

Statement on Directors' Remuneration and Service Standards

Under Section 33F of the Gas Act 1986 (as amended), Northern Gas Networks Limited is required to give a statement disclosing whether or not remuneration has been paid or become due during the financial year to the directors of the company as a result of arrangements linking the remuneration of the directors of the company to levels of performance in connection with service standards relating to activities subject to price regulation.

Only three Directors receive remuneration from the company and this includes two Sufficiently Independent Directors appointed in accordance with Standard Special Condition A42 (SSC A42) of the Gas Transporter Licence. For the financial year ended 31 March 2019, there was no direct link between Directors' Remuneration and service standards, however the overall performance against service standards would be reviewed before the final bonus and long term incentive plan payments are agreed for the Chief Executive Officer being the one Director not appointed under SSC A42.

The above arrangements were applied throughout the year and will continue for the current financial year.

7th May 2019