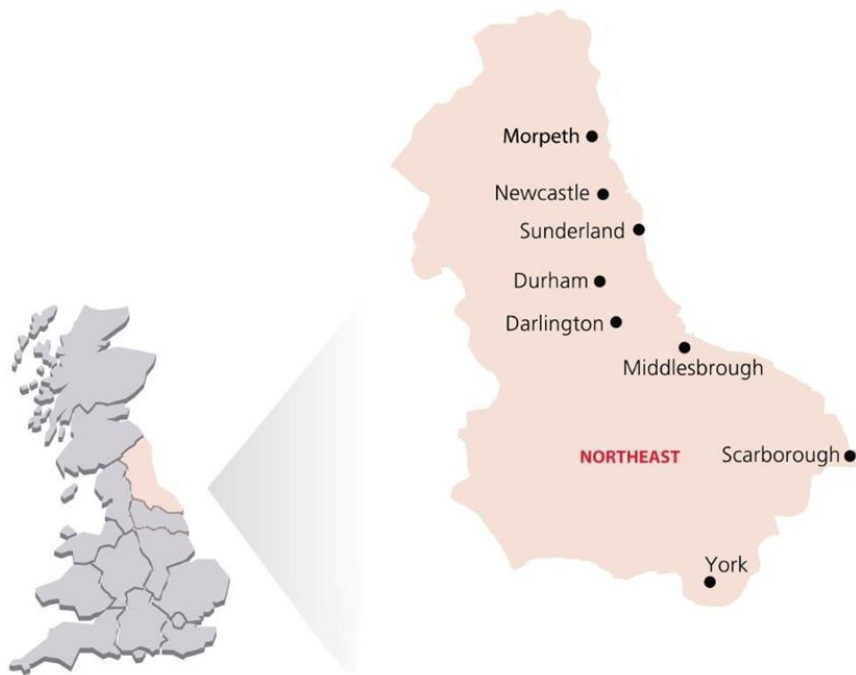
The principal function of the Issuers is to build, maintain and operate the electricity distribution network through which end-users receive a supply of electricity. The Issuers receive electricity from National Grid's transmission network (which connects the larger power stations) and from smaller generators (such as windfarms) that are directly connected to the Issuers' distribution networks. This electricity is distributed by the Issuers on behalf of suppliers to approximately 2.3 million customers (in the case of NPg Yorkshire) and 1.6 million customers (in the case of NPg Northeast) connected to their respective electricity distribution networks of transformers, switchgear, overhead power lines and underground cables, at voltages of up to 132kV. Some 18,503 gigawatt-hours of electricity were distributed to NPg Yorkshire's customers during the year ended 31 December 2023 and 12,603 gigawatt-hours of electricity were distributed to NPg Northeast's customers during the year ended 31 December 2023.

Each Issuer holds an electricity distribution licence granted by the Secretary of State under the Electricity Act 1989 authorising it to distribute electricity for the purpose of supply to premises. Each Issuer is regulated by Ofgem.

### NPg Yorkshire's Distribution Service Area Map



### NPg Northeast's Distribution Service Area Map



### Regulatory Framework

Each of the fourteen licensed DNOs distributes electricity within its respective distribution service area.

The Issuers, as DNOs, are subject to regulation by Ofgem under the terms of the Electricity Act 1989 and their distribution licences. Ofgem has a duty to carry out its functions, including its price control functions, in a manner which it considers promotes value for money and protects the interests of consumers. In performing that duty, Ofgem must have regard to the need for efficient licence holders to be able to finance their regulated activities. In addition, DNOs have a duty to maintain an investment grade credit rating.

DNOs are subject to price controls, set and enforced by Ofgem, which limit the revenue that may be recovered and retained from their electricity distribution activities. The regulatory regime that has been applied to DNOs encourages companies to look for efficiency gains to improve profits.

The distribution price control formula adjusts the revenue received by DNOs to reflect several factors, including, but not limited to, the rate of inflation as measured by the Consumer Prices Index including Owner Occupiers' Housing Costs ("CPIH") and the quality of service delivered by each DNO's distribution system. The price control formula has been, and may be, reviewed at Ofgem's discretion. The current price control has been set for a period of five years. The procedure and methodology adopted at a price control review are at the reasonable discretion of Ofgem. Ofgem's judgment of the future allowed revenue of DNOs has been based upon, among other things:

- actual operating and capital costs;
- operating and capital costs which each of the DNOs would incur if it were as efficient, in Ofgem's judgment, as the most efficient DNO;
- actual value of certain costs which are judged to be beyond the control of a DNO;
- expected taxes;
- the RAV, which takes account of distribution network expenditure allowed by Ofgem;
- rate of return to be allowed on the RAV;
- financial ratios and licence requirements to maintain investment grade status;
- allowances in respect of the repair of the pension deficits in the defined benefit pension schemes sponsored by a DNO; and
- under / over-recoveries of revenues, relative to allowed revenues, in the previous price control period.

The current electricity distribution price control, known as RIIO-ED2 (Revenue=Incentives+Innovation+Outputs) became effective on 1 April 2023 and runs for the five-year period ending on 31 March 2028. Ofgem published its Final Determination in November 2022 under RIIO-ED2.

The price control formula determines the maximum revenue that a DNO is entitled to charge. There is a common charging regime for all the DNOs, approved by Ofgem, which reasonably recovers the allowed revenue from customers. Changes to the common methodology are governed by the Distribution Connection and Use of System Agreement ("DCUSA"). Parties to DCUSA and parties authorised by Ofgem can propose changes to the common methodology.

Several incentive schemes also operate within the price control period to encourage DNOs to provide an appropriate quality of service to end users with penalty payments made by DNOs to end users where guaranteed standards of service have not been met. The aggregate of these guaranteed standards payments is uncapped but may be excused in certain prescribed circumstances that are generally beyond the control of a DNO. The Issuers' investment programmes are targeted to maintain asset condition and meet the prescribed outputs over the price control period and improve customer interruptions and customer minutes lost over the period.

Ofgem monitors compliance by DNOs with their licence conditions. As well as imposing price controls, licence conditions govern terms of service, financial ring-fencing and the financial strength of a DNO, the provision of information to Ofgem and the public, the maintenance of transparency and non-discrimination, and the avoidance of cross-subsidy in the provision of regulated services. Ofgem also monitors and enforces the compliance of DNOs with certain statutory duties set out in the Electricity Act 1989, including the duty to develop and maintain an efficient, coordinated and economical system of electricity distribution.

Ofgem can issue enforcement orders to and/or impose financial penalties on DNOs that contravene any licence condition, any of certain statutory duties under the Electricity Act 1989 (as amended) or which are failing to achieve a satisfactory performance in relation to the individual standards of performance. Any penalty imposed must be reasonable and may not exceed 10% of a DNO's revenue.

While the distribution licence may be terminated immediately in exceptional circumstances, such as in the event of insolvency proceedings, it otherwise continues indefinitely until revoked following no less than 25 years' written notice. Ofgem has formal powers to modify each distribution licence. An Issuer may appeal against any modifications to its distribution licences on one or more specified grounds. Ofgem routinely makes minor modifications to the Issuers' distribution licences. The last material modification that was made to both Issuer's distribution licenses was to give effect to the RIIO-ED2 price control.

Changes to the price controls can be made by Ofgem without the consent of the DNO(s), but this is subject to a right of appeal by the DNOs to the CMA on specified grounds. Certain other interested parties also have the same right.

Any application for permission to appeal must be made within 20 working days of Ofgem's decision to modify a DNO's licence conditions to implement the new price control. If the CMA grants permission to appeal, the applicable legislation requires that the CMA determine the appeal within six months (or, in some exceptional circumstances, seven months).

## RAV

The latest RAV for the RIIO-ED2 price control review period beginning 1 April 2023 as outlined by Ofgem in its electricity distribution price control financial model published in January 2025 are shown for each of the Issuer's in the following tables, all values are expressed in 2020/21 prices. The base inflation index for the 2020/21 prices is based on average RPI and is 294.167.

Northern Powergrid (Yorkshire) plc - Annual Values as at March (£m, 2020/2021 prices)					
	2024	2025	2026	2027	2028
Opening RAV	2,005	2,064	2,159	2,255	2,361
Net additions (after disposals)	206	241	239	247	252
Depreciation	(-) 147	(-) 146	(-) 143	(-) 141	(-) 141
<b>Closing RAV</b>	<b>2,064</b>	<b>2,159</b>	<b>2,255</b>	<b>2,361</b>	<b>2,472</b>

Northern Powergrid (Northeast) plc - Annual Values as at March (£m, 2020/2021 prices)					
	2024	2025	2026	2027	2028
Opening RAV	1,487	1,516	1,580	1,651	1,732
Net additions (after disposals)	141	174	180	188	184
Depreciation	(-) 112	(-) 110	(-) 109	(-) 107	(-) 106
<b>Closing RAV</b>	<b>1,516</b>	<b>1,580</b>	<b>1,651</b>	<b>1,732</b>	<b>1,810</b>

The above values are subject to adjustment to reflect the rate of inflation as measured by RPI until 31 March 2023 and CPIH thereafter.

They will also be adjusted to reflect changes to expenditure allowances that are subject to uncertainty mechanisms, and the impact of actual expenditure.

## Strategy

In common with the Northern Powergrid Group, the long-term financial strategy of the Issuers is to operate their businesses with a simple and conservative funding structure which maintains a good investment grade credit rating.

The Issuers operate a business model and strategy based on six core principles, which are:

Core Principle	Strategic objective	Key Performance Indicators ("KPI")
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Financial strength	Strong finances that enable improvement and growth.	<ul style="list-style-type: none"> <li>- Operating profit</li> <li>- Maintenance of investment grade credit ratings</li> <li>- Cash flow</li> </ul>
Customer service	Delivering exceptional customer service.	<ul style="list-style-type: none"> <li>- Broad measure of customer satisfaction</li> <li>- Stakeholder engagement and customer vulnerability rank</li> </ul>
Operational excellence	High-quality, efficient operators running a smart reliable energy system.	<ul style="list-style-type: none"> <li>- Customer minutes lost</li> <li>- Customer interruptions</li> <li>- Distribution network investment</li> <li>- High voltage restoration time</li> </ul>
Employee commitment	High-performing people doing rewarding jobs in a safe and secure workplace.	<ul style="list-style-type: none"> <li>- Occupational Safety and Health Administration Rate ("OSHA")</li> <li>- Preventable vehicle accidents</li> <li>- Lost time accidents</li> <li>- Medical treatment accidents</li> <li>- Contractor OSHA incidents</li> <li>- Operational incidents</li> <li>- Absence rate</li> </ul>
Environmental respect	Leaders in environmental respect and low carbon technologies.	<ul style="list-style-type: none"> <li>- Total oil/fluid Lost</li> <li>- SF6 gas discharges</li> <li>- Environmental incidents</li> <li>- KWh Energy consumed</li> </ul>
Regulatory integrity	Trustworthy, fair and balanced,	<ul style="list-style-type: none"> <li>- Quarterly certification</li> </ul>

## Sustainability

As the UK takes action to reduce carbon emissions in line with its 2050 net zero target, the way in which electricity is produced and used in the UK is expected to have a substantial impact on its distribution networks over time. The Issuers continue to implement their Distribution System Operator ("DSO") strategy and therefore act as key facilitators in the UK's net zero transition by placing decarbonisation at the heart of their investments and actions.

As the volume and total capacity of decentralised energy generation grows, and given the greater range of load and generation technologies now connected to the distribution networks of the Issuers, the Issuers continue to develop and action innovative solutions that will reduce the need for traditional, and potentially expensive, reinforcement of the distribution networks.

The Issuers have continued to engage with the market on flexibility by tendering for flexibility services on the distribution networks. Under these contracts, customers changing their energy consumption and generation patterns act as an alternative to the Issuers carrying out distribution network reinforcements to increase capacity, thereby facilitating more efficient and greener distribution networks. To better

understand how to prepare the distribution networks for the future needs of their customers and the potential pathways to net zero, the Issuers published their updated Distribution Future Energy Scenarios.

From an innovation perspective, the Issuers run a portfolio of projects in the priority areas of customer vulnerability, resilience, and decarbonisation. The Issuers initiated a community DSO project during 2023 funded through £12.5 million of Network Innovation Competition funding awarded by OFGEM. The project will deliver trials of smart local energy systems to explore how consumer energy resources and flexibility can be utilised in communities, thereby providing more efficient solutions to decarbonisation, resilience for rural communities and opportunities for consumers and vulnerable customers to participate in and benefit from flexibility markets.

Decarbonisation continues to be more central to the strategy of the Issuers and the way in which the Issuers contribute more broadly to the evolution of the energy industry and the stakeholders with whom they interact. The Issuers have been progressive in their ambition to reduce the carbon footprint of their business activities. However, there is a greater opportunity to contribute to decarbonisation through the Issuers' key roles in facilitating regional decarbonisation by fulfilling the functions of a DSO. This means investing in people, processes and systems to actively manage the distribution networks and to optimise the use of assets and generated energy in the regions.

As part of the Issuers' business plans, several strategic objectives shaped the development of their DSO strategy. This included 'flexibility first', involving deploying flexible solutions as an alternative to the distribution network reinforcement, 'whole system collaboration' in order to engage with the wider market on whole system energy solutions, 'data and digitalisation', to facilitate solutions in areas such as open data, 'openness and transparency' to collaborate in joint planning with the Issuers' stakeholders and, finally, fostering a 'workplace and workforce fit for the future', to build regional and national skills. Collectively, these objectives were developed to achieve several outcomes and benefits. The Issuers are delivering their plans for DSO to enable open energy data sharing, transform the way decisions and plans are made, support the development of new flexible energy markets, increase customer and distribution network flexibility and facilitate a whole system energy system. The Issuers' energy systems directorate centralises responsibility for delivering DSO plans and is growing a team responsible for these functions.

In conjunction with this activity, and with the support of the Independent Stakeholder Group, the Issuers have operated a DSO review panel for the purpose of making decisions transparent and to allow the independent members to comment on and challenge the Issuers' major investment decisions.

## **Environmental**

The Issuers operate a UK Accreditation Service scheme for environmental management and are certified to the environmental management systems standard ISO 14001:2015. The ISO 14001 standard is designed to enhance environmental performance, fulfil compliance obligations and achieve environmental objectives, all of which contribute to the achievement of the Issuers' KPIs. The Issuers' carbon footprint reporting frameworks are certified under the Certified Emissions Measurement and Reduction Scheme for compliance with ISO 14064-1:2006.

The volume of SF6 gas losses during 2023 combined with an increase in contractor works and associated emissions, resulted in each Issuer's overall carbon footprint increasing to 19,370 tonnes (2022: 16,872 tonnes), in the case of NPg Yorkshire, and 15,222 tonnes (2022: 14,376 tonnes), in the case of NPg Northeast. However, progress has been made over the first year of the RIIO-ED2 period with the Issuers and their affiliates carbon footprints having reduced, being on track to achieve the Issuers' 20% commitment during the RIIO-ED2 period. Oil loss also increased for the Issuers during the first year of the RIIO-ED2 period. However, the Issuers' target of a 15% reduction in oil loss by the end of the RIIO-ED2 period remains achievable. In terms of scope 3 emissions (business fuel and contractor emissions), the Issuers have committed to collect data for all applicable scope 3 emissions categories to enhance a more robust, multiyear baseline. In support of the target to reduce oil and fluid loss, the Issuers' 2023 annual environmental improvement plan included a transition to a blended strategy of both asset replacement of fluid-filled cables and enhanced tracer applications to facilitate earlier interventions.

During 2023, loss of fluid for NPg Yorkshire increased compared to the previous year, with a loss of 14,004 litres (2022: 10,966). The increase primarily resulted from a single failure on one of NPg Yorkshire's oil filled cable assets. Loss of fluid declined for NPg Northeast during 2023 compared to the previous year, with a loss of 8,823 litres (2022: 11,583).

To maintain their strict policy of environmental protection and legal compliance, the Issuers continue to assess environmental risks and mitigate threats through programmes of work such as fluid-filled cable

replacement, undergrounding overhead lines in areas of outstanding natural beauty, installing flood defences, implementing secondary containment in high-risk substations and removing equipment containing polychlorinated biphenyl from their distribution networks. Whilst prevention is paramount, in the event the Issuers' activities result in a leak or spill, the services of an appointed 24-hour a day environmental response consultancy is used to minimise the effects of any incident.

The Issuers take their environmental responsibilities very seriously and have proven track records of lowering emissions and minimising the wider environmental impact of their distribution network activities. Reducing the level of the Issuers' internal carbon footprints is a key priority and, consequently, plans have been developed to become carbon net neutral by 2040 across the Issuers' controllable emissions.

Controllable internal sources of emissions are recorded through Ofgem's regulatory reporting process and include operational fleet, company car miles, other business travel and office, depot and substation energy use. The Issuers' supply chains also contribute to their overall carbon footprint, as contractors are used to undertake work on their distribution networks and deploy generators to support customers during power cuts. Initiatives in place to reduce internal sources of emissions include increasing the number of ultra-low emission or zero emission vehicles to 40% of the Issuers' fleet of vehicles by 2028 and the adoption of science-based targets. The fleet vehicle target was aligned to stakeholder ambition levels and was therefore designed to balance costs, technology readiness and charging infrastructure availability.

In respect of the Issuers' wider environmental impact, plans have been developed to achieve zero waste to landfill by 2035 and to divert (by re-using or recycling) 90% of waste from all the Issuers' operations by 2028. The Issuers' distribution network operations are the largest source of waste generation, with waste arising from excavations and other operations representing 99% of all waste produced. Steps taken to enhance performance in this area include the recycling of materials, with the Issuers planning to recycle and reuse 85% of total materials by 2028. This target incorporates the increased volume of waste that will be produced from delivering the Issuers' distribution network investment plans and decarbonisation objectives.

Issues relating to the assessment and classification (as hazardous or non-hazardous) of material arising from unplanned utility excavations, prior to transport from site and disposal, pose a significant challenge to the Issuers' objectives to reduce waste to landfill. The utilities industry is currently working with Streetworks UK and the Environment Agency to develop and implement a new industry-wide risk-based approach to managing waste arising from excavations to combat these issues.

From a supply chain perspective, the Issuers will continue to work closely with suppliers to reduce packaging and ensure environmentally friendly alternatives are used where possible. In support, an embodied carbon model will be used to support investment decisions including the sourcing of raw materials. At office locations, the use of waste segregation facilities will be increased, and office supplies will wherever possible be low carbon, plastic free and fully recyclable or reusable.

In addition to the measures outlined above, to safeguard the environment from their direct activity, the Issuers also operate a programme which is aimed at protecting natural habitats and increasing the variety and variability of species and ecosystems at 200 of the Issuers' major sites.

As at the date of these Base Admission Particulars, the Issuers have no plans to use carbon offsetting to achieve their targets in the RIIO-ED2 period. Instead, the focus remains on reducing physical carbon emissions, on the basis that additional investment in the distribution networks, enabling decarbonisation, offers much better value to customers than incremental spend on carbon offsetting the Issuers' emissions. However, at an initiative level, where ad-hoc opportunities exist, the Issuers may pursue these accordingly.

### **Customer Information**

Substantially all the end-users in the Issuers' respective distribution service areas are connected to the Issuers' respective distribution networks and electricity can only be delivered to these end-users through the distribution systems, thus providing the Issuers with distribution volumes that are relatively stable from year to year. The Issuers charge fees for the use of the distribution systems to suppliers of electricity and to generators that are connected to the Issuers' distribution networks.

Suppliers purchase electricity from generators, sell the electricity to end-user customers and use the Issuers' distribution networks pursuant to an industry standard DCUSA. The principal electricity suppliers that use the Issuers' distribution networks are the E.ON group and British Gas plc. The industry operates in accordance with a framework which sets credit limits for each supply business based on its credit rating or payment history and requires them to provide credit cover if their value at risk (measured as being equivalent to 45 days usage) exceeds the credit limit. Acceptable credit typically is provided in the form of

a parent company guarantee, letter of credit or security deposit. Ofgem has indicated that, provided the Issuers have implemented credit control, billing and collection in line with best practice guidelines, and can demonstrate compliance with the guidelines or is able to satisfactorily explain departure from the guidelines, any bad debt losses arising from supplier default will be recovered through an increase in future allowed income. Supplier failure is administered in the interests of customers by Ofgem, through the appointment of a supplier of last resort.

Variations in demand from end-users can affect the revenues that are received by the Issuers in any year, but such variations have no effect on the total revenue that the Issuers are allowed to recover in a price control period as under or over recoveries against price-controlled revenues are carried forward into prices for future years.

The Issuers service territories feature a diverse economy with no dominant sector. The mix of rural, agricultural, urban and industrial areas cover a broad customer base concentrated around the principal centres of (i) Sheffield and Leeds, in the case of NPg Yorkshire and (ii) Newcastle and Middlesbrough in the case of NPg Northeast.

Nearly all the revenue generated by the Issuers are from regulated activities.

Northern Powergrid (Yorkshire) plc						
Revenue analysis	segmental	2023	2022	2021	Variance (%)	
		£m	£m	£m	2023 v 2022	2022 v 2021
Regulated – DUoS		462	489	415	(-)6%	18%
Regulated – GDUoS		(-)3	(-)3	(-)3	0%	0%
Unregulated – Other		28	23	21	22%	10%
Total		487	509	433	(-)4%	18%
Deferred revenue		37	35	34	6%	3%
Total revenue	reported	524	544	467	(-)4%	16%

Northern Powergrid (Northeast) plc						
Revenue analysis	segmental	2023	2022	2021	Variance (%)	
		£m	£m	£m	2023 v 2022	2022 v 2021
Regulated – DUoS		371	382	329	(-)3%	16%
Regulated – GDUoS		(-)5	(-)4	(-)4	25%	0%
Unregulated – Other		40	35	32	14%	9%
Total		406	413	357	(-)2%	16%

Deferred revenue	30	29	28	3%	4%
<b>Total reported revenue</b>	<b>436</b>	<b>442</b>	<b>385</b>	<b>(-)1%</b>	<b>15%</b>

The tables above show that, over the three year period from 2021 to 2023, on average, 95% of NPg Yorkshire's revenue and 91% of NPg Northeast's revenue came from regulated activities, and approximately 51% of NPg Yorkshire's unregulated revenue and 77% of NPg Northeast's unregulated revenue was generated from trading with affiliates. The remaining unregulated revenue of each Issuer related primarily to meter asset providers, as well as assessment and design fees. Revenue from unregulated activities increased over the periods primarily due to trading with affiliates.

Almost all the revenues from regulated activities come from the relatively stable market sectors of residential, commercial, and industrial customers. The tables below indicate that over the three year period from 2021 to 2023, residential customers represented approximately 38% of electricity distributed by each Issuer, with commercial and industrial customers representing approximately 61%, and approximately 51% and 48% respectively of Distribution Use of System ("DUoS") revenues for each of the Issuers.

Northern Powergrid (Yorkshire) plc					
<i>GWh distributed segmental analysis</i>	2023	2022	2021	Variance (%)	
	GWh	GWh	GWh	2023 v 2022	2022 v 2021
Residential	6,889	7,054	7,924	(-)2%	(-)11%
Commercial	2,080	2,205	2,164	(-)6%	2%
Industrial	9,372	9,769	9,863	(-)4%	(-)1%
Unmetered	162	180	192	(-)10%	(-)6%
<b>Total GWh distributed</b>	<b>18,503</b>	<b>19,208</b>	<b>20,144</b>	<b>(-)4%</b>	<b>(-)5%</b>

Northern Powergrid (Northeast) plc					
<i>GWh distributed segmental analysis</i>	2023	2022	2021	Variance (%)	
	GWh	GWh	GWh	2023 v 2022	2022 v 2021
Residential	4,749	4,825	5,410	(-)2%	(-)11%
Commercial	1,455	1,532	1,480	(-)5%	4%
Industrial	6,283	6,470	6,561	(-)3%	(-)1%
Unmetered	116	122	125	(-)5%	(-)2%

<b>Total GWh distributed</b>	<b>12,603</b>	<b>12,949</b>	<b>13,576</b>	<b>(-)3%</b>	<b>(-)5%</b>
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Demand for electricity is heavily influenced by underlying customer behaviour and a drive for energy efficiency, reflecting higher retail energy prices and increased local small-scale generation (such as photovoltaic cells). Variations in electricity distributed generally reflect fluctuations in temperature, pressure on demand and movements in retail energy prices over the years.

Residential units show a decrease in usage during 2022 and 2023, primarily driven by increases in the cost of living and high wholesale energy prices. These high wholesale energy prices also drove decreases in usage in the commercial and industrial markets at the back end of 2022 through into 2023.

<b>Northern Powergrid (Yorkshire) plc</b>					
<i>DUoS revenue segmental analysis</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<i>Variance (%)</i>	
	£m	£m	£m	<i>2023 v 2022</i>	<i>2022 v 2021</i>
Residential	237	259	207	(-)8%	25%
Commercial	51	53	48	(-)4%	10%
Industrial	171	174	157	(-)2%	11%
Unmetered	3	3	3	0%	0%
<b>Total revenue</b>	<b>462</b>	<b>489</b>	<b>415</b>	<b>(-)6%</b>	<b>18%</b>

<b>Northern Powergrid (Northeast) plc</b>					
<i>DUoS revenue segmental analysis</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<i>Variance (%)</i>	
	£m	£m	£m	<i>2023 v 2022</i>	<i>2022 v 2021</i>
Residential	189	199	167	(-)5%	19%
Commercial	44	45	39	(-)2%	15%
Industrial	135	135	120	0%	13%
Unmetered	3	3	3	0%	0%
<b>Total revenue</b>	<b>371</b>	<b>382</b>	<b>329</b>	<b>(-)3%</b>	<b>16%</b>

Despite the decreases in usage during 2022, across most market sectors, total revenue compared to 2021 shows an increase. This is due to tariff increases across all market sectors, offsetting the lower usage. Fixed charges increased due to the republished 2022/23 tariffs which were increased to recover the cost of supplier of last resort claims resulting from the unprecedented number of suppliers going into liquidation during 2022. This is in line with the mechanism in place (as mentioned above) that provides for any bad debt losses

arising from supplier default to be recovered through an increase in future allowed income (provided that the Issuer follows best practice in its credit control procedures).

Residential revenue for the Issuers decreased during 2023, reflecting the decrease in usage, a reduction in tariffs and reductions in supplier of last resort claims.

## **Pensions**

The Issuers contribute to two pension schemes, which are operated by Northern Electric plc on their behalf. The pension schemes are:

- The Northern Powergrid Group of the Electricity Supply Pension Scheme (the "**DB Scheme**"); and
- The Northern Powergrid Pension Scheme (the "**DC Scheme**").

The DC Scheme was introduced for new employees of the Northern Powergrid Group from July 1997 and is a money purchase arrangement.

The DB Scheme is a defined benefit scheme for directors and employees, which provides pension and other related retirement benefits based on final pensionable pay. The DB Scheme was closed to employees commencing employment on or after 23 July 1997, but members who joined before this date, including some Protected Persons under The Electricity (Protected Persons) (England and Wales) Pension Regulations 1990, continue to build up future pension benefits. The DB Scheme is administered by a board of trustees which is legally separate from the Issuers and the assets are held in a separate trustee-administered fund.

The total market value of the assets of the DB Scheme at the date of the last approved actuarial valuation as of 31 March 2022, was £1,649 million. The valuation showed that the value of the assets represented 100% of the actuarial value of the accrued benefits. This represents a surplus of assets compared to the value of accrued benefits of £3 million. It was agreed that no deficit repair payments are required. The accrued benefits include all benefits for pensioners and other members, as well as benefits based on service completed to date for active members and allows for an estimate of future salary increases. The next actuarial valuation as at 31 March 2025 is underway and is expected to be completed by 30 June 2026.

Under the electricity regulatory framework, deficit repair payments relating to regulated distribution businesses are treated as pass-through for pre-2010 liabilities and for post-2010 these are treated as total employment costs which are subject to efficiency reviews.

Similarly, cash contributions payable in respect of new benefit accrual in defined benefit pension schemes along with cash contributions payable to any defined contribution arrangements will be benchmarked as part of total employment costs and will only be funded to the extent that they are deemed to be efficient.

Ofgem performs regular efficiency reviews of the DB Scheme and any deficit contributions payable to defined benefit pension schemes. If Ofgem deems that any cash contributions have not been efficiently incurred, it may restrict the amount that can be recovered from customers in the future. Following its review of the DB Scheme in 2023, Ofgem confirmed that the DB Scheme is run efficiently and would continue to be funded through the price control mechanism.

The DB Scheme is a defined benefit plan that shares the risk between various entities under common control. There is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to individual companies within the Northern Powergrid Group and accordingly the Issuers account for the DB Scheme as if it were a defined contribution scheme. The Issuers do not provide any other post-retirement benefits to members of the DB Scheme.

## **Directors of the Issuers**

Each of the Issuers is managed by a Board of Directors comprising the following individuals:

<b>Name</b>	<b>Position</b>
T.H. France	General Counsel, Northern Powergrid
P.A. Jones	President and Chief Executive Officer, Northern Powergrid
A.P. Jones	Finance Director, Northern Powergrid

A.J. Maclellan	Commercial Director, Northern Powergrid
A.R. Marshall	Non-Executive Director
P.C. Taylor	Non-Executive Director

The business address of each of the Directors is Lloyds Court, 78 Grey Street, Newcastle Upon Tyne, NE1 6AF. No Director has any actual or potential conflict of interest between their duties to each Issuer and their private interests and/or other duties. None of the Directors performs any activities outside of the Issuers which are significant with respect to the Issuers.



## TAXATION

### United Kingdom Taxation

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the published practice of His Majesty's Revenue and Customs ("HMRC"), 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 Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes 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. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes 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 Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

### UK Withholding Tax on UK Source Interest

#### UK Notes listed on a recognised stock exchange

The Notes issued by an Issuer which carry a right to interest ("**UK Notes**") 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 "**Act**") for the purposes of section 987 of the Act) or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange (within the meaning of section 987 of the Act). Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Notes will be "**listed on a recognised stock exchange**" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange. The Issuers' understanding of HMRC's current practice is that the Notes will constitute quoted Eurobonds provided they are and continue to be admitted to trading on the International Securities Market of that Exchange.

#### All UK Notes

In all cases falling outside the exemption described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

### Other Rules Relating to United Kingdom Withholding Tax

Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders 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.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. 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 Notes or any related documentation. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Pricing Supplement of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax at the relevant rate, subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 18(c) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the relevant Issuer to any one or more of Barclays Bank PLC, HSBC Bank plc, Lloyds Bank Corporate Markets plc and RBC Europe Limited (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the relevant Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 21 March 2025 (the "**Dealer Agreement**") and made between the relevant Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer and a single Dealer for that Tranche to be issued by the relevant Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Pricing Supplement as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Pricing Supplement or Drawdown Admission Particulars, as the case may be. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer and more than one Dealer for that Tranche to be issued by the relevant Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Pricing Supplement as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Pricing Supplement or Drawdown Admission Particulars, as the case may be.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. Each new Dealer so appointed will be required to represent, warrant and undertake to the following selling restrictions as part of its appointment.

The relevant Dealers will be entitled in certain circumstances to be indemnified, released and discharged from their obligations in respect of a proposed issue of Notes under or pursuant to the Dealer Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the relevant Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

### **United States of America:**

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transactions not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes 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 United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

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

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

If the Pricing Supplement (or Drawdown Admission Particulars, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented, and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make

available any Notes which are the subject of the offering contemplated by these Base Admission Particulars as completed by the Pricing Supplement (or are the subject of the offering contemplated by a Drawdown Admission Particulars) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision 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 Directive 2014/65/EU (as amended, "**EU MiFID II**") or
- (ii) a customer within the meaning Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

#### **Public Offer Selling Restriction Under the EU Prospectus Regulation**

If the Pricing Supplement in respect of any Notes does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by these Base Admission Particulars as completed by the Pricing Supplement in relation thereto (or are the subject of the offering contemplated by a Drawdown Admission Particulars, as the case may be) to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (b) *Fewer than 150 offerees*: 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 relevant Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

**provided that** no such offer of Notes referred to in (b) to (c) above shall require the relevant 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, the expression an "**offer of Notes to the public**" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

#### **United Kingdom**

**Prohibition of sales to UK Retail Investors:** If the Pricing Supplement (or Drawdown Admission Particulars, as the case may be) in respect of any Notes includes the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by these Base Admission Particulars as completed by the Pricing Supplement in relation thereto (or are the subject of the offering contemplated by a Drawdown Admission Particulars, as the case may be) to any retail investor in the United Kingdom. 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**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 Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement (or Drawdown Admission Particulars, as the case may be) in respect of any Notes does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by these Base Admission Particulars as completed by the Pricing Supplement in relation thereto (or are the subject of the offering contemplated by a Admission Particulars, as the case may be) to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant 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 Notes referred to in (A) to (C) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### ***Other UK regulatory restrictions***

Each Dealer has represented and agreed that:

- (a) ***No deposit-taking:*** in relation to any Notes having 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 Notes other than to persons:
      - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
      - (B) 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 Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuers; and

- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Singapore**

Each Dealer has acknowledged that these Base Admission Particulars has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Base Admission Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) 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.

## **General**

Each Dealer has represented and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes these Base Admission Particulars, any Drawdown Admission Particulars or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands these Base Admission Particulars or any Pricing Supplement comes are required by the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes these Base Admission Particulars, any Drawdown Admission Particulars or any Pricing Supplement or any related offering material, in all cases at its own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuers. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to these Base Admission Particulars.

## GENERAL INFORMATION

### Authorisation

1. The establishment of the Programme was authorised by a resolution of the board of directors of NPg Yorkshire on 20 March 2025 and a resolution of the board of directors of NPg Northeast on 20 March 2025. Each Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the applicable Notes.

### Listing

2. It is expected that each Tranche of Notes which is to be admitted to trading on the International Securities Market will be admitted separately as and when issued, upon submission to the London Stock Exchange of the applicable Pricing Supplement, subject only to the issue of the Notes of that Tranche. The listing of the Programme in respect of such Notes is expected to be granted on or about 24 March 2025.

### Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which NPg Northeast is aware), which may have, or have had during the 12 months prior to the date of these Base Admission Particulars, a significant effect on the financial position or profitability of NPg Northeast together with its Subsidiaries.
4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which NPg Yorkshire is aware), which may have, or have had during the 12 months prior to the date of these Base Admission Particulars, a significant effect on the financial position or profitability of NPg Yorkshire.

### Significant/Material Change

3. Since 31 December 2023, there has been no material adverse change in the prospects of NPg Northeast together with its Subsidiaries.
4. Since 31 December 2023, there has been no material adverse change in the prospects of NPg Yorkshire.
5. Since 30 June 2024, there has been no significant change in the financial or trading position of NPg Northeast together with its Subsidiaries.
6. Since 30 June 2024, there has been no significant change in the financial or trading position of NPg Yorkshire.

### Auditors

7. The consolidated financial statements of the Issuers have been audited without qualification for the years ended 31 December 2023 and 31 December 2022 by Deloitte LLP, who have given, and have not withdrawn, their consent to the inclusion of their report in these Base Admission Particulars in the form and context in which it is included.

### Documents on Display

8. Copies of the following documents may be inspected and collected during normal business hours at the offices of the Trustee and on the website of the Issuers at <https://www.northernpowergrid.com/document-library/financial-information-bond-documentation>:
  - (a) the up-to-date Memorandum and Articles of Association of each Issuer;
  - (b) the audited financial statements of the Issuers for the years ended 2022 and 2023 and the unaudited financial statements of the Issuers for the six months ended 30 June 2024;
  - (c) the Agency Agreement;

- (d) the Trust Deed;
- (e) the relevant Pricing Supplement; and
- (f) any Issuer-ICSDs Agreement (which is entered into between the relevant Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form or Registered Notes held under the New Safekeeping Structure).

For the avoidance of doubt, unless specifically incorporated by reference into these Base Admission Particulars, information contained on the website does not form part of these Base Admission Particulars.

### **Material Contracts**

9. There have been no material contracts entered into other than in the ordinary course of business) have been entered into by either Issuer which contains provisions under which the relevant Issuer has an obligation or entitlement which is, or may be, material to the ability of the relevant Issuer to meet its obligations in respect of the Notes.

### **Clearing of the Notes**

10. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### **Notes Having a Maturity of Less than One Year**

11. Any Notes having a maturity of less than one year 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 relevant Issuer.

### **Issue Price and Yield**

12. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Pricing Supplement. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Pricing Supplement will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

13. **Conflicts of Interest**

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 Issuers 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 Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuers and their 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 and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates 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 Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes 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. **Legal Entity Identifier (LEI)**

The Legal Entity Identifier (LEI) of NPg Yorkshire is 213800VZL2QT3Q7NOP46.

The Legal Entity Identifier (LEI) of NPg Northeast is 21380072EMKFDZSTLD28.

15. **Validity of base admission particulars and admission particulars supplements**

For the avoidance of doubt, the Issuers shall have no obligation to supplement these Base Admission Particulars after the end of its 12-month validity period.

## **THE ISSUERS**

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