

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's

Responses to Division's First Set of Data Requests

Issued on June 8, 2021

Division 1-2

Request:

Please provide a copy of all Documents including any correspondence, analyses, presentations, reports, or memoranda, that constitute or are related to the "comprehensive strategic review," undertaken by PPL's Board of Directors and referenced in the Direct Testimony of Vincent Sorgi at 8:1-2.

Response:

Counsel for PPL and PPL RI, National Grid USA ("National Grid"), The Narragansett Electric Company ("Narragansett"), and The Rhode Island Division of Public Utilities and Carriers Advocacy Section (the "Division Advocacy Section") met and conferred regarding the breadth and scope of certain data requests. After that meet and confer, the Division Advocacy Section sent a letter, dated June 22, 2021, advising that PPL, PPL RI, National Grid, and Narragansett can "use sound judgment and the rule of reason in crafting responses and providing responsive documents." The Division Advocacy Section also advised in the June 22, 2021 letter PPL, PPL Rhode Island, National Grid, and Narragansett to "consider the Advocacy Section's goal of protecting ratepayers when determining scope and relevancy." Based on the scope and breadth of this request, PPL and PPL RI have applied the rule of reason and used sound judgment in limiting the breadth and scope of documents produced in response to this request, and have considered the Division Advocacy Section's goal of protecting ratepayers in determining which documents it will produce.

PPL and PPL RI (collectively, "PPL") also object to this data request because it seeks irrelevant information and documents and exceeds the scope of this proceeding. This joint petition seeks Division approval for PPL RI's purchase of all shares of common stock of The Narragansett Electric Company ("Narragansett") under R.I. Gen. Laws s. 39-3-24 and 39-3-25. Those statutes and previous decisions by the Division establish the standard of review applicable to this proceeding: they require a finding that the proposed transaction will neither cause a detriment to the public nor diminish the provision of Narragansett's electric and gas distribution service. As the Division has held previously, this review is narrow. First, "the Division must conclude, before approving a R.I.G.L. § 39-3-24 petition, that there will be no degradation of utility services after the transaction is consummated." *In re Joint Pet. For Purchase & Sale of Assets by the Narragansett Elec. Co. & the S. Union Co.*, Dkt. No. D-06-13, 52 (R.I.D.P.U.C. July 25, 2006). Second, the Division must find "that the proposed transaction will not unfavorably impact the general public (including ratepayers)." *Id.* The information requested in this data request will not inform the Division's application of the standard.

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We find further that any evaluation and/or comparisons of this proposed merger with other "proposed" mergers would be speculative at best. While the inquiries would produce information about other potential mergers, that information would contain matters unique to the other "potential" mergers. As we stated in Order No. 17530, "each merger is a unique combination of companies at a distinct time in the development of the electricity market." The requested discovery would, in our opinion result largely in "comparing apples to oranges."

Formal Case No. 1119, In re Joint Application of Exelon Corp., Pepco Holdings, Inc., Potomac Elec. Power Co., Exelon Energy Delivery Co., LLC, & New Special Purpose Entity, LLC for Authorization & Approval of Proposed Merger Transaction, Order No. 17619, 10-11 (D.C. Pub. Serv. Comm'n Sept. 4, 2014) (denying motion to compel response to data request).

This data request seeks information that does not bear on the two-pronged standard the Division applies to evaluate this transaction. Rather, it is an unnecessary exploration into the thought processes and business strategy PPL employed in deciding to enter into this transaction or in considering other transactions. PPL, like many companies, is constantly evaluating strategic options. The internal analysis it employs in analyzing potential transactions is not relevant and will not inform the evaluation of whether PPL can continue to operate Narragansett in a manner that provides an equivalent level of service. Nor does this request seek any information that bears on the impact the transaction will have on the public. Rather, this request seeks irrelevant and proprietary information regarding PPL's analysis of potential transactions. That is beyond the scope of this proceeding.

PPL and PPL RI refer to the following documents, some of which have been redacted to protect information about other potential transactions based on the foregoing objections:

- Attachment PPL-DIV-1-2-1 – Presentation to the Finance Committee dated 1-29-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-2 – Presentation to the Finance Committee dated 3-25-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-3 – Finance Committee Discussion Materials dated 3-11-2021-CONFIDENTIAL
- Attachment PPL-DIV-1-2-4 – Finance Committee Meeting Minutes dated 3-11-2021 -CONFIDENTIAL
- Attachment PPL-DIV-1-2-5 – Board Meeting Minutes dated 3-15-2021-CONFIDENTIAL

Prepared by or under the supervision of: Legal Department

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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- Attachment PPL-DIV-1-2-6 – Executive Committee Meeting Minutes dated 3-17-2021-CONFIDENTIAL
 - Attachment PPL-DIV-1-2-7 – Confidential Message from Vince Sorgi dated 7-17-2020 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-8 – Board Update re Investor Reaction to UK Announcement dated 8-11-2020 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-9 – Communications and Next Steps dated 3-12-2021-CONFIDENTIAL
 - Attachment PPL-DIV-1-2-10 – Delegation of Transaction Approval to Executive Committee dated 3-15-2021 - -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-11 – Draft Strategic Repositioning of PPL Corporation dated 3-18-2021 - -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-12 – JP Morgan Statement re Fairness Opinion dated 3-17-2021 - -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-13 – Update re Vortex and Rover Transaction Agreements dated 3-17-2021 - -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-14 – PPL Draft News Release dated 3-17-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-15 – Skadden Updated dated 3-17-2021-CONFIDENTIAL
 - Attachment PPL-DIV-1-2-16 – Updated Financial Committee Discussion Materials dated 3-17-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-17 – Report of Executive Committee dated 6-19-2020 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-18 – Report of Executive Committee dated 3-17-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-19 – Investor Relations Updated dated 1-22-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-20 – Investor Presentation with Rover dated 3-12-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-21 – Legal Matters Presentation dated 3-12-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-22 – Overview of Rover Transaction Agreements and Regulatory Matters dated 3-12-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-23 – Overview of Vortex Transaction Agreements and Regulatory Matters dated 3-12-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-24 – PPL Corporate Strategy July 2020 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-25 – BOD Discussion Materials dated 3-12-2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-26 – BOD Discussion Materials dated 12-18-2020 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-27 – Project Vortex Updated 1-22-2021 -CONFIDENTIAL

Prepared by or under the supervision of: Legal Department

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- Attachment PPL-DIV-1-2-28 – BOD Discussion Materials dated 10-23-2020 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-29 – Report of Finance Committee dated 3-25-2021 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-30 – Report of Finance Committee dated 1-29-2021 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-31 – Report of Finance Committee dated 3-11-2021 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-32 – Project Vortex Final Bids and Recommendations dated 3-
15-2021 - CONFIDENTIAL
 - Attachment PPL-DIV-1-2-33 – Update re Rover Transaction Agreements dated 3-15-
2021 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-34 – Rover Due Diligence Review dated 3-12-2021 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-35 – BOD Discussion Materials dated 3-26-2021 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-36 – BOD Discussion Materials dated 7-24-2020 -
CONFIDENTIAL
 - Attachment PPL-DIV-1-2-37 – PPL Strategy Update – CEO's Perspective dated 10-23-
2020 -CONFIDENTIAL
 - Attachment PPL-DIV-1-2-38 – Update re Vortex Transaction Agreements dated 3-15-
2021-CONFIDENTIAL
 - Attachment PPL-DIV-1-2-39 – Vortex Note to the Board dated 3-17-2021 -
CONFIDENTIAL

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Attachments PPL-DIV 1-2-1 to 1-2-39

Confidential Attachments PPL-DIV 1-2-1 to 1-2-39 contain confidential commercial or financial information. PPL and PPL RI have requested protective treatment of these confidential attachments in their entirety.

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PPL Corporation and PPL Rhode Island Holdings, LLC's
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Issued on June 8, 2021

Division 1-3

Request:

Provide a copy of all Documents related to PPL's "strategic plan to focus on United States-based regulated utility operations," referenced in the Petition (¶ 22).

Response:

Counsel for PPL, PPL RI, National Grid USA ("National Grid"), The Narragansett Electric Company ("Narragansett"), and The Rhode Island Division of Public Utilities and Carriers Advocacy Section (the "Division Advocacy Section") met and conferred regarding the breadth and scope of certain data requests. After that meet and confer, the Division Advocacy Section sent a letter, dated June 22, 2021, advising that PPL, PPL Rhode Island, National Grid, and Narragansett can "use sound judgment and the rule of reason in crafting responses and providing responsive documents." The Division Advocacy Section also advised in the June 22, 2021 letter PPL, PPL RI, National Grid, and Narragansett to "consider the Advocacy Section's goal of protecting ratepayers when determining scope and relevancy." Based on the scope and breadth of this request, PPL and PPL RI have applied the rule of reason and used sound judgment in limiting the breadth and scope of documents produced in response to this request, and have considered the Division Advocacy Section's goal of protecting ratepayers in determining which documents it will produce.

PPL and PPL RI (collectively, "PPL") also object to this data request because it seeks irrelevant information and documents and exceeds the scope of this proceeding. This joint petition seeks Division approval for PPL RI's purchase of all shares of common stock of The Narragansett Electric Company ("Narragansett") under R.I. Gen. Laws s. 39-3-24 and 39-3-25. Those statutes and previous decisions by the Division establish the standard of review applicable to this proceeding: they require a finding that the proposed transaction will neither cause a detriment to the public nor diminish the provision of Narragansett's electric and gas distribution service. As the Division has held previously, this review is narrow. First, "the Division must conclude, before approving a R.I.G.L. § 39-3-24 petition, that there will be no degradation of utility services after the transaction is consummated." *In re Joint Pet. For Purchase & Sale of Assets by the Narragansett Elec. Co. & the S. Union Co.*, Dkt. No. D-06-13, 52 (R.I.D.P.U.C. July 25, 2006). Second, the Division must find "that the proposed transaction will not unfavorably impact the general public (including ratepayers)." *Id.* The information requested in this data request will not inform the Division's application of the standard.

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We find further that any evaluation and/or comparisons of this proposed merger with other "proposed" mergers would be speculative at best. While the inquiries would produce information about other potential mergers, that information would contain matters unique to the other "potential" mergers. As we stated in Order No. 17530, "each merger is a unique combination of companies at a distinct time in the development of the electricity market." The requested discovery would, in our opinion result largely in "comparing apples to oranges."

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This data request seeks information that does not bear on the two-pronged standard the Division applies to evaluate this transaction. Rather, it is an unnecessary exploration into the thought processes and business strategy PPL employed in deciding to enter into this transaction or in considering other transactions. PPL, like many companies, is constantly evaluating strategic options. The internal analysis it employs in analyzing potential transactions is not relevant and will not inform the evaluation of whether PPL can continue to operate Narragansett in a manner that provides an equivalent level of service. Nor does this request seek any information that bears on the impact the transaction will have on the public. Rather, this request seeks irrelevant and proprietary information regarding PPL's analysis of potential transactions. That is beyond the scope of this proceeding.

PPL and PPL RI refer to the documents responsive to data request Division 1-2, including the attachments referenced in that response, some of which have been redacted to protect information about other potential transactions based on the foregoing objections.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
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PPL Corporation and PPL Rhode Island Holdings, LLC's
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Division 1-4

Request:

Please provide copies of all presentations made to the Board of Directors or Shareholders of any of the Applicants relating to the Transaction.

Response:

Counsel for PPL, PPL RI, National Grid USA ("National Grid"), The Narragansett Electric Company ("Narragansett"), and The Rhode Island Division of Public Utilities and Carriers Advocacy Section (the "Division Advocacy Section") met and conferred regarding the breadth and scope of certain data requests. After that meet and confer, the Division Advocacy Section sent a letter, dated June 22, 2021, advising that PPL, PPL RI, National Grid, and Narragansett can "use sound judgment and the rule of reason in crafting responses and providing responsive documents." The Division Advocacy Section also advised in the June 22, 2021 letter PPL, PPL RI, National Grid, and Narragansett to "consider the Advocacy Section's goal of protecting ratepayers when determining scope and relevancy." Based on the scope and breadth of this request, PPL and PPL RI have applied the rule of reason and used sound judgment in limiting the breadth and scope of documents produced in response to this request, and have considered the Division Advocacy Section's goal of protecting ratepayers in determining which documents it will produce.

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PPL Corporation & PPL Rhode Island Holdings, LLC
Division Docket No. D-21-09

In Re: Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The
Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric
Company to PPL Rhode Island Holdings, LLC and Related Approvals
Responses to the Division's First Set of Data Requests
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Division 1-5

Request:

To the extent not provided in response to previous questions, please provide all analyses, strategy assessments, and any other Documents prepared by or for PPL pertaining to its decision to acquire Narragansett.

Response:

Counsel for PPL, PPL RI, National Grid USA ("National Grid"), The Narragansett Electric Company ("Narragansett"), and The Rhode Island Division of Public Utilities and Carriers Advocacy Section (the "Division Advocacy Section") met and conferred regarding the breadth and scope of certain data requests. After that meet and confer, the Division Advocacy Section sent a letter, dated June 22, 2021, advising that PPL, PPL RI, National Grid, and Narragansett can "use sound judgment and the rule of reason in crafting responses and providing responsive documents." The Division Advocacy Section also advised in the June 22, 2021 letter PPL, PPL RI, National Grid, and Narragansett to "consider the Advocacy Section's goal of protecting ratepayers when determining scope and relevancy." Based on the scope and breadth of this request, PPL and PPL RI have applied the rule of reason and used sound judgment in limiting the breadth and scope of documents produced in response to this request, and have considered the Division Advocacy Section's goal of protecting ratepayers in determining which documents it will produce.

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PPL Corporation & PPL Rhode Island Holdings, LLC
Division Docket No. D-21-09

In Re: Petition of PPL Corporation, PPL Rhode Island Holdings, LLC, National Grid USA, and The
Narragansett Electric Company for Authority to Transfer Ownership of The Narragansett Electric
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Division 1-6

Request:

Please:

- a. State whether PPL has at any point during the past two years evaluated acquiring any utility or utility operating in the United States other than Narragansett;
- b. If PPL did conduct any such evaluation(s), please provide all analyses, strategy assessments, and any other Documents prepared by or for PPL explaining the basis for rejecting each such potential acquisition; and
- c. Please provide copies of all analyses, strategy assessments, and any other Documents in which PPL compares or contrasts a potential (but rejected) acquisition target with to PPL's decision to pursue the Transaction.

Response:

PPL and PPL RI (collectively, "PPL") object to this data request because it seeks irrelevant information and documents and exceeds the scope of this proceeding. This joint petition seeks Division approval for PPL RI's purchase of all shares of common stock of The Narragansett Electric Company ("Narragansett") under R.I. Gen. Laws s. 39-3-24 and 39-3-25. Those statutes and previous decisions by the Division establish the standard of review applicable to this proceeding: they require a finding that the proposed transaction will neither cause a detriment to the public nor diminish the provision of Narragansett's electric and gas distribution service. As the Division has held previously, this review is narrow. First, "the Division must conclude, before approving a R.I.G.L. § 39-3-24 petition, that there will be no degradation of utility services after the transaction is consummated." *In re Joint Pet. For Purchase & Sale of Assets by the Narragansett Elec. Co. & the S. Union Co.*, Dkt. No. D-06-13, 52 (R.I.D.P.U.C. July 25, 2006). Second, the Division must find "that the proposed transaction will not unfavorably impact the general public (including ratepayers)." *Id.* The information requested in this data request will not inform the Division's application of the standard.

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Division 1-7

Request:

To the extent not provided in response to DIV 1-6, please provide copies of all Documents dated March 1, 2019 or later and related to any utility acquisitions that PPL evaluated in assessing potential utility acquisition targets prior to entering into the Transaction.

Response:

PPL and PPL RI (collectively, "PPL") object to this data request because it seeks irrelevant information and documents and exceeds the scope of this proceeding. This joint petition seeks Division approval for PPL RI's purchase of all shares of common stock of The Narragansett Electric Company ("Narragansett") under R.I. Gen. Laws s. 39-3-24 and 39-3-25. Those statutes and previous decisions by the Division establish the standard of review applicable to this proceeding: they require a finding that the proposed transaction will neither cause a detriment to the public nor diminish the provision of Narragansett's electric and gas distribution service. As the Division has held previously, this review is narrow. First, "the Division must conclude, before approving a R.I.G.L. § 39-3-24 petition, that there will be no degradation of utility services after the transaction is consummated." *In re Joint Pet. For Purchase & Sale of Assets by the Narragansett Elec. Co. & the S. Union Co.*, Dkt. No. D-06-13, 52 (R.I.D.P.U.C. July 25, 2006). Second, the Division must find "that the proposed transaction will not unfavorably impact the general public (including ratepayers)." *Id.* The information requested in this data request will not inform the Division's application of the standard.

Other state utility commissions to consider the issue presented by this data request have concluded that the information is not relevant to the scope of this proceeding. The Public Service Commission of the District of Columbia, for example, has stated the following:

We find further that any evaluation and/or comparisons of this proposed merger with other "proposed" mergers would be speculative at best. While the inquiries would produce information about other potential mergers, that information would contain matters unique to the other "potential" mergers. As we stated in Order No. 17530, "each merger is a unique combination of companies at a distinct time in the development of the electricity market." The requested discovery would, in our opinion result largely in "comparing apples to oranges."

Formal Case No. 1119, In re Joint Application of Exelon Corp., Pepco Holdings, Inc., Potomac Elec. Power Co., Exelon Energy Delivery Co., LLC, & New Special Purpose Entity, LLC for Authorization & Approval of Proposed Merger Transaction, Order No. 17619, 10-11 (D.C. Pub. Serv. Comm'n Sept. 4, 2014) (denying motion to compel response to data request).

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

This data request seeks information that does not bear on the two-pronged standard the Division applies to evaluate this transaction. Rather, it is an unnecessary exploration into the thought processes and business strategy PPL employed in deciding to enter into this transaction or in considering other transactions. PPL, like many companies, is constantly evaluating strategic options. The internal analysis it employs in analyzing potential transactions is not relevant and will not inform the evaluation of whether PPL can continue to operate Narragansett in a manner that provides an equivalent level of service. Nor does this request seek any information that bears on the impact the transaction will have on the public. Rather, this request seeks irrelevant and proprietary information regarding PPL's analysis of potential transactions. That is beyond the scope of this proceeding.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-8

Request:

Please state the date by which PPL anticipates that Narragansett will file its next base distribution rate case with the Rhode Island Public Utilities Commission. If PPL has not yet identified a target date for such submission, please explain the reason PPL has not yet done so.

Response:

PPL and PPL RI have not yet identified a target date to file the next base distribution rate case for The Narragansett Electric Company ("Narragansett") with the Rhode Island Public Utilities Commission (the "Commission"). PPL and PPL RI have not identified the target date because they plan to work in collaboration with the Rhode Island Division of Public Utilities and Carriers (the "Division") to determine best timing to file a base distribution rate case that will reflect the costs associated with PPL and PPL RI's ownership and operation of Narragansett after closing the Transaction.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY
Docket No. D-21-09
PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-9

Request:

Please state whether PPL or PPL RI anticipate pursuing a multi-year rate plan for Narragansett post-Transaction.

Response:

PPL and PPL RI have not yet determined whether they will pursue a multi-year rate plan for The Narragansett Electric Company ("Narragansett") after closing the Transaction. PPL will consider pursuing a multi-year rate plan. As described in PPL and PPL RI's response to data request Division 1-8, PPL and PPL RI plan to consult with the Rhode Island Division of Public Utilities and Carriers in advance of filing a new base distribution rate case and to evaluate whether to pursue a multi-year rate plan as part of that process.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests

Issued on June 8, 2021

Division 1-10

Request:

Please provide copies of all presentations to investment analysts or Credit Rating Agencies that relate to the Transaction.

Response:

Please see Attachment PPL-DIV 1-10-1 – Strategic Positioning of PPL Corporation – 3.18.2021.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests

Issued on June 8, 2021

Attachment PPL-DIV 1-10-1

Confidential Attachment PPL-DIV 1-10-1 contains confidential commercial and financial information. PPL and PPL RI have requested protective treatment of this confidential attachment in its entirety.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-11

Request:

Please provide copies of all issuances by investment analysts or Credit Rating Agencies concerning the Transaction.

Response:

PPL and PPL RI refer to the following attachments for certain issuances by investment analysts or Credit Rating Agencies concerning the Transaction:

- Attachment PPL-DIV 1-11-1 (Confidential) – Evercore – 3.18.2021
- Attachment PPL-DIV 1-11-2 (Confidential) – Guggenheim – 3.18.2021
- Attachment PPL-DIV 1-11-3 (Confidential) – Guggenheim – 3.25.2021
- Attachment PPL-DIV 1-11-4 (Confidential) – Mizuho Securities – 3.19.2021
- Attachment PPL-DIV 1-11-5 (Confidential) – Morgan Stanley – 3.19.2021
- Attachment PPL-DIV 1-11-6 (Confidential) – Seaport Global – 3.19.2021
- Attachment PPL-DIV 1-11-7 (Confidential) – Moody's – 3.18.2021
- Attachment PPL-DIV 1-11-8 (Confidential) – Moody's – 3.18.2021
- Attachment PPL-DIV 1-11-9 (Confidential) – Moody's – 3.26.2021
- Attachment PPL-DIV 1-11-10 (Confidential) – Moody's – 5.27.2021
- Attachment PPL-DIV 1-11-11 (Confidential) – S&P – 3.19.2021
- Attachment PPL-DIV 1-11-12 (Confidential) – S&P – 3.19.2021
- Attachment PPL-DIV 1-11-13 (Confidential) – S&P – 4.13.2021
- Attachment PPL-DIV 1-11-14 (Confidential) – S&P – 4.13.2021
- Attachment PPL-DIV 1-11-15 (Confidential) – S&P – 4.13.2021
- Attachment PPL-DIV 1-11-16 (Confidential) – S&P – 6.14.2021

Additionally, PPL obtained issuances from Bank of America Securities and Wells Fargo concerning the Transaction. Those issuances are subject to agreements that require PPL to obtain permission to share them with any third parties. Bank of America and Wells Fargo have declined to authorize PPL to share their issuances, and therefore PPL is unable to provide them.

PPL also obtained issuances from Citi Research, Goldman Sachs, Morningstar, Wolfe Research, and UBS Securities related to the Transaction. These issuances also are subject to agreements that require PPL to obtain permission to share them with any third parties. PPL and PPL RI have requested permission from these entities to share their issuances, but have not yet received a response. PPL and PPL RI will supplement this response once these entities respond to PPL's request.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests

Issued on June 8, 2021

Attachments PPL-DIV 1-11-1 to 1-11-16

Confidential Attachments PPL-DIV 1-11-1 to 1-11-16 contain confidential commercial or financial information. PPL and PPL RI have requested protective treatment of these confidential attachments in their entirety.

PPL CORPORATION, PPL RHODE ISLAND HOLDINGS, LLC,
NATIONAL GRID USA, and THE NARRAGANSETT ELECTRIC COMPANY

Docket No. D-21-09

PPL Corporation and PPL Rhode Island Holdings, LLC's
Responses to Division's First Set of Data Requests
Issued on June 8, 2021

Division 1-12

Request:

Please identify and provide copies of all filings with the U.S. Securities and Exchange Commission made by Applicants related to the transaction.

Response:

PPL filed a Form 8-K with the U.S. Securities and Exchange Commission on March 18, 2021 (Commission File Number 1-11459) related to the transaction and PPL Energy Holdings, LLC entering into the share purchase agreement with National Grid USA for the acquisition of 100% of the outstanding shares of common stock in The Narragansett Electric Company. Please see Attachment PPL-DIV 1-12-1 for a copy of the Form 8-K.

The transaction was also referenced in the Form 10-Q filed with the SEC by PPL for the first quarter of 2021 on May 6, 2021 and found at <https://www.sec.gov/ix?doc=/Archives/edgar/data/55387/000092222421000021/ppl-20210331.htm> and in the Form 8-K filed with the SEC by PPL on June 14, 2021 in connection with the closing of the sale of PPL's Western Power Distribution business and found at <https://www.sec.gov/ix?doc=/Archives/edgar/data/922224/000092222421000027/ppl-20210609.htm>.

Please see Attachment PPL-DIV 1-12-1 for the Form 8-K; PPL-DIV 1-12-2 for Exhibit 2.1 to the Form 8-K; PPL-DIV 1-12-3 for Exhibit 2.2 to the Form 8-K; Exhibit 1-12-4 for Exhibit 99.1 to the Form 8-K; Exhibit 1-12-5 for Exhibit 99.2 to the Form 8-K.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 18, 2021 (March 17, 2021)

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11459	PPL Corporation (Exact name of Registrant as specified in its charter) Pennsylvania Two North Ninth Street Allentown, PA 18101-1179 (610) 774-5151	23-2758192

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered

Common Stock of PPL Corporation Junior Subordinated Notes of PPL Capital Funding, Inc.	PPL	New York Stock Exchange
2007 Series A due 2067	PPL/67	New York Stock Exchange
2013 Series B due 2073	PPX	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement

Background

On August 10, 2020, PPL Corporation, a Pennsylvania corporation (the “Company”) announced that it had initiated a formal process to sell its U.K. utility business. In connection with the sale process, on March 17, 2021, subsidiaries of the Company entered into binding agreements with subsidiaries of National Grid Plc (“National Grid”) for (i) the disposition of PPL WPD Investments Limited, an indirect wholly-owned subsidiary of the Company (“WPD”), and (ii) the acquisition of The Narragansett Electric Company, an indirect wholly-owned subsidiary of National Grid (“Narragansett Electric”) (such transactions, collectively, the “Transactions”).

WPD Sale Share Purchase Agreement

On March 17, 2021, PPL WPD Limited, an indirect wholly-owned subsidiary of the Company (“PPL Seller”), entered into a share purchase agreement (the “WPD Sale SPA”) with National Grid Holdings One Plc, an indirect wholly-owned subsidiary of National Grid (“National Grid Buyer”), and National Grid, pursuant to which PPL Seller agreed to sell to National Grid Buyer 100% of the issued share capital of WPD in exchange for approximately £7.8 billion in cash (such transaction, the “WPD Sale”). Pursuant to the WPD Sale SPA, PPL Seller will also receive an additional amount equal to £548,000 for each day during the period from January 1, 2021 to the closing date in lieu of the dividends usually declared by WPD to the PPL Seller for that period.

The completion of the WPD Sale, which is currently expected to occur within four months of signing, is subject to (i) receipt of approval from the U.K. Financial Conduct Authority (the “FCA”), the Guernsey Financial Services Commission and, if in force prior to closing and to the extent applicable, the Secretary of State in connection with the U.K. National Security and Investment Bill 2020 (the “Conditions”) and (ii) National Grid obtaining approval from its shareholders pursuant to the U.K. Listing Rules of the FCA (the “National Grid Shareholder Approval”), as well as other customary conditions to closing, including the execution and delivery of certain related transaction documents. PPL Seller and National Grid Buyer have each made customary warranties and agreements in the WPD Sale SPA, as well as certain customary covenants by PPL Seller to conduct the businesses that are subject to the WPD Sale in the ordinary course between the execution of the WPD Sale SPA and the closing of the WPD Sale. National Grid Buyer also agreed to take out a warranty and indemnity insurance policy at its expense. The consummation of the transactions contemplated by the WPD Sale SPA is not subject to a financing condition.

The WPD Sale SPA contains certain termination rights for PPL Seller and National Grid Buyer, including if (i) the Conditions are not satisfied by the date three months following the signing date (which date may be extended by two to four months in certain circumstances), or (ii) in connection with the National Grid Shareholder Approval, the Board of Directors of National Grid (x) fails to make a unanimous and unqualified recommendation from the directors of National Grid to National Grid’s shareholders in the shareholder circular to vote in favor of the WPD Sale (a “National Grid Recommendation”) or (y) determines after the posting of the

shareholder circular that it cannot continue to make a unanimous and unqualified recommendation from the directors of National Grid to National Grid's shareholders to vote in favor of the WPD Sale before the vote takes place (clause (y) being referred to as a "National Grid Recommendation Change").

National Grid Buyer must pay PPL Seller a fee of (i) \$150 million in cash, in certain circumstances, where no National Grid Recommendation has been made or where a National Grid Recommendation Change has occurred and the WPD Sale does not close as a result of the National Grid Shareholder Approval not being obtained, or (ii) \$50 million in cash, where no National Grid Recommendation Change has occurred and the WPD Sale does not close as a result of the National Grid Shareholder Approval not being obtained.

Pursuant to the WPD Sale SPA, upon the closing of the WPD Sale, PPL Seller and National Grid Buyer will enter into a tax deed (the "WPD Sale Tax Deed"), which contains customary indemnities and other provisions including a specific indemnity in relation to certain surrenders of tax losses made to WPD and/or its subsidiaries.

The foregoing summary of the WPD Sale SPA does not purport to be complete and is qualified in its entirety by reference to the WPD Sale SPA, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K (this "Report") and incorporated by reference herein.

Narragansett Electric Share Purchase Agreement

On March 17, 2021, PPL Energy Holdings, LLC, an indirect wholly-owned subsidiary of the Company ("PPL Buyer"), and the Company, solely in its capacity as guarantor, entered into a share purchase agreement (the "Narragansett Electric Acquisition SPA") with National Grid USA ("National Grid Seller"), an indirect wholly-owned subsidiary of National Grid, pursuant to which PPL Buyer agreed to purchase from National Grid Seller 100% of the outstanding shares of common stock in Narragansett Electric in exchange for \$3.77 billion in cash, subject to adjustment as set forth in the Narragansett Electric Acquisition SPA (such transaction, the "Narragansett Electric Acquisition"). PPL Buyer expects to fund the Narragansett Electric Acquisition with proceeds from the WPD Sale. The Company has agreed to guarantee all obligations of PPL Buyer under the Narragansett Electric Acquisition SPA.

The closing of the Narragansett Electric Acquisition, which is currently expected to occur within one year of signing, is subject to the prior closing of the WPD Sale and is also subject to the receipt of certain U.S. regulatory approvals, including, among others, clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, receipt of the approvals, authorizations or waivers from the Rhode Island Division of Public Utilities and Carriers, the Federal Energy Regulatory Commission and the Massachusetts Department of Public Utilities, as well as other customary conditions to closing, including the execution and delivery of certain related transaction documents. PPL Buyer and National Grid Seller have each made customary representations, warranties and covenants in the Narragansett Electric Acquisition SPA, including, among others, customary indemnification provisions and covenants by National Grid Seller to conduct the Narragansett Electric business in the ordinary course between the execution of the Narragansett Electric Acquisition SPA and the closing of the Narragansett Electric Acquisition. The consummation of the transactions contemplated by the Narragansett Electric Acquisition SPA is not subject to a financing condition.

The Narragansett Electric Acquisition SPA contains customary termination rights for PPL Buyer and National Grid Seller, including if (i) a governmental authority has denied a required statutory approval and such denial has become final and nonappealable, (ii) the closing does not occur by March 17, 2022 (which date may be extended to September 17, 2022 under certain circumstances), (iii) the other party breaches any of its representations, warranties or covenants (subject to materiality thresholds and cure periods) or (iv) the WPD Sale SPA has been terminated in accordance with its terms.

In connection with the Narragansett Electric Acquisition, National Grid Seller and one or more of its subsidiaries and Narragansett Electric will enter into a transition services agreement, pursuant to which National Grid Seller and/or one or more of its subsidiaries will agree to provide certain transition services to Narragansett Electric to facilitate the operation of Narragansett Electric following the consummation of the Narragansett Electric Acquisition and the transition of operations to Narragansett Electric, as agreed upon in the Narragansett Electric Acquisition SPA.

The foregoing summary of the Narragansett Electric Acquisition SPA does not purport to be complete and is qualified in its entirety by reference to the Narragansett Electric Acquisition SPA, a copy of which is filed as Exhibit 2.2 to this Report and incorporated by reference herein.

Item 2.06 Material Impairments

In connection with entering into the WPD Sale SPA as described above in Item 1.01, the WPD business has met the accounting criteria to be classified as assets held for sale and discontinued operations beginning with the first quarter of 2021. As a result, the Company will report its WPD business at the estimated fair value, less costs to sell. The Company expects this will result in an estimated non-cash pre-tax loss in the range of \$1.5 billion to \$2.0 billion in the first quarter of 2021, primarily due to the recognition of accumulated other comprehensive losses. The Company does not anticipate that this charge will result in future cash expenditures. All of the estimates described in Item 2.06 of this Form 8-K may change in the future.

Item 7.01 Regulation FD Disclosure

On March 18, 2021, the Company issued a press release announcing the Transactions. A copy of this press release is furnished as Exhibit 99.1 to this Report.

In addition, on March 18, 2021, at 8:30 a.m. (Eastern Time), members of PPL's senior management will hold a teleconference and webcast with financial analysts and investors to discuss the announcement of the Transactions. The event will be available in audio format, together with the investor presentation to be used during the teleconference, on PPL's Internet website: www.pplweb.investorroom.com/events. The webcast will be available for replay on PPL's website for 90 days. A copy of the investor presentation is furnished as Exhibit 99.2 to this Report.

As provided in General Instruction B.2 of Form 8-K, the information contained in Item 7.01 of this Report shall not be incorporated by reference into any filing of the registrant, whether made before, on or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information contained in Item 7.01 of this Report shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Cautionary Statement on Forward-Looking Statements

All statements, other than statements of current or historical fact, contained in this communication are forward-looking statements. Without limiting the foregoing, forward-looking statements often use words such as “believe,” “anticipate,” “plan,” “expect,” “estimate,” “intend,” “seek,” “target,” “goal,” “may,” “will,” “would,” “could,” “should,” “can,” “continue” and other similar words or expressions (and the negative thereof). We intend the forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with these safe-harbor provisions. In particular, these statements include, without limitation, statements about our future operating or financial performance, market opportunity, growth strategy, competition, expected activities in completed and future acquisitions, including statements about the impact of the Transactions and potential investments or other planned or possible uses of proceeds.

These forward-looking statements reflect our current views with respect to future events and are based on numerous assumptions and assessments made by us in light of our experience and perception of historical trends, current conditions, business strategies, operating environments, future developments and other factors we believe appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties and are subject to change because they relate to events and depend on circumstances that will occur in the future, including economic, regulatory, competitive and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions.

All forward-looking statements included in this filing are based on information available to us on the date of this communication. Except as may be otherwise required by law, we undertake no obligation to update or revise the forward-looking statements included in this communication, whether as a result of new information, future events or otherwise, after the date of this filing. You should not place undue reliance on any forward-looking statements, as actual results may differ materially from projections, estimates, or other forward-looking statements due to a variety of important factors, variables and events including, but not limited to: (i) the ability to obtain the requisite National Grid Shareholder Approval; (ii) the risk that the parties may be unable to obtain governmental and regulatory approvals required for the Transactions, or that required governmental and regulatory approvals may delay the Transactions or result in the imposition of

conditions that could cause the parties to abandon the Transactions; (iii) the risk that other conditions to closing of the Transactions may not be satisfied; (iv) the timing to consummate the Transactions; (v) the risk that Narragansett Electric will not be integrated successfully; (vi) disruption from the Transactions making it more difficult to maintain relationships with customers, employees or suppliers; (vii) the diversion of management time on transaction-related issues; (viii) general worldwide economic conditions and related uncertainties, including the COVID-19 pandemic; and (ix) the effect of changes in governmental regulations.

This list of important factors is not intended to be exhaustive. We discuss certain of these matters more fully, as well as certain other factors that may affect our business operations, financial condition and results of operations, in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Due to these important factors and risks, we cannot give assurances with respect to our future performance.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
2.1	<u>Share Purchase Agreement, dated as of March 17, 2021, by and among PPL WPD Limited, National Grid Holdings One Plc and National Grid Plc.*</u>
2.2	<u>Share Purchase Agreement, dated as of March 17, 2021, by and among PPL Energy Holdings, LLC, PPL Corporation (solely as guarantor), and National Grid USA.*</u>
99.1	<u>Press Release, dated as of March 18, 2021, announcing the transactions.</u>
99.2	<u>Investor Presentation, dated as of March 18, 2021.</u>
104	Cover Page Interactive Data File (the Cover Page Interactive Data File is embedded within the Inline XBRL document).

* Schedules have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule will be furnished to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PPL CORPORATION

By: /s/ Marlene C. Beers

Marlene C. Beers

Vice President and Controller

Dated: March 18, 2021

EX-2.1 2 d128074dex21.htm EX-2.1

Exhibit 2.1

EXECUTION VERSION



Share Purchase Agreement

PPL WPD Limited

and

National Grid Holdings One Plc

and

National Grid Plc

for the sale and purchase of all of the issued shares of PPL WPD Investments Limited

17 March 2021

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THIS AGREEMENT is made on 17 March 2021

BETWEEN:

- (1) **PPL WPD LIMITED** (No. 09172857) whose registered office is at Avonbank, Feeder Road, Bristol, BS2 0TB (the **“Seller”**);
- (2) **NATIONAL GRID HOLDINGS ONE PLC** (No. 02367004)) whose registered office is at 1—3 Strand, London, WC2N 5EH (the **“Buyer”**);
and
- (3) **NATIONAL GRID PLC** (No. 04031152)) whose registered office is at 1—3 Strand, London, WC2N 5EH (**“National Grid”**).

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this agreement the following words and expressions and abbreviations have the following meanings, unless the context otherwise requires:

“£210,000,000 Revolving Credit Facility Agreement” means the facility agreement originally dated 13 January 2016 entered into between WPD plc (as borrower), Mizuho Bank PLC (as facility agent) and certain financial institutions listed therein (as original lenders) relating to a £210,000,000 multi-currency revolving credit facility contained in the Data Room (documents 4.1.2.7, 4.1.2.20, 4.1.2.21, 4.1.2.24 and 4.1.2.25);

“£210,000,000 Revolving Credit Facility Agreement Amendment Agreement” means an unconditional amendment agreement in respect of the £210,000,000 Revolving Credit Facility Agreement, to be entered into between WPD plc (as borrower) and Mizuho Bank PLC (as facility agent) which (a) amends clauses 19.5.1 and 19.5.2 (Negative Pledge) of the £210,000,000 Revolving Credit Facility Agreement so that the covenants contained within those clauses apply only to the Borrower, any Distribution Company and any Holding Company of a Distribution Company (to the extent such Holding Company is a member of the Group) (in each case, as defined in the £210,000,000 Revolving Credit Facility Agreement); and (b) confirms that no Default or Event of Default (as defined in the £210,000,000 Revolving Credit Facility Agreement) is outstanding in connection with the amendments made to clauses 19.5.1 and 19.5.2 (Negative Pledge) of the £210,000,000 Revolving Credit Facility Agreement or the existence of any Security Interest or Quasi-Security (as defined in the £210,000,000 Revolving Credit Facility Agreement) over any of the assets of any Holding Company of a Distribution Company that is not a member of the Group (in each case, as defined in the £210,000,000 Revolving Credit Facility Agreement);

“£350,000,000 Term Loan Facility Agreement” means the facility agreement dated 26 February 2021 entered into between WPD plc (as borrower), J.P. Morgan AG (as agent) and certain financial institutions listed therein (as original lenders) relating to a £350,000,000 term loan contained in the Data Room (document 4.1.4.5);

“£50,000,000 Term Loan Facility Agreement” means the facility agreement originally 7 June 2019 entered into between WPD plc (as borrower) and National Westminster Bank PLC (as agent and original lender) relating to a £50,000,000 term loan facility contained in the Data Room (document 4.1.2.10);

“Accounts” means the Locked Box Accounts and the Company Accounts;

“Accounts Date” means 31 March 2020;

“Accounts Relief” has the meaning given to it in the Tax Deed;

“Additional Consideration” means an amount equal to £548,000 per calendar day for the period from (and including) 1 January 2021 to (and including) the date of Completion;

“Adverse Recommendation Change” has the meaning given to it in clause 3.4(b);

“After-Tax Basis” means when referenced in any indemnity, payment obligation or covenant to pay that, if and to the extent that the amount payable pursuant to such indemnity, obligation or covenant is subject to a deduction or withholding required by law in respect of Tax or is chargeable to any Tax in the hands of the recipient, such amount shall be increased so as to ensure that, after taking into account the amount of Tax required to be deducted or withheld from, and the Tax chargeable on, such amount (including on the increased amount), the recipient of the sum is in the same position as it would have been in had no such deduction, withholding or Tax been payable;

“Anti-Bribery and Corruption Laws” means the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or the anti-bribery and corruption laws of any jurisdiction to which any Group Company is subject and in each case any related rules, regulations and guidance;

“Anti-hybrid Tax Indemnity Claim” has the meaning given to it in the Tax Deed;

“Approved Announcement” means an announcement in the agreed terms;

“BEIS” means the Department for Business, Energy and Industrial Strategy;

“Business Day” means a day (excluding Saturdays) on which banks generally are open in London and New York for the transaction of normal banking business;

“Buyer’s Group” means the Buyer and its group undertakings together with any person that directly or indirectly Controls, who is Controlled by or is under common Control of those persons referred to above, and all of them and each of them from time to time as the context admits and **“member of the Buyer’s Group”** shall be construed accordingly;

“Buyer’s Solicitors” means Herbert Smith Freehills LLP of Exchange House, 12 Primrose Street, London, EC2A 2EG;

“Central Networks Group” means the section of the Electricity Supply Pension Scheme known as the Central Networks Group;

“Change of Controller Application” means a change of control application from the Buyer and Aztec Insurance Limited in respect of its proposed acquisition of control over the GFSC Regulated Entity pursuant to section 25 of the Insurance Law;

“Circular” means the circular to be despatched by National Grid to its shareholders to convene the General Meeting in accordance with the Listing Rules;

“Claim” means all and any of a Seller Warranty Claim and a Tax Claim;

“CMA” means the UK Competition and Markets Authority;

“Code” means the United States Internal Revenue Code of 1986, as amended;

“Company” means PPL WPD Investments Limited (No. 10991462) whose registered office is at Avonbank, Feeder Road, Bristol, BS2 0TB;

“Company Accounts” means the audited financial statements of the Company for the financial period ended on the Accounts Date included in the Data Room (document 3.1.2.25);

“Completion” means the completion of the sale and purchase of the Shares in accordance with clause 6;

“Completion Date” means the date on which Completion occurs;

“Conditions” means the conditions set out in clause 3.1;

“Confidential Information” means all information relating to any Group Company’s business, financial or other affairs (including future plans and targets of any Group Company);

“Consideration” means the sum of the Fixed Consideration and the Additional Consideration less any amount of Notified Leakage;

“Control” means, in relation to any person (a **“Controlled Person”**), the ability of another person (such other person, in relation to the first mentioned person, a **“Controller”**), by virtue of the rights or contracts owned, held or entered into by the Controller or by any other means, to exercise decisive influence over such Controlled Person, in particular by:

- (a) ownership or the right to use all or part of the assets of such Controlled Person; and/or
 - (b) rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of such Controlled Person,
- and **“Controlled”** shall be construed accordingly;

“Controllers Exemption Order” means the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009/774;

“Co-obligor Agreement” means the fifth supplemental indenture between, amongst others, PPL UK Resources Limited and WPD plc dated 2 January 2019 whereby PPL UK Resources Limited and WPD plc agreed to act as jointly and severally liable co-obligors with respect to the \$300,000,000.00 7.375% notes due on 15 December 2028 originally issued by WPD Holdings UK (now dissolved), contained in the Data Room (document 4.1.1.7);

“Co-obligor Assignment Agreement” means the sixth supplemental indenture between, amongst others, PPL UK Resources Limited and WPD plc dated 16 December 2020 and pursuant to which PPL UK Resources Limited has assigned its obligations to the Company, contained in the Data Room (document 4.1.1.75);

“Cyber Insurance Policies” means all insurance policies held for the benefit of the Seller’s Group in which any Group Company has an interest and in respect of which the time limit for notification of claims has not expired as at the Completion Date, covering such Group Company for loss that it may suffer on various cyber events, and where such events occurred prior to the Completion Date when any Group Company was under the management control of the Seller, for example those insurance policies outlined in “Pluto Cyber Program Summary 7 9 2020” (document 15.4.1) and “Pluto DO and Cyber Program Charts 2020” (document 15.4.2) in the Data Room;

“CTA 2009” means the Corporation Tax Act 2009;

“CTA 2010” means the Corporation Tax Act 2010;

“D&O Insurance Policies” means all insurance policies held for the benefit of the Seller’s Group in which any Group Company has an interest and in respect of which the time limit for notification of claims has not expired as at the Completion Date, covering its directors and officers for loss that they may suffer on account of claims made against them for an actual or alleged wrongful act committed in their capacity as a director or officer, and where such wrongful act(s) occurred prior to the Completion Date when any Group Company was under the management control of the Seller, for example those insurance policies outlined in “Pluto DO and Cyber Program Charts 2020” (document 15.4.2) and “Pluto DO Liability Insurance Brochure 1-10-20_Redacted” (document 15.4.3) in the Data Room;

“Data Room” means the online data room relating to the Group which is operated by Intralinks under the name “Project Vortex” and made available to the Buyer as at 16:38 (GMT) on 17 March 2021;

“Data Room Information” means the materials and information contained in the Data Room, an index of which is appended to the Disclosure Letter;

“Defined Benefit Pension Schemes” means:

- (a) the Western Power Distribution Group of the Electricity Supply Pension Scheme;
- (b) the Central Networks Group of the Electricity Supply Pension Scheme;
- (c) the Western Power Utilities Pension Scheme; and
- (d) the following sections of the Western Power Pension Scheme:
 - (i) the 192 Section;
 - (ii) the 1993 Section; and
 - (iii) the MEPS 2020 Section;

“Demand Loan” means the demand loan of up to \$125 million between WPD plc (as borrower) and PPL Capital Funding Inc. (as lender) dated 1 April 2015 contained in the Data Room (document 4.1.2.32);

“Disclosed” means any fact, matter, event or circumstance which is fairly disclosed in such manner and with sufficient details that a professionally advised buyer would reasonably be expected to be aware of that fact, matter, event or circumstance being disclosed and its scope;

“Disclosure Letter” means the letter dated the same date as this agreement together with the attachments thereto addressed by the Seller to the Buyer disclosing exceptions to the Seller Warranties;

“Distribution Licences” means, in relation to each of the DNOs, the electricity distribution licence that has come into effect in relation to it pursuant to section 6(1)(c) of the Electricity Act 1989;

“Distribution System” means the electricity distribution system managed and operated by a DNO pursuant to the terms of its Distribution Licence;

“DNOs” means the four distribution network operators in the Group, namely:

- (a) Western Power Distribution (South West) plc;
- (b) Western Power Distribution (South Wales) plc;
- (c) Western Power Distribution (West Midlands) plc; and
- (d) Western Power Distribution (East Midlands) plc;

“DP Legislation” means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction (as amended, consolidated or re-enacted from time to time) which relates to the protection of individuals with regards to the processing of personal data or to the privacy of electronic communication to which a party is or has been from time to time subject, including without limitation, as applicable the Data Protection Act 2018, the GDPR, the UK General Data Protection Regulation (as defined by the Data Protection Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019) as incorporated into the laws of the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018, and the Privacy and Electronic Communications (EC Directive) Regulations 2003;

EA Technology Group” means the section of the Electricity Supply Pension Scheme known as the EA Technology Group;

“EHS” means environmental, and health and safety matters;

“EHS Consents” means any material permits, licences, authorisations, registrations, registerable exemptions or consents required under EHS Law for the operation of the business of the relevant Group Company as at the date of this agreement;

“EHS Law” means all applicable law, statutes, regulations, subordinate legislation, common law, or order or judgment of any competent court, statutory guidance, codes of practice and the requirements of any EHS Regulatory Authority, in each case, which has the force of law in England and Wales at the date of this agreement and which has as its purpose the protection or prevention of harm to, or the remediation or restoration of, the Environment, or the health and safety of any person (but excluding any such laws relating to (a) town and country or infrastructure planning and (b) electricity or energy markets regulation);

“EHS Regulatory Authority” means any EHS governmental authority, agency or department, or with regard to corporate manslaughter offences the police authorities, having authority under or jurisdiction in respect of any EHS Law;

“EHS Warranties” means the warranties set out in paragraph 18 of schedule 1;

“Electricity Supply Pension Scheme” means the pension scheme established by a resolution of the Electricity Council dated 20 January 1983;

“Employees” means any persons employed by or holding office with any Group Company under a contract of employment or service contract, but, for the avoidance of doubt, excluding any individual engaged as a contractor or consultant pursuant to a contract for services with or in respect of any Group Company;

“Encumbrance” means any claim, charge, mortgage, lien, pledge, encumbrance, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or security interest or any other third party right or other security interest or any other agreement, arrangement or obligation to create any of the foregoing;

“Environment” means any and all of the following media namely the air, water and land and any living organisms or systems supported by those media;

“Ex-Hyder Directors Unfunded Pensions Plan” means the unfunded pension plan concerning certain individuals who had been executives of the Hyder Business;

“Ex-Hyder Liability” means the costs associated with the Ex-Hyder Directors Unfunded Pensions Plan;

“Ex-Hyder Liability Novation Agreement” means the deed of novation between the Seller, Western Power Distribution (South Wales) plc and the Company dated 10 March 2021 novating the Ex-Hyder Liability from the Seller to the Company, contained in the Data Room (document 2.5.18.14);

“FCA” means the United Kingdom Financial Conduct Authority (or any successor body);

“FCA Regulated Entity” means Western Power Distribution (South West) plc (registered company number 02366894, firm reference number 720519) which is authorised and regulated by the FCA;

“Financial VDD Report” means the financial vendor due diligence report prepared by PricewaterhouseCoopers LLP dated 4 December 2020 and the addendum dated 4 February 2021 in relation to the Transaction contained in the Data Room (documents 21.9 and 24.1);

“Fixed Consideration” means £7,790,923,120;

“FSMA” means the United Kingdom Financial Services and Markets Act 2000;

“GDPR” means the General Data Protection Regulation (EU) 2016/679; on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, repealing Directive 95/46/EC;

“General Meeting” means the general meeting of National Grid to be convened to approve the Resolutions;

“GFSC” means the Guernsey Financial Services Commission;

“GFSC Regulated Entity” means Aztec Insurance Limited (registered company number 22227) which is authorised and regulated by the GFSC;

“Group” means the Company and the Subsidiaries and **“Group Company”** and **“member of the Group”** means any one of them;

“Group Finance Agreements” means the finance arrangements of the Group contained in the Data Room (folders 4.1.1, 4.1.2, 4.1.3 and 4.1.4);

“Group Relief” has the meaning given to it in the Tax Deed;

“HMRC” means Her Majesty’s Revenue and Customs and, where relevant, any predecessor body which carried out part of its functions;

“Hyder Business” means the Welsh water and electricity business of Hyder plc and its group, which was acquired by the Group in 2000, including its electricity distribution business, known as Infracore;

“IAS Regulation” means EC Regulation No. 1606/2002 of the European Parliament and the Council of 19 July 2002 on the application of international accounting standards;

“IFRS” means the international accounting standards, within the meaning of the IAS Regulation, as adopted from time to time by the European Commission in accordance with that regulation;

“Insurance Law” means The Insurance Business (Bailiwick of Guernsey) Law 2002;

“Insurance Policy” means the warranty and indemnity insurance policy taken out by the Buyer in connection with the Transaction;

“Incentive Schemes” means: (i) the PPL Corporation Amended and Restated 2012 Stock Incentive Plan (documents 8.6.4, 8.6.5, 8.6.9 to 8.6.11, 8.6.20 to 8.6.23, and 8.6.32 in the Data Room); (ii) the PPL Corporation Incentive Compensation Plan for Key Employees (documents 8.6.2, 8.6.3, 8.6.6 to 8.6.8, 8.6.16 to 8.6.19, and 8.6.40 in the Data Room); the PPL Corporation Short Term Incentive Plan (document 8.6.45 in the Data Room); (iv) the Managerial Results Related Bonus Scheme (documents 8.2.1 and 8.2.4 in the Data Room); and (v) the Phantom Stock Options;

“Intellectual Property” means patents, trade marks, service marks and trade names (and the goodwill symbolised by any of the foregoing), Internet domain names, design rights, copyrights (whether registered or not and any applications to register or rights to apply for registration of any of the foregoing), moral rights, rights in inventions, Know-How, trade secrets and other confidential information (whether tangible or intangible), and all other intellectual property rights of a similar or corresponding character or having equivalent or similar effect in any jurisdiction in any part of the world, together with the right to sue for passing off or past infringement of any of the foregoing;

“IRS” means the United States Internal Revenue Service;

“IT Agreement” means any agreement under which any third party provides an element of, or services relating to, the IT Systems;

“IT Systems” means the information technology used in the Group’s business including all communications systems, cabling, networks, websites, computer hardware, mobile devices, databases, firmware and software owned, used, leased, licensed or held for use by any Group Company;

“Key Employee” means Phil Swift, Ian Williams, Graham Halladay and Alison Sleightholm;

“Know-How” means confidential or proprietary industrial, technical or commercial information and techniques in any form (including paper, electronically stored data, magnetic media, files and micro-film) including, drawings, data relating to inventions, formulae, test results, reports, research reports, project reports and testing procedures, shop practices, instruction and training manuals, market forecasts, specifications, quotations, lists and particulars of customers and suppliers, marketing methods and procedures, show-how and advertising copy;

“Leakage” means:

- (a) any dividend, bonus or other distribution of capital or income declared, paid or made (whether in cash or in specie) or any purchase, repurchase, redemption, repayment or return of share or loan capital (or any other relevant securities) by any Group Company to or for the benefit of any member of the Seller’s Group;
- (b) any bonus or award paid or transferred to or for the benefit of any Key Employee, or to any spouse or family member of any such Key Employee, or to any trust of which any such person is a beneficiary;
- (c) any payments made (including management, monitoring, service or directors’ fees) by any Group Company to (or assets transferred to or liabilities assumed, indemnified, or incurred by any Group Company for the benefit of) any member of the Seller’s Group or any Seller Connected Person (including with respect to any share capital or other securities of any Group Company);
- (d) the waiver or release by any Group Company of any economic benefit or amount owed to that Group Company by, or any claims or rights of that Group Company against, any member of the Seller’s Group or any Seller Connected Person;
- (e) the payment by any Group Company of any professional fees or other costs or expenses in connection with the Transaction;

- (f) the payment of any fees, costs or Tax incurred or paid by any Group Company as a result of the occurrence of any of those matters set out in paragraphs (a) to (e) above (which shall for the purposes of this paragraph (f) and clause 7 be deemed to have been received by the person receiving the benefit of the matter in question); and
- (g) the agreement or commitment (whether conditional or not) by any Group Company to do or procure the doing of any of the things set out in paragraphs (a) to (f) above,

other than any Permitted Leakage Payment;

“Legal VDD Report” means the legal vendor due diligence report prepared by Ashurst LLP dated 15 January 2021 (including all related schedules, appendices and addendums) in relation to the Transaction contained in the Data Room (folder 23);

“Listing Rules” means the listing rules made by the FCA under Part VI of FSMA;

“Locked Box Accounts” means the audited financial accounts of the WPD Group on a consolidated basis for the financial period ended on the Locked Box Date included in the Data Room (document 3.1.1.25);

“Locked Box Date” means 31 March 2020;

“London Stock Exchange” means the London Stock Exchange plc;

“Long-stop Date” means three months from the date of this agreement or as extended pursuant to clause 3.7 (or such other date as the Buyer and Seller may agree in writing);

“Management Accounts” means the:

- (a) unaudited management accounts of the WPD Group on a consolidated basis for the period from 1 April 2019 and ended on 31 March 2020 included in the Data Room (document 3.2.3.3);
- (b) unaudited management accounts of the WPD Group on a consolidated basis for the period from 1 April 2020 and ended on 31 October 2020 included in the Data Room (document 3.2.3.4); and
- (c) unaudited management accounts of the WPD Group on a consolidated basis for the period from 1 November 2020 and ended on 31 January 2021 included in the Data Room (document 3.2.3.5);

“Management Bonuses” means any bonuses (other than the Transition Incentive Awards) paid or agreed to be paid by any member of the Group before, on or around Completion to certain members of the Group’s management in relation to the Transaction;

“Material Commercial Contracts” means the material commercial agreements of the Group, comprising the top 21 agreements (by contract value) whereby a Group Company is the beneficiary of works, services and/or goods, which for the purposes of identification are set out in the “material commercial agreements” list contained in the Data Room (document 6.2.1.25.1);

“Material IT Agreement” means each IT Agreement that is of material importance to the conduct of the Group’s business contained in the Data Room (folder 14.1.6);

“Material IT System” has the meaning given in paragraph 15.1 (Information Technology) of schedule 1 (Seller Warranties);

“Material Permits” means all material licences (including the Distribution Licences), conditions, permits, approvals, authorisations, certificates, confirmations and consents which are necessary for the operation of the Group’s business as it is currently operated, other than the EHS Consents;

“Merger Notice” means a notice within the meaning of section 96 of the Enterprise Act 2002;

“Merger Review” means any inquiry, information request, investigation or other process conducted or proposed to be conducted by the CMA in respect of the Transaction for the purposes of Part 3 of the Enterprise Act 2002, whether following submission by National Grid of a Merger Notice or otherwise, and whether or not the CMA has formally opened an investigation;

“Model” means the financial model produced for the purposes of the Transaction and contained in the Data Room (document 21.8);

“National Grid Facility Agreement” means the bridge facility agreement dated on or prior to the date hereof entered into between, amongst others, National Grid (as borrower) and Barclays Bank PLC and Goldman Sachs Bank USA (as the Mandated Lead Arrangers);

“Notice of Control” means a notice of control from the Buyer in respect of its proposed acquisition of control over the FCA Regulated Entity pursuant to Part XII of FSMA and Article 6A of the Controllars Exemption Order;

“Notified Leakage” means the amount of any dividend in respect of the calendar year ending 31 December 2021 which is paid to the Seller prior to the date which is 5 Business Days prior to Completion;

“NSI Bill” means the National Security and Investment Bill 2020;

“Ofgem” means the Office of Gas and Electricity Markets;

“Options Spreadsheet” means the “WPD option to tax” document contained in the Data Room (document 16.8.9);

“PAYE” means pay as you earn, the system requiring employers to deduct income tax from employees’ salary (or an equivalent withholding system in any overseas jurisdiction);

“Pension Funding Obligations” means the obligations of the Group Companies in respect of:

- (a) the EA Technology Group of the Electricity Supply Pension Scheme; and
- (b) Electricity Pensions Limited;

“Pension Schemes” means:

- (a) the 2010 Section of the Western Power Pension Scheme; and
- (b) the Defined Benefit Pension Schemes;

“Permitted Leakage Payment” means any of the payments or other matters set out in schedule 4;

“Personal Data” has the meaning given in DP Legislation;

“Phantom Stock Options” means the phantom stock options issued to employees under the Group’s long-term incentive plan, the details of which are contained in the Data Room (documents 8.2.6 and 8.2.22);

“Post-Completion Services Summary” means the “Vortex—Post-Completion Services” document contained in the Data Room (document 22.6);

“Properties” means all the freehold and leasehold land owned, used or occupied by a Group Company and as are necessary for the operation of the Group’s business as it is currently operated;

“Property Rights” means all easements, wayleaves and other similar rights granted or reserved to a Group Company;

“Registrar of Companies” means the registrar of companies in England and Wales;

“Related Persons” means:

(a) in the case of the Seller, any member of the Seller’s Group; and

(b) in the case of the Buyer any member of the Buyer’s Group,

and all of them and each of them from time to time as the context admits;

“Relevant Regulator” means (a) with respect to the FCA Condition, the FCA, (b) with respect to the GFSC Condition, the GFSC, and (c) with respect to the NSI Condition, the Secretary of State or BEIS;

“Relief” has the meaning given to it in the Tax Deed;

“Resolutions” has the meaning given to it in clause 3.1(c);

“Retained Companies” means PPL UK Resources Limited, PPL WPD Limited and PPL UK Distribution Holdings Limited;

“Schedule of Particulars” means the schedule setting out the particulars of each Group Company contained in the Data Room (document 1.1.5);

“Secretary of State” means the Secretary of State for Business, Energy and Industrial Strategy;

“Seller Connected Persons” means in respect of the Seller, any member of the Seller’s Group or any of its or their respective advisers, directors, officers or employees, but (with the exception of Vincent Sorgi, Joseph Bergstein, Gregory Dudkin, Andrew Elmore, Joanna Raphael and Stacy Frey) should not include any Group Company or any of their respective advisers, directors, officers or employees;

“Seller Fundamental Warranties” means the warranties set out in clause 8.2;

“Seller Fundamental Warranty Claim” means a claim in respect of a breach of the Seller Fundamental Warranties;

“Seller Warranties” means the warranties set out in clause 8.2 and schedule 1 (including, for the avoidance of doubt, the Tax Warranties);

“Seller Warranty Claim” means a claim in respect of a breach of the Seller Warranties;

“Seller’s Account” means the Seller’s bank account at Bank of New York Mellon, Account Number: 8033045450, Swift: IRVTUS3N, or such other account as is notified to the Buyer by the Seller not later than 10 Business Days prior to the Completion Date;

“Seller’s Group” means the Seller, its group undertakings (excluding from Completion the Group Companies) and all of them and each of them from time to time as the context admits and **“member of the Seller’s Group”** shall be construed accordingly (save that, for the purposes of the definition of Leakage, **“Seller’s Group”** and **“member of the Seller’s Group”** shall be deemed to exclude the Group Companies);

“Seller’s Group Guarantees” means any guarantee, security, indemnity, counter-indemnity, letter of comfort or other commitment or obligation given by or binding on the Seller or any other member of the Seller’s Group to any third party in respect of any liability or obligation of any member of the Group;

“Seller’s Solicitors” means Ashurst LLP of London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW;

“Shares” means the entire issued share capital of the Company (being 2,716,100,001 ordinary shares of £1 each);

“Standard Commercial Contracts” means all of the Group contracts which have a value equal to or greater than £5 million whereby a Group Company is the beneficiary of works, services and/or goods (which are not Material Commercial Contracts);

“Subsidiary” means a subsidiary undertaking of the Company specified in Part B of the Schedule of Particulars and **“Subsidiaries”** means all those subsidiary undertakings;

“Supplementary Circular” has the meaning given to it in clause 3.4(e);

“STIP 2021 Award” means a payment to be made to each of the Key Employees by the Group under the PPL Corporation Short Term Incentive Plan included in the Data Room (document 8.6.45) either before or after Completion, such timing for payment to be determined by the Seller’s Group in respect of the period between 1 January 2021 and Completion, the value of such payment to each Key Employee to be determined by the Seller’s Group;

“Tax” or “tax” means:

- (a) any tax, and any duty, contribution, impost, withholding, levy or charge in the nature of tax, whether domestic or foreign, and includes corporation tax, income tax (including income tax required to be deducted or withheld from or accounted for in respect of any payment), national insurance and social security contributions, apprenticeship levy, capital gains tax, inheritance tax, value added tax, customs, excise and import duties, stamp duty, stamp duty land tax, stamp duty reserve tax, insurance premium tax, air passenger duty, rates and water rates, landfill tax, petroleum revenue tax, advance petroleum revenue tax, gas levy and any other payment whatsoever which any person is or may be or become bound to make to any person and which is or purports to be in the nature of taxation; and
- (b) all fines, penalties, interest, and surcharges relating in any way with any tax falling within paragraph (a) above (including, for the avoidance of doubt, where imposed as a result of a failure to make any return, comply with any reporting requirements or supply any information in connection with any such taxes);

“Tax Claim” means a Tax Deed Claim or a Tax Warranty Claim;

“Tax Deed” means a deed of covenant to be entered into between the Buyer and the Seller on the date of Completion;

“Tax Deed Claim” means a claim under clause 2 or clause 9 of the Tax Deed (including, for the avoidance of doubt, an Anti-hybrid Tax Indemnity Claim);

“Tax Return” means any return, declaration, computation, report, list, claim for refund, information return or similar statement with respect to any Tax, including any schedule or attachment thereto, and including any amendment thereof or written correspondence in relation thereto;

“Tax Warranties” means the warranties set out in paragraph 13 of schedule 1;

“Tax Warranty Claim” means a claim for breach of a Tax Warranty;

“Taxation Authority” means any local, municipal, governmental, state, federal or fiscal, revenue, customs or excise authority, body, agency or official anywhere in the world competent to impose or administer a liability to Tax, including HMRC and the IRS;

“Technical VDD Report” means the technical vendor due diligence report prepared by Ove Arup & Partners International Ltd dated 30 November 2020 in relation to the Transaction contained in the Data Room (document 21.5);

“Transaction” means the transaction(s) contemplated by this agreement;

“Transaction Documents” means this agreement, the Disclosure Letter and the Tax Deed, together with any other documents referred to in this agreement that have or will be entered into in connection with the Transaction;

“Transition Incentive Awards” means the Transaction related bonuses to be paid by the Group to each of the Key Employees in accordance with the Transition Incentive Award Letters;

“Transition Incentive Award Letters” means the letters to each of the Key Employees contained in the Data Room (documents 26.11 to 26.14 (inclusive)) and the amendments to such letters contained in the Data Room (documents 26.15 to 26.18 (inclusive)) concerning the Transition Incentive Awards;

“UK GAAP” means the United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101;

“Unfunded Pension Arrangements” means:

- (a) the Ex-Hyder Directors Unfunded Pension Plan; and
- (b) the Eon UK’s Central Networks Business unfunded pension plan;

“VATA” means the Value Added Tax Act 1994 and **“VAT legislation”** means VATA and all regulations and orders made thereunder;

“Western Power Distribution Group” means the section of the Electricity Supply Pension Scheme known as the Western Power Distribution Group;

“Western Power Pension Scheme” means the pension scheme known as the Western Power Pension Scheme and governed by a definitive trust deed and rules dated 17 December 2012;

“Western Power Utilities Pension Scheme” means the pension scheme known as the Western Power Utilities Pension Scheme and governed by a definitive trust deed and rules dated 19 April 2006;

“WPD Group” means WPD plc and its subsidiary undertakings as at the date of this agreement and **“WPD Group Company”** and **“member of the WPD Group”** means any one of them;

“WPD plc” means Western Power Distribution plc (No. 09223384) whose registered office is at Avonbank, Feeder Road, Bristol, BS2 0TB;

“WPUPS Reimbursement Agreement” means the agreement between Western Power Distribution (South Wales) plc and the Seller dated 30 October 2014 pursuant to which all costs relating to the Western Power Utilities Pension Scheme funded by Western Power Distribution (South Wales) plc are reimbursed by the Seller contained in the Data Room (document 9.4.3.2); and

“WPUPS Reimbursement Novation Agreement” means the novation agreement between the Seller, Western Power Distribution (South Wales) plc and the Company dated 10 March 2021 novating the WPUPS Reimbursement Agreement pursuant to which the Seller will be released from the obligations under the WPUPS Reimbursement Agreement and the Company will reimburse Western Power Distribution (South Wales) plc for the costs relating to the funding of the Western Power Utilities Pension Scheme, contained in the Data Room (document 2.5.18.1).

1.2 In this agreement unless otherwise specified:

- (a) reference to a document in the **“agreed terms”** is a reference to that document in the form approved and for the purposes of identification initialled by or on behalf of the Seller and the Buyer;
- (b) **“includes”** and **“including”** shall mean including without limitation;
- (c) a **“party”** means a party to this agreement and includes its permitted assignees (if any);
- (d) a **“person”** includes any person, individual, company, firm, corporation, partnership, government, state or agency of a state or any undertaking (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- (e) **“subsidiary undertaking”**, **“parent company”**, **“group undertaking”** and **“undertaking”** have the meanings as set out in the Companies Act 2006;
- (f) reference to any statute, statutory instrument or regulation are to those statutes, statutory instruments or regulations which are applicable to the United Kingdom;
- (g) reference to a **“statute”** or **“statutory instrument”** or **“accounting standard”** or any of their provisions is to be construed as a reference to that statute or statutory instrument or accounting standard or such provision as the same may have been amended or re-enacted before the date of this agreement;
- (h) reference to a **“clause”**, **“paragraph”** or **“schedule”** is to a clause of, a paragraph of or schedule to this agreement respectively;
- (i) **“writing”** includes any methods of representing words in a legible form and except where expressly stated otherwise, shall include email;
- (j) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;
- (k) reference to the time of day is reference to that time in London, England;

- (l) reference to \$ or dollars is to the lawful currency of the United States; and
- (m) reference to £ or pounds sterling is to the lawful currency of the United Kingdom.

- 1.3 The schedules form part of the operative provisions of this agreement and references to this agreement shall, unless the context otherwise requires, include references to the schedules.
- 1.4 The headings in this agreement are for information only and are to be ignored in construing it.
- 1.5 Any question of whether a person is connected with another shall be determined in accordance with sections 1122 and 1123 of CTA 2010 (except that in construing sections 1122 and 1123 “control” has the meaning given by section 1124 or section 450 of CTA 2010 so that there is control whenever section 1124 or 450 requires) which shall apply in relation to this agreement as it applies in relation to CTA 2010.

2. **SALE AND PURCHASE**

- 2.1 Upon the terms of this agreement and subject to the Conditions, the Seller shall sell and the Buyer shall purchase the Shares with effect from Completion with full title guarantee free from any Encumbrance, together with all accrued benefits and rights attached thereto.
- 2.2 The consideration for the sale of the Shares shall be the Consideration which shall be satisfied in cash upon Completion in accordance with clause 6.4(b).
- 2.3 The Seller waives or agrees to procure the waiver of any rights or restrictions conferred upon it or any other person which exist in relation to the transfer of the Shares hereunder under the articles of association of the Company or otherwise.
- 2.4 The Buyer shall not be obliged to complete the purchase of any of the Shares unless the Seller completes the sale of all of the Shares simultaneously.
- 2.5 Any payment due in respect of any claim under any Transaction Document shall for all purposes be deemed to be and shall take effect as a reduction in Consideration paid to the person making such payment.

3. **CONDITIONS**

- 3.1 Completion is conditional upon the fulfilment of each of the Conditions as follows:
 - (a) either:
 - (i) the FCA has given notice in writing, in accordance with section 189(4) or 189(7) of FSMA that it approves the Buyer, and all other persons who would on Completion become a controller of the FCA Regulated Entity (in each case an “**Additional Notice Giver**”), acquiring control of the FCA Regulated Entity pursuant to this agreement; or
 - (ii) the assessment period shall have elapsed in accordance with Part XII of FSMA where, within such period the FCA has neither:
 - (A) given such notice that it approves the obtaining by the Buyer and each Additional Notice Giver of control over the FCA Regulated Entity; nor
 - (B) issued a warning notice in response to the Notice of Control, so that the FCA is treated as having approved the obtaining of control over the FCA Regulated Entity by the Buyer and each Additional Notice Giver pursuant to section 189(6) of FSMA,

and for the purposes of this clause 3.1(a), “control” and “controller” shall be defined and construed in accordance with FSMA (the “**FCA Condition**”);

(b) either:

- (i) the GFSC has given notice in writing that it approves or has no objection to the acquisition of the GFSC Regulated Entity by the Buyer and all other persons who would on Completion become a controller of the GFSC Regulated Entity; or
- (ii) the assessment period shall have elapsed since the date on which the GFSC received the Change of Controller Application in circumstances such that the GFSC is deemed as having given written approval or confirmation of no objection of the obtaining of control over the GFSC Regulated Entity by the Buyer and all other persons who would on Completion become a controller of the GFSC Regulated Entity pursuant to section 25 of the Insurance Law,

and for the purpose of this clause 3.1(b), “controller” shall be defined and construed in accordance with the provisions of the Insurance Law (the “**GFSC Condition**”);

- (c) the passing at the General Meeting of ordinary resolutions approving: (i) the purchase of the Shares pursuant to this agreement for the purposes of Chapter 10 of the Listing Rules, or otherwise satisfying the requirement for shareholder approval for the Transaction under Chapter 10 of the Listing Rules; and (ii) an increase in the borrowing limit in National Grid’s articles of association (the “**Resolutions**”) (the “**Shareholder Approval Condition**”); and
- (d) if the mandatory notification regime proposed in Section 14 of the NSI Bill (whether or not subject to any amendments during the passage of the NSI Bill through the UK Parliament) enters into force prior to Completion and the Buyer concludes (acting reasonably and in consultation with the Seller) that the Transaction must be approved by the Secretary of State in advance of Completion under that mandatory notification regime, the Secretary of State granting such approval or being legally deemed to have done so (with an approval for this purpose including (i) a confirmation that no further action will be taken or (ii) an approval which is subject to conditions or remedies that are imposed by order or are otherwise agreed, provided that Completion is in accordance with the terms of such order or agreement) (the “**NSI Condition**”),

(together, the “**Conditions**”).

3.2 In relation to the Conditions:

- (a) the Buyer shall notify in writing the Seller promptly but in any event within one Business Day upon becoming aware that:
 - (i) circumstances have arisen that are reasonably likely to result in one or more of the Conditions not being satisfied prior to the Long-stop Date together with such details of the relevant circumstances as are in the Buyer’s possession at the relevant time; or
 - (ii) any Condition has been fulfilled and provide evidence of the same.

3.3 In relation to the FCA Condition, the GFSC Condition and the NSI Condition:

- (a) the Buyer undertakes to take all steps within its control (and to procure that any member of the Buyer's Group takes all steps within the control of the Buyer's Group) that are necessary to ensure that the Conditions are fulfilled as soon as possible and, in any event, prior to the Long-stop Date, and in particular, shall:
 - (i) submit all appropriate submissions, notifications and filings in relation to the Transaction to each Relevant Regulator as soon as reasonably practicable and in any event shall:
 - (A) with respect to the FCA Condition, submit a Notice of Control relating to the Transaction to the FCA no later than 25 March 2021;
 - (B) with respect to the GFSC Condition, submit a Change of Controller Application relating to the Transaction to the GFSC no later than 25 March 2021; and
 - (C) if the circumstances described in clause 3.1(d) apply, with respect to the NSI Condition, submit a mandatory notification relating to the Transaction in the required form to the Secretary of State or BEIS (as required) within five (5) Business Days of the date on which the circumstances described in clause 3.1(d) became applicable,subject, in each case, to the Seller having complied with its obligations under clause 3.5;
 - (ii) insofar as legislation deriving from the NSI Bill is not in force as at the date of this agreement but at any point prior to Completion it becomes apparent to the Buyer (acting reasonably) that there is a reasonable likelihood that such legislation will be in force prior to Completion such that the NSI Condition will become applicable, engage with BEIS as soon as possible after such reasonable likelihood arises to:
 - (A) agree all of the information that BEIS wishes or requires to be included in a notification relating to the Transaction, and insofar as possible, agree the form of the notification with BEIS, and
 - (B) insofar as possible, pre-empt any concerns which BEIS or the Secretary of State may have,in each case, with a view to satisfying the NSI Condition (to the extent that it becomes applicable) as soon as practicable following the NSI Bill (whether or not subject to any amendments during the passage of the NSI Bill through the UK Parliament) coming into effect;
 - (iii) promptly (but in any case within one Business Day) notify in writing the Seller and its advisers of any substantive communications with or requests for information from any Relevant Regulator in relation to the Transaction;
 - (iv) notify in writing the Seller and its advisers sufficiently in advance of any substantive document, communication, notification or filing which it proposes to submit or make to any Relevant Regulator in relation to the Transaction and:
 - (A) provide the Seller and its advisers with copies of such substantive documents, communications, notifications or filings in draft form, including any supporting documentation or information reasonably requested by the Seller;

- (B) provide the Seller and its advisers with a reasonable opportunity to provide comments on such drafts prior to their submission and (acting reasonably) take account of those comments in good faith; and
- (C) promptly provide the Seller and its advisers with copies of all communications, documents, notifications and filings in the form submitted to each Relevant Regulator;
- (v) in the event that any Relevant Regulator indicates that some form of condition, remedy, undertaking or commitment is or is likely to be necessary in order to approve the Transaction and thereby satisfy a Condition, at its own cost and expense, propose, offer, negotiate and agree with each Relevant Regulator such condition, remedy, undertaking or commitment that is within the control of the Buyer or any other member of the Buyer's Group and may be necessary to obtain the relevant approval and satisfy the relevant Condition with respect to the Transaction. For the avoidance of doubt such condition, remedy, undertaking or commitment may involve the sale, divestiture, licence or disposition of any necessary assets, rights or businesses of the Buyer, any other member of the Buyer's Group, the Company or any other member of the Group (including, for the avoidance of doubt, the Shares or any asset, business or right of any member of the Group), or if acceptable to the Relevant Regulator, may involve an undertaking or commitment on behalf of the Buyer, any other member of the Buyer's Group, the Company or any other member of the Group to conduct its or their affairs or to behave in a particular manner; and
- (vi) submit all remedy offers which may be required for the purposes of paragraph (v) above to any Relevant Regulator in a fully reasoned and documented form in accordance with any required procedures and within any required timeframes;
- (b) unless the Relevant Regulator objects, allow persons nominated by the Seller to attend all meetings and participate in all substantive telephone or other conversations with any Relevant Regulator (save to the extent that the Relevant Regulator expressly requests that the Seller should not be present at the meeting or part or parts of the meeting) and to make oral submissions at such meetings or in such telephone or other conversations; and
- (c) keep the Seller promptly and fully informed as to the progress of any substantive communications, notifications or filings which are made with a view to obtaining the relevant clearance, consent or approval from the Relevant Regulator,

save that in relation to all disclosures under this clause 3.3, confidential or commercially sensitive information may be disclosed on a confidential "counsel to counsel" basis only from the Buyer's Solicitors to the Seller's Solicitors.

3.4 In relation to the Shareholder Approval Condition,

- (a) National Grid shall:
 - (i) unless an Adverse Recommendation Change has occurred and has not been reversed, regularly review with the Seller the progress of the approval by the FCA of the Circular and the satisfaction of the Shareholder Approval Condition;
 - (ii) unless an Adverse Recommendation Change has occurred and has not been reversed, procure that the Circular is despatched to those entitled to receive it, in accordance with the Listing Rules, by the date which is the later of:

(A) 1 April 2021; and

(B) the 5th Business Day after (x) a copy of the £210,000,000 Revolving Credit Facility Agreement Amendment Agreement, duly signed by each party to that agreement, has been provided to National Grid or (y) if the Seller has elected that WPD plc will prepay or repay all amounts drawn under the £210,000,000 Revolving Credit Facility and cancel all Commitments (as defined therein, as applicable) in full, confirmation in writing to National Grid's reasonable satisfaction that such prepayment or repayment and cancellation has occurred,

together with any other documentation, announcement, form, notice or circular required for the purpose of seeking approval from National Grid's shareholders to implement the Transaction and which convenes the General Meeting for a date no later than twenty-eight days from the date that the Circular is published, or such other date as the Seller and the Buyer may agree in writing;

- (iii) unless an Adverse Recommendation Change has occurred and has not been reversed, prior to the General Meeting, solicit votes in favour of the Resolutions and keep the Seller reasonably informed of the number of proxy votes received in favour and the number of proxy votes received against the Resolution (and any abstentions);
 - (iv) unless an Adverse Recommendation Change has occurred and has not been reversed, propose the Resolutions as set out in the notice of the General Meeting accompanying the Circular without amendment and not seek to amend the Resolutions without the prior written consent of the Seller (such consent not to be unreasonably withheld or delayed);
 - (v) unless an Adverse Recommendation Change has occurred and has not been reversed, subject to clause 3.4(c), convene, hold and transact the relevant business at the General Meeting at the time and date specified in the Circular and take such steps as may be necessary in connection therewith; and
 - (vi) once the Resolutions have been approved by the shareholders of National Grid, not propose any resolution or take any action which would result in the Resolutions being revoked or amended, other than if requisitioned to do so by National Grid shareholders in accordance with the Companies Act 2006;
- (b) unless, in each case, the directors of National Grid determine that despatching the Circular incorporating a unanimous and unqualified recommendation from the directors of National Grid to National Grid's shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, or not altering, modifying or revoking such recommendation (an "**Adverse Recommendation Change**") would constitute or would be highly likely to constitute a breach of their statutory or fiduciary duties, National Grid shall despatch the Circular incorporating a unanimous and unqualified recommendation from the directors of National Grid to National Grid's shareholders to vote in favour of the Resolutions to be proposed at the General Meeting and National Grid shall not fail to despatch the Circular or alter, modify or revoke such recommendation. National Grid shall obtain and take into account reputable external legal advice in respect of the same prior to an Adverse Recommendation Change and shall (to the extent not prohibited by applicable law) notify the Seller as soon as practicable if the directors of National Grid determine that it is necessary to make an Adverse Recommendation Change and shall provide the Seller with reasonable detail in relation to the reason(s) for such Adverse Recommendation Change (including the matters, events or circumstances giving rise to such determination);

- (c) unless an Adverse Recommendation Change has occurred and has not been reversed, National Grid shall not adjourn the General Meeting without the prior written consent of the Seller (not to be unreasonably withheld or delayed) unless it is not possible to seek such consent because the motion to adjourn is only moved at the General Meeting either by shareholders (other than the directors) or by the chairman as required by his fiduciary duties and obligations as chairman of the General Meeting. Notwithstanding any provision of this agreement to the contrary, National Grid may, in its sole discretion (acting reasonably), adjourn, recess or postpone the General Meeting: (i) to the extent required by applicable law; or (ii) if at the time for which the General Meeting is scheduled (as set forth in the Circular) there is an insufficient number of National Grid's shares represented (either in person or by proxy) to constitute a quorum necessary to conduct the business of the General Meeting. Unless an Adverse Recommendation Change has occurred and has not been reversed, if the General Meeting is adjourned to a day other than that on which it was originally convened, it shall be adjourned for as short a period as is reasonably practicable (or such longer period as the Seller and National Grid may agree in writing, such agreement not to be unreasonably withheld or delayed);
- (d) the Seller shall, to the extent such information is within its control or the control of the relevant Group Company, and subject to all applicable law:
 - (i) procure that the Group shall, in a timely manner, provide such information as is reasonably requested by the Buyer or National Grid for the purposes of compliance with the Listing Rules in connection with the production of the Circular (and any supplement or amendment thereto); and
 - (ii) in a timely manner, provide such information relating to the Seller or the Seller's Group as is reasonably requested by the Buyer or National Grid for the purpose of compliance with the Listing Rules in connection with the production of the Circular (and any supplement or amendment thereto),provided that neither the Seller nor any Group Company shall authorise or take any responsibility for the form or content of the Circular (or any part of them);
- (e) each party shall promptly notify the other parties if it becomes actually aware that any of the information supplied by, or on behalf of, it for the purposes of the Circular contains a misstatement or omission, or otherwise has become false or misleading, in each case in any material respect, or that the Circular contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, or otherwise requires an amendment or supplement, and shall supply such information to the others as shall be necessary to correct the misstatement or omission. Without limiting the foregoing, if a party becomes aware of any event or change which is required under the Listing Rules to be set out in an amendment or supplement to the Circular (a "**Supplementary Circular**") (including as a result of a misstatement or omission of the kind described in the immediately preceding sentence), as applicable, such party shall promptly inform the other parties, and National Grid shall (to the extent required by applicable law):
 - (i) prepare any Supplementary Circular as soon as reasonably practicable following the matter or circumstance giving rise to the requirement to publish that Supplementary Circular;
 - (ii) allow the Seller reasonable opportunity to review and comment on any such Supplementary Circular and take into account any reasonable comments of the Seller;

- (iii) use reasonable best efforts to finalise any Supplementary Circular and to obtain approval of the Supplementary Circular from the FCA as soon as reasonably practicable; and
- (iv) subject to approval of the FCA, publish and (to the extent required) dispatch the Supplementary Circular to its shareholders promptly after receipt of such approval; and
- (f) each party shall be entitled to terminate this agreement at any time prior to the Long-stop Date by written notice to the other party if the directors of National Grid:
 - (i) fail to include in the Circular a unanimous and unqualified recommendation from the directors of National Grid to National Grid's shareholders to vote in favour of the Resolutions to be proposed at the General Meeting pursuant to clause 3.4(b); or
 - (ii) make an Adverse Recommendation Change, which has not been reversed, prior to the Resolutions being approved.

3.5 In relation to the Conditions, the Seller shall:

- (a) promptly provide the Buyer and the Relevant Regulators with any information that is reasonably requested by the Buyer or any Relevant Regulator (as applicable) and reasonably required for the purpose of making any filings, submissions and notifications (including for the purposes of responding to requests for further information) in relation to the Transaction;
- (b) notify in writing the Buyer and its advisers sufficiently in advance of any substantive document or communication which it proposes to submit or make to any Relevant Regulator in relation to the Transaction and:
 - (i) provide the Buyer and its advisers with copies of such substantive documents or communications in draft form, including any supporting documentation or information reasonably requested by the Buyer;
 - (ii) provide the Buyer and its advisers with a reasonable opportunity to provide comments on such drafts prior to their submission and (acting reasonably) take account of those comments; and
 - (iii) provide the Buyer and its advisers with copies of all such communications or documents in the form submitted to a Relevant Regulator;

save that in relation to all disclosure under this clause 3.5, confidential or commercially sensitive information may be disclosed on a confidential "counsel to counsel" basis only from the Seller's Solicitors to the Buyer's Solicitors.

3.6 The Conditions may only be waived in whole or in part by both the Seller and the Buyer in writing.

3.7 This agreement shall terminate on the Long-stop Date if any of the Conditions have not been fulfilled or waived on or before the Long-stop Date, provided that:

- (a) the Long-stop Date shall be automatically extended by two months without any action required by any party if, as at the Long-stop Date, the FCA Condition and/or the GFSC Condition have not been satisfied; and
- (b) the Long-stop Date shall be automatically extended by two months without any action required by any party if, as at the Long-stop Date (including following any extension pursuant to clause 3.7(a)): (i) the circumstances described in clause 3.1(d) apply and the NSI Condition has not been satisfied, and (ii) all other Conditions have been satisfied.

3.8 If this agreement terminates in accordance with clause 3.4(f) or 3.7 then the obligations of the parties shall automatically terminate save that:

- (a) the rights and liabilities of the parties which have accrued prior to termination; and
 - (b) this clause 3.8 and clauses 5, 9, 10, 11, 12 to 15, and 21 to 28,
- shall in each case continue to subsist.

4. **PERIOD TO COMPLETION**

4.1 Subject to clause 4.2, the Seller undertakes with the Buyer to exercise all its rights (including its votes as shareholder in the Company) to procure that each Group Company shall:

- (a) comply with schedule 3 (but only insofar as schedule 3 expressly provides that its terms are applicable to that Group Company), and save as otherwise approved by the Buyer (such approval not to be unreasonably withheld, conditioned or delayed);
 - (b) operate its business and activities in the usual course in compliance with all laws and regulations applicable to it which are material to the conduct of the business and in substantially the same manner as its business has been carried out on and before the date of this agreement; and
 - (c) take all reasonable steps to preserve and protect its business and assets,
- in each case, in the period between the date of this agreement and the date on which Completion occurs.

4.2 Clause 4.1 shall not apply in respect of and shall not operate so as to restrict or prevent:

- (a) if Completion has not occurred by the date falling 20 days prior to the Final Maturity Date (as defined in the £350,000,000 Term Loan Facility Agreement), any member of the Group agreeing an amendment to the £350,000,000 Term Loan Facility Agreement in order to extend the maturity date of the term loan made thereunder or entering into a replacement of the £350,000,000 Term Loan Facility Agreement, provided that such amendment and extension or replacement shall be on substantially the same terms as the £350,000,000 Term Loan Facility Agreement and shall not result in any additional costs, expenses or break fees being incurred or payable by the Group (unless otherwise agreed with the Buyer);
- (b) WPD plc (i) agreeing an amendment to (or a waiver of any term of) the £210,000,000 Revolving Credit Facility Agreement and/or the £50,000,000 Term Loan Facility Agreement in order to cure or remedy any default or event of default (howsoever described) that is or may be continuing and/or (ii) if any such amendment is not obtained to cure or remedy any default or event of default (howsoever described), prepaying or repaying all amounts drawn under the £210,000,000 Revolving Credit Facility Agreement and/or the £50,000,000 Term Loan Facility Agreement (and cancelling any such facility so prepaid or repaid) and, if any member of the Group so elects, entering into one or more new debt financing arrangements (whether with a third party or a member of the Seller Group) to fund such prepayment or repayment with an aggregate committed amount of not more than the facility or facilities prepaid or repaid and cancelled, provided that (x) any such amendment (or waiver) shall not impose any materially more onerous terms on the Group (or any member of the Group) and shall not result in any additional costs, expenses or break fees being incurred or payable by the Group or (y) any such new debt financing arrangement entered into shall be on materially no worse terms than the facility or facilities prepaid or repaid and cancelled (unless, in any such case, otherwise agreed with the Buyer) provided that it may be a term of such new debt financing arrangement that it shall be repayable immediately following Completion;

- (c) any matter reasonably undertaken by any Group Company or member of the Seller's Group in an emergency or disaster situation or other serious incident or circumstance (including, without limitation, taking any measures reasonably required as a result of Covid-19 or any other pandemic) with the bona fide intention of minimising any adverse effect thereof where time is of the essence and seeking the consent of the Buyer might, in the reasonable opinion of the Seller, lead to a material adverse effect on the Group, imminent loss of life, personal injury or destruction of property and provided that the Buyer is promptly notified and kept up to date of such matters;
 - (d) the completion or performance of actions which are reasonably necessary to discharge any obligations undertaken pursuant to any legal or regulatory obligation or pursuant to any contract, arrangement, licence or consent entered into by or relating to any Group Company prior to the date of this agreement;
 - (e) any matter or action expressly provided for in, permitted, or required by the Transaction Documents or the Model, or expenditure provided for in, permitted, or required by the Transaction Documents or the Model;
 - (f) any Permitted Leakage Payment;
 - (g) any matter required in order to ensure that the Group complies with any law or regulation applicable to it or to comply with an official written request by any applicable regulatory authority;
 - (h) any matter undertaken at the written request or with the written consent of the Buyer; and
 - (i) the agreement or commitment (whether conditional or not) by any member of the Group or the Seller's Group (as applicable) to do or procure the doing of any of the things set out in clauses 4.2(a) to (h),
in each case, in the period between the date of this agreement and the date on which Completion occurs.
- 4.3 In the event that the approval of the Buyer is sought for the purpose of clause 4.1, either the Seller or any member of the Group or the Seller's Group may seek such consent by written notice delivered via e-mail to the following persons (and any other persons that the Buyer notifies to the Seller from time to time for this purpose):
- Attention: The Company Secretary
Email: box.Group.CoSec@nationalgrid.com
- 4.4 The Buyer's approval shall be deemed to have been given to the Seller if such approval has neither been granted nor denied by the Buyer within 10 Business Days of the Buyer having been notified of the request for approval in accordance with clause 4.3. In respect of any amendment to the corporation tax returns for the period ended 31 March 2019, the Buyer acknowledges that the Seller will seek approval shortly before the latest date on which those returns can be filed, being 31 March 2021, and agrees that it will not withhold, condition or delay approval by reason of the limited time to review such returns and will use all reasonable endeavours to approve such returns to enable them to be filed by the latest date on which such returns can be filed, provided that the Seller has bona fide and with reasonable despatch kept the Buyer informed of any material changes to the basis for the amendments to such corporation tax returns from that of which the Buyer is aware at the date of this agreement as based on the Disclosure Letter and that in any event the amended return is made available to the Buyer on or before Monday 29 March 2021 (during normal business hours).

- 4.5 Prior to Completion, in relation to any submission to Ofgem to be made by any Group Company in respect of any matter which the Seller considers, acting in good faith, to be of material importance to the business of any Group Company, the Seller shall, and shall procure that the Group Companies shall:
- (a) provide the Buyer and its advisers with any information that is reasonably requested by the Buyer in relation to such matter;
 - (b) notify in writing the Buyer and its advisers sufficiently in advance of any substantive document or communication which the Seller or any Group Company proposes to submit or make to Ofgem in relation to such matter and:
 - (i) provide the Buyer and its advisers with copies of such substantive documents or communications in draft form, including any supporting documentation or information reasonably requested by the Buyer;
 - (ii) provide the Buyer and its advisers with a reasonable opportunity to provide comments on such drafts prior to their submission and (acting reasonably) consider those comments; and
 - (iii) provide the Buyer and its advisers with copies of all such communications or documents in the form submitted to Ofgem.
- 4.6 Notwithstanding any other provision of this agreement, in respect of any disclosures required under this agreement (including this clause 4), competitively sensitive information may be disclosed on a confidential “counsel to counsel” basis only from the Seller’s Solicitors to the Buyer’s Solicitors.
- 4.7 Pending Completion:
- (a) on reasonable notice by the Buyer to the Seller, the Seller shall procure that the Group Companies shall give the Buyer and any person authorised by it reasonable access to the premises of any Group Company during normal business hours (at the Buyer’s cost and expense) so far that it is lawful and permitted under law, regulation and government guidance including with respect to COVID-19; and
 - (b) the Seller shall procure that:
 - (i) monthly management accounts including supporting information are provided to the Buyer, together with any other information reasonably requested by the Buyer in relation to the Group Companies and their businesses from time to time; and
 - (ii) members of the senior management team of the Group shall meet (including by means of telephone, video conference or other audio or audio-visual link or other form of telecommunication) with representatives of the Buyer on a fortnightly basis for the purpose of discussing regulatory matters, progress on IT and cyber matters, transition planning and business performance and providing context to the materials provided to the Buyer pursuant to clause 4.7(b)(i).
- 4.8 Each party agrees that it will provide all information requested in writing by the other reasonably required to enable the other to comply with its obligations under the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 whether such obligations apply prior to Completion or thereafter.

4.9 The Seller shall:

- (a) if agreed between the parties, use reasonable endeavours to procure that an amount equal to the Additional Consideration accrued as at the date of such agreement is paid to the Seller as Notified Leakage; and
- (b) notify the Buyer in writing of any Notified Leakage at least 5 Business Days prior to Completion.

4.10 The Seller confirms that as at the date of this agreement, no Group Company has any liability under the Demand Loan and that all amounts outstanding or payable by the borrower under the Demand Loan (including any principal, interest, fees and costs) have been paid in full and that the Demand Loan has been validly terminated.

5. **TERMINATION FEE**

5.1 Without prejudice to any other rights or remedies the Seller may have against the Buyer under this agreement or otherwise, but subject to clause 5.2, the Buyer shall pay to the Seller an amount in cash equal to:

- (a) \$150,000,000 (the **“Termination Fee”**) if:
 - (i) this agreement is terminated pursuant to clause 3.4(f), in which case the Termination Fee shall become due and payable five (5) Business Days following service of the notice of termination pursuant to clause 3.4(f); or
 - (ii) (x) an Adverse Recommendation Change occurs and has not been reversed; and (y) the General Meeting is convened and the Resolutions are put to the General Meeting and not passed (or, if adjourned, any such General Meeting which is re-convened), in which case the Termination Fee shall become due and payable five (5) Business Days following the final closing of such General Meeting (or such adjourned General Meeting as applicable); or
 - (iii) an Adverse Recommendation Change occurs and has not been reversed, and the General Meeting has not been held prior to the Long-stop Date, in which case the Termination Fee shall become due and payable five (5) Business Days following the Long-stop Date,(the occurrence of any of those matters set out in paragraphs (i) to (iii) above being a **“Termination Fee Event”**); or
- (b) the total amount of all reasonable and documented fees, costs and expenses incurred by the Seller in connection with the preparation, execution and performance of this agreement and the transactions contemplated hereby, in an amount not to exceed \$50,000,000 (the **“Expenses Fee”**) if (x) no Adverse Recommendation Change has occurred or has occurred but has been reversed prior to the General Meeting, and (y) the General Meeting is convened and the Resolutions are put to the General Meeting and not passed (or, if adjourned, any such General Meeting which is re-convened), in which case the Expenses Fee shall become due and payable five (5) Business Days following the final closing of such General Meeting (or such adjourned General Meeting as applicable) (an **“Expenses Fee Event”**) provided that at such time the Buyer has received written notice from the Seller describing the fees and expenses which constitute the Expenses Fee in reasonable detail, and if it has not received such notice the Expenses Fee shall be payable five (5) Business Days following such receipt.

5.2 The payment of the:

- (a) Termination Fee shall be in full and final settlement of any claims, whether present or future and whether known or unknown, which the Seller has or may have against any member of the Buyer's Group arising out of or in connection with a Termination Fee Event; and
- (b) Expenses Fee shall be in full and final settlement of any claims, whether present or future and whether known or unknown, which the Seller has or may have against any member of the Buyer's Group arising out of or in connection with a Expenses Fee Event.

5.3 If the Termination Fee or the Expenses Fee (as applicable) is due under clause 5.1, it will be paid by electronic transfer to the Seller's Account for same day value. Without prejudice to any other rights or remedies the Seller may have against the Buyer under this agreement or otherwise, in no circumstances shall the Buyer be required to pay more than one of the Termination Fee and the Expenses Fee.

5.4 The parties acknowledge that this clause 5 is an integral part of the Transaction, and that without clause 5, the parties would not have entered into this agreement; accordingly, if the Buyer fails to pay, when due under clause 5.1, the Termination Fee or the Expenses Fee (as applicable), then the sums not paid at that time shall bear interest at an annual interest rate of 3% above the base rate of the Bank of England from time to time accruing daily and compounding quarterly from the date such payment was due under this agreement until the date of payment.

5.5 Any references to the amount of the Termination Fee or the Expenses Fee are references to such amount exclusive of VAT chargeable in respect of any supply of goods or services for which such amount may be consideration. The Parties acknowledge that no VAT is expected to arise in respect of the payment of such amounts. In the event that any VAT is chargeable, the amount of such VAT shall be paid in addition to the Termination Fee or the Expenses Fee promptly following production of a valid VAT invoice in respect thereof.

5.6 Where the Expenses Fee is calculated by reference to any fee, cost or expense incurred by the Seller, the relevant fee, cost or expense shall be deemed to include an amount equal to any VAT comprised in that expenditure which is not recoverable by the payee (or the representative member of its VAT group) as input tax under section 25 VATA.

6. COMPLETION

6.1 Completion shall take place at the offices of the Seller's Solicitors (or remotely via the electronic exchange of executed documents) on the fifth Business Day following the day when all of the Conditions have been fulfilled or waived in accordance with clause 3.6, or if the parties agree, acting reasonably, that Completion on such fifth Business Day is impracticable, Completion shall take place on the last Business Day of the month in which the last remaining Condition has been fulfilled or waived (or at such other venue and/or date as the Buyer and Seller may agree in writing).

6.2 On Completion the Seller shall deliver to the Buyer or, in the case of clause 6.2(d), make available to the Buyer at the offices of the Group:

- (a) transfers in common form relating to all the Shares duly executed by the Seller in favour of the Buyer;
- (b) share certificates (or an indemnity for lost share certificates in the agreed terms) relating to the Shares each showing the name of the Seller as the registered holder;
- (c) letters of resignations in the agreed terms in respect of such directors or company secretaries of any Group Company as may be requested by the Buyer in writing at least five (5) Business Days prior to Completion executed as a deed and waiving all claims against the Company and any Group Company;

- (d) the certificates of incorporation and statutory books and share certificate books of each Group Company;
 - (e) the Seller's duly executed counterpart of the Tax Deed; and
 - (f) an irrevocable power of attorney from the Seller in the agreed form relating to the exercise of rights in respect of the Shares pending their registration in the name of the Buyer.
- 6.3 At or prior to Completion (and prior to the taking effect of the resignations of the directors and company secretary referred to in clause 6.2(c)) the Seller shall procure the passing of board resolutions of each Group Company in the agreed terms:
- (a) (in the case of the Company), subject where necessary to due stamping, sanctioning for registration of the transfers in respect of the Shares and authorising the delivery to the Buyer of share certificates in respect of the Shares;
 - (b) accepting the resignations referred to in clause 6.2(c); and
 - (c) appointing such persons as notified to the Seller by the Buyer in writing at least five (5) Business Days prior to Completion to be the directors and company secretaries of the relevant Group Companies;
- 6.4 On Completion, the Buyer shall:
- (a) deliver to the Seller:
 - (i) the Buyer's duly executed counterpart of the Tax Deed; and
 - (ii) duly executed IRS Forms 8023 in the agreed terms, if requested pursuant to clause 29; and
 - (b) pay the Consideration to the Seller by electronic transfer to the Seller's Account for same day value (and the receipt in the Seller's Account of such sum shall be a complete discharge to the Buyer of its obligation to pay such sum to the Seller).
- 6.5 If in any respect the obligations of the Seller or the Buyer are not complied with on Completion, the Buyer (if it is not in default) or the Seller (if it is not in default) may:
- (a) defer Completion to a date not more than 28 days after Completion should have taken place but for the said default (and so that the provisions of this clause 6, apart from this clause 6.5(a), shall apply to Completion as so deferred); or
 - (b) proceed to Completion so far as practicable (without prejudice to its rights hereunder); or
 - (c) terminate this agreement without prejudice to (i) the rights and liabilities of the parties which have accrued prior to termination; and (ii) this clause 6.5(c) and clauses 5, 9, 10, 11, 12 to 15, and 21 to 28 which shall in each case continue to subsist,
- by means of a notice in writing served on the other.
- 6.6 The Buyer undertakes to procure that the Company (or another member of the Group) pays the second instalment of the Transition Incentive Awards (and, if applicable, any outstanding amounts with respect to the first instalment) in accordance with the Transition Incentive Award Letters as soon as reasonably practicable and in any event within 30 days of the Completion Date.

- 6.7 The Seller undertakes that, within 30 days following the date on which the Buyer notifies the Seller that the second instalment of the Transition Incentive Awards (and, if applicable, any outstanding amounts with respect to the first instalment) has been paid in accordance with the Transition Incentive Award Letters, the Seller shall, to the extent that it has not already put the Company in funds for the costs of the Transition Incentive Awards (and the associated Tax) transfer to the Company an amount equal to:
- (a) the aggregate value of the Transition Incentive Awards (being, for the avoidance of doubt, up to £4,007,232); and
 - (b) any Tax arising as a result from, or otherwise in connection with, the payment of the Transition Incentive Awards (being, for the avoidance of doubt, up to £573,034).
- 6.8 The Buyer undertakes to the Seller that the Buyer will (at the Buyer's cost) use all reasonable endeavours to procure the release of the Seller and each other relevant member of the Seller's Group from the Seller's Group Guarantees as soon as practicable following Completion, including, without limitation, by providing guarantees or indemnities as reasonably required by the third party beneficiary of the relevant Seller's Group Guarantee. Pending such release, the Buyer undertakes to the Seller (on behalf of itself and as trustee on behalf of each other member of the Seller's Group) to keep the Seller and each other member of the Seller's Group fully indemnified on an After-Tax Basis against all amounts required to be paid by the Seller and each other relevant member of the Seller's Group to any third party pursuant to terms of any Seller's Group Guarantees (and all reasonable third party costs incurred by the Seller's Group in connection with any such Seller's Group Guarantees). The Seller shall notify the Buyer within 10 Business Days of its (or any Seller's Group's) receipt of a demand under a Seller's Group Guarantee.
- 6.9 Within 20 days following Completion, the Buyer undertakes that it shall take all steps required to change the name of the Company and any other Group Company which contains the word "PPL" or similar to a name which does not contain the word "PPL" or any word similar thereto. The Buyer shall not use in any commercial manner after the Completion Date the word "PPL" or any word confusingly similar thereto (and will procure the same from each member of the Buyer's Group (including, for the avoidance of doubt, the Company and any other Group Company).

7. LEAKAGE

- 7.1 The Seller undertakes to the Buyer that since (but excluding) the Locked Box Date until (and including) the Completion Date neither it nor any other member of the Seller's Group (other than the Group Companies) or any Seller's Connected Person has received or will receive any Leakage.
- 7.2 In the event of any Leakage between (but excluding) the Locked Box Date until (and including) the Completion Date (and subject to written notification to the Seller of the obligation to make such payment within six months of the Completion Date) then the Seller shall on demand by the Buyer pay to the Buyer within 10 Business Days of such demand an amount in cash in immediately available funds equal to such Leakage received or waived by the Seller or any other member of the Seller's Group (other than the Group Companies).
- 7.3 In the period between the date of this agreement and the Completion Date, the Seller shall promptly notify the Buyer in writing if the Seller becomes aware that any Leakage has occurred or is reasonably likely to occur, including with such notice reasonable details (including quantum) of such Leakage so far as they are known to the Seller.

- 7.4 The Seller's obligation to pay such cash amount under clause 7.2 shall be the sole remedy available to the Buyer for any claim arising (directly or indirectly) from a breach of clause 7.1.
- 7.5 The aggregate maximum liability of the Seller for all breaches by it of the undertaking given by it in clause 7.1 shall not in any circumstances exceed the amount actually received by the Seller at Completion pursuant to this agreement.
- 7.6 Schedule 2 (other than paragraphs 4, 13 and 15 of schedule 2) shall not apply to any claim under this clause 7.

8. FUNDAMENTAL WARRANTIES

8.1 The Buyer warrants to the Seller that as at the date of this agreement:

- (a) the Buyer has full capacity, power and authority to execute this agreement and each of the other Transactions Documents to which it is a party, and to assume and perform the obligations expressed to be assumed by it hereunder and thereunder and, save as set out in or contemplated by this agreement, all consents and approvals of any other persons required therefor have been duly obtained;
- (b) the Buyer is a public limited company duly incorporated, duly organised and validly existing under the laws of its country of incorporation and has been in continuous existence since incorporation;
- (c) the execution by the Buyer of this agreement and each of the other Transactions Documents to which it is a party, and the performance by the Buyer of its obligations hereunder and thereunder, does not and will not breach any provision of its memorandum and articles of association, by-laws or equivalent constitutional documents, or result in a breach of any laws or regulations in its jurisdiction of incorporation or in any other applicable jurisdiction, or of any order, decree or judgment of any court or any governmental or regulatory authority in its jurisdiction of incorporation or in any other applicable jurisdiction;
- (d) the obligations expressed to be assumed by the Buyer under this agreement and each of the other Transactions Documents to which it is a party are or will be (as the case may be) legal, valid and enforceable against it in accordance with its terms;
- (e) no order has been made, petition presented, meeting convened to consider a resolution, or resolution passed, for the winding up or for the appointment of an administrator, liquidator, receiver, or trustee in bankruptcy of the Buyer (and no action has been taken in relation to such appointment), nor is the Buyer the subject of any analogous insolvency, reorganisation or similar proceedings anywhere in the world (or other process whereby the business is terminated and the assets of the Buyer are distributed amongst creditors or shareholders or any other contributors), nor is the Buyer insolvent or unable to pay its debts as they fall due;
- (f) in connection with the Transaction, the Buyer has not, directly or indirectly, given, promised, offered or authorised, or accepted, requested, received or agreed to receive, any payment, gift, reward, rebate, contribution, commission, incentive, inducement or advantage to or from any person, in contravention of Anti-Bribery and Corruption Laws; and
- (g) the Buyer is classified as a corporation for U.S. federal income tax purposes.

8.2 Subject to the limitations in schedule 2, the Seller warrants to the Buyer that as at the date of this agreement:

- (a) the Seller has full capacity, power and authority to execute this agreement and each of the other Transactions Documents to which it is a party, and to assume and perform the obligations expressed to be assumed by it hereunder and thereunder and, save as set out in or contemplated by this agreement, all consents and approvals of any other persons required therefor have been duly obtained;
- (b) the Seller is a company with limited liability duly incorporated, duly organised and validly existing under the laws of the United Kingdom and has been in continuous existence since incorporation;
- (c) the execution by the Seller of this agreement and each of the other Transactions Documents to which it is a party, and the performance by the Seller of its obligations hereunder and thereunder, does not and will not breach any provision of its memorandum and articles of association, by-laws or equivalent constitutional documents, or result in a breach of any laws or regulations in its jurisdiction of incorporation or in any other applicable jurisdiction, or of any order, decree or judgment of any court or any governmental or regulatory authority in its jurisdiction of incorporation or in any other applicable jurisdiction;
- (d) the obligations expressed to be assumed by the Seller under this agreement and each of the other Transactions Documents to which it is a party are or will be (as the case may be) legal, valid and enforceable against it in accordance with its terms;
- (e) no order has been made, petition presented, meeting convened to consider a resolution, or resolution passed, for the winding up or for the appointment of an administrator, liquidator, receiver, or trustee in bankruptcy of the Seller (and no action has been taken in relation to such appointment), nor is the Seller the subject of any analogous insolvency, reorganisation or similar proceedings anywhere in the world (or other process whereby the business is terminated and the assets of the Seller are distributed amongst creditors or shareholders or any other contributors), nor is the Seller insolvent or unable to pay its debts as they fall due;
- (f) the Seller is the sole legal and beneficial owner of the Shares;
- (g) the legal and beneficial holder of the issued share capital of each of WPD plc, WPD Investment Holdings Limited, WPD Distribution Network Holdings Limited and each of the DNOs is as set out in the Schedule of Particulars and in each case such shares are held free from any Encumbrance;
- (h) in connection with the Transaction, the Seller has not, directly or indirectly, given, promised, offered or authorised, or accepted, requested, received or agreed to receive, any payment, gift, reward, rebate, contribution, commission, incentive, inducement or advantage to or from any person, in contravention of Anti-Bribery and Corruption Laws;
- (i) the Company has not allotted any shares other than the Shares, the Shares are fully paid or credited as fully paid and there is no Encumbrance in relation to any of the Shares; and
- (j) other than this agreement, or as set out in the articles of association of the Company, there is no agreement, arrangement or obligation requiring the allotment, sale, transfer, redemption or repayment of, or the grant to a person of the right (conditional or not) to require the allotment, sale, transfer, conversion, redemption or repayment of, a share in the capital of the Company (including an option or right of pre-emption or conversion).

8.3 National Grid warrants to the Seller that as at the date of this agreement:

- (a) National Grid has full capacity, power and authority to execute this agreement, and to assume and perform the obligations expressed to be assumed by it hereunder and thereunder and, save as set out in or contemplated by this agreement, all consents and approvals of any other persons required therefor have been duly obtained;
- (b) National Grid is a public limited company duly incorporated, duly organised and validly existing under the laws of its country of incorporation and has been in continuous existence since incorporation;
- (c) the execution by National Grid of this agreement, and the performance by National Grid of its obligations hereunder, does not and will not breach any provision of its memorandum and articles of association, by-laws or equivalent constitutional documents, or result in a breach of any laws or regulations in its jurisdiction of incorporation or in any other applicable jurisdiction, or of any order, decree or judgment of any court or any governmental or regulatory authority in its jurisdiction of incorporation or in any other applicable jurisdiction;
- (d) the obligations expressed to be assumed by National Grid under this agreement are or will be (as the case may be) legal, valid and enforceable against it in accordance with its terms;
- (e) no order has been made, petition presented, meeting convened to consider a resolution, or resolution passed, for the winding up or for the appointment of an administrator, liquidator, receiver, or trustee in bankruptcy of National Grid (and no action has been taken in relation to such appointment), nor is National Grid the subject of any analogous insolvency, reorganisation or similar proceedings anywhere in the world (or other process whereby the business is terminated and the assets of National Grid are distributed amongst creditors or shareholders or any other contributors), nor is National Grid insolvent or unable to pay its debts as they fall due; and
- (f) in connection with the Transaction, National Grid has not, directly or indirectly, given, promised, offered or authorised, or accepted, requested, received or agreed to receive, any payment, gift, reward, rebate, contribution, commission, incentive, inducement or advantage to or from any person, in contravention of Anti-Bribery and Corruption Laws.

9. **SELLER WARRANTIES AND SELLER LIABILITY**

- 9.1 Subject to the limitations in schedule 2, the Seller warrants to the Buyer in the terms of the Seller Warranties (other than the Seller Fundamental Warranties) as at the date of this agreement.
- 9.2 Subject to the limitations in schedule 2, the Seller warrants to the Buyer in the terms of the Seller Fundamental Warranties as at the Completion Date by reference to the facts and circumstances then subsisting and, for this purpose, the Seller Fundamental Warranties shall be deemed to be repeated at Completion as if any express or implied reference in the Seller Fundamental Warranties to the date of this agreement was replaced by a reference to the date of Completion.
- 9.3 Subject to clause 9.4, each of the Seller Warranties shall be construed as a separate warranty, and (unless expressly provided to the contrary) shall not be limited by the terms of any of the other Seller Warranties or by any other term of this agreement.

- 9.4 The Buyer agrees and acknowledges that the Seller does not give any warranties under this agreement in respect of:
- (a) Tax except for the Tax Warranties and warranties 11.1 and 11.4; and
 - (b) EHS except for the EHS Warranties,
- provided that this clause shall not exclude or limit the Buyer's right to make a claim for loss or damages arising in respect of a breach of any other warranty to the extent that such loss or damages comprise any Tax paid or suffered.
- 9.5 Any Seller Warranty expressed to be given "so far as the Seller is aware" or otherwise qualified by reference to the knowledge of the Seller shall be a reference to the actual knowledge (and expressly excluding from that expression any constructive or imputed knowledge) at the date of this agreement of:
- (a) Phil Swift, Ian Williams, Graham Halladay, Alison Sleightholm and Sally Jones, in respect of all Seller Warranties other than the Tax Warranties;
 - (b) Julie Hunt in respect only of the Seller Warranties set out in paragraph 6 of schedule 1;
 - (c) Julie Smith and Tony Gaddas in respect only of the Seller Warranties set out in paragraph 7 of schedule 1;
 - (d) Bruce Pollard in respect only of the Seller Warranties set out in paragraph 9 of schedule 1;
 - (e) Bev Dwyer in respect only of the Seller Warranties set out in paragraphs 10 and 11 of schedule 1;
 - (f) Ian Cutter in respect only of the Seller Warranties set out in paragraph 12 of schedule 1;
 - (g) Neil Briggs in respect only of the Tax Warranties;
 - (h) Mike Keay in respect only of the Seller Warranties set out in paragraphs 15 and 16 of schedule 1;
 - (i) Tony Gaddas in respect only of the Seller Warranties set out in paragraphs 14 and 20 of schedule 1; and
 - (j) Lee Wallace in respect only of the Seller Warranties set out in paragraph 18 of schedule 1.
- 9.6 The Seller shall not be liable in respect of a Seller Warranty Claim (other than a Seller Fundamental Warranty Claim), if and to the extent that any fact, matter, event or circumstance giving rise thereto is Disclosed in the Disclosure Letter, the Data Room Information, the Transaction Documents, the Legal VDD Report, the Financial VDD Report, the Technical VDD Report, or is Disclosed in the Accounts or the Management Accounts.
- 9.7 The Buyer and the Seller acknowledge and agree that the contents of the Data Room Information, the Transaction Documents, the Legal VDD Report, the Financial VDD Report, the Technical VDD Report and the Accounts and Management Accounts Disclosed to the Buyer shall be treated as within the actual knowledge of the Buyer.
- 9.8 Without prejudice to any other provision in this agreement or any other Transaction Document that limits the Seller's liability, and subject to clause 7.6, the liability of the Seller under this agreement and all other Transaction Documents shall be limited if and to the extent that the limitations referred to in schedule 2 apply.

- 9.9 The Buyer must otherwise comply with the conduct of claim requirements set out in schedule 2.
- 9.10 Where any Seller Warranty is qualified by reference to materiality (including the phrase “in all material respects”) such reference shall, unless specified to the contrary, be construed as a reference to materiality in the context of the Group as a whole.
- 9.11 In relation to any Merger Review:
- (a) the Seller shall:
 - (i) promptly notify the Buyer of any material communications or documents received from the CMA and provide the Buyer and its advisers with copies of all such communications or documents;
 - (ii) promptly provide the Buyer with any information and/or assistance that is reasonably requested by the Buyer for the purpose of preparing and submitting to the CMA a Merger Notice or otherwise cooperating with and/or responding to a Merger Review; and
 - (iii) promptly and in accordance with any applicable time limit provide to the CMA such information as it may require, including attending any meetings or calls with the CMA or responding to requests for further information as may be necessary; and
 - (b) insofar as the Buyer intends to submit a draft or final Merger Notice to the CMA in advance of Completion, the Buyer shall provide the Seller and its advisers with copies of such Merger Notice in draft form and provide the Seller and its advisers with a reasonable opportunity to provide comments on such draft or final Merger Notice prior to their submission and (acting reasonably) consider those comments (provided that the provision of such comments will not unduly delay any submission to the CMA);

save that in relation to all disclosure under this clause 9.11, confidential or commercially sensitive information may be disclosed on a confidential “counsel to counsel” basis only from the Seller’s Solicitors to the Buyer’s Solicitors or (as applicable) from the Buyer’s Solicitors to the Seller’s Solicitors and nothing in this clause 9.11 shall require a party to share information, documents or communications with the other if prohibited by the CMA from doing so.

10. **BUYER UNDERTAKINGS**

- 10.1 The Buyer undertakes (on behalf of itself and as trustee on behalf of its Related Persons) to the Seller (on behalf of itself and as trustee on behalf of its Related Persons) that (in the absence of fraud or fraudulent concealment) neither the Buyer nor its Related Persons:
- (a) has any rights against; and
 - (b) may make any claim against,
- the Seller’s Related Persons (excluding the Seller) or the respective directors, officers, employees, agents or professional advisers (except to the extent such professional adviser has entered into a reliance letter with the Buyer) of the Seller’s Related Persons (including the Seller) on whom it may have relied before agreeing to any term of, or entering into, this agreement, any other Transaction Document or any other agreement or document referred to therein.
- 10.2 Neither the Buyer nor National Grid shall, without the prior written consent of the Seller amend, vary or terminate the National Grid Facility Agreement in a manner which would adversely affect in any way the availability to the Buyer of funds to be used to satisfy its obligations under this agreement.

- 10.3 The Buyer and National Grid undertake to ensure that commitments in respect of the debt financing made to National Grid pursuant to the National Grid Facility Agreement will be available to National Grid in full so as to enable the Buyer to satisfy its payment obligations under this agreement and such monies will be used by the Buyer to satisfy its payment obligations under this agreement in full.

11. INSURANCE

- 11.1 The Buyer shall procure that the Insurance Policy is incepted on the date of this agreement. The cost of the Insurance Policy shall be for the sole account of the Buyer.
- 11.2 In the event of a Seller Warranty Claim (other than a Seller Fundamental Warranty Claim) and/or a Tax Deed Claim (other than the Anti-hybrid Tax Indemnity Claim):
- (a) the Buyer's first recourse shall be against the amounts available for such claims under the Insurance Policy; and
 - (b) any excess in respect of the amount of all such claims which is not recoverable by the Buyer under the Insurance Policy shall be borne by the Seller up to the maximum liability referred to in paragraph 3(a) of schedule 2, subject to the limitations set out in schedule 2.
- 11.3 The Buyer acknowledges and agrees that the monetary cap referred to in paragraph 3(a) of schedule 2 shall apply notwithstanding any subsequent non-payment under the Insurance Policy, any vitiation or expiry or termination of the Insurance Policy, any insolvency of the underwriters of the Insurance Policy or any failure of the Buyer to purchase (or otherwise incept) the Insurance Policy.
- 11.4 The Buyer confirms that the Insurance Policy contains a waiver (in terms which have been approved in writing by the Seller prior to the execution of this agreement) by the underwriters of that policy of all rights of subrogation against the Seller or any other member of the Seller's Group, save in respect of any claim attributable to the fraud or fraudulent misrepresentation on the part of the Seller or any other member of the Seller's Group. The Buyer undertakes not to make, or agree to make, any amendments or variations to the subrogation provisions of the Insurance Policy.
- 11.5 The Buyer shall deliver to the Seller a certified copy of the Insurance Policy within five Business Days of the Completion Date.

12. CONFIDENTIAL INFORMATION

- 12.1 Subject to clause 12.3, the Seller undertakes to the Buyer, with effect from Completion, in all respects to keep confidential and not at any time disclose or make known in any other way to anyone whomsoever any Confidential Information.
- 12.2 Subject to clause 12.3, each party undertakes to the other parties to keep confidential in all respects and not disclose in any way to anyone whomsoever or use for its own or any other person's benefit or to the detriment of the other parties all information received or obtained as a result of entering into or performing this agreement or any other Transaction Document or the Insurance Policy which relates to:
- (a) the existence, provisions, or subject matter, of this agreement or any other Transaction Document or the Insurance Policy;
 - (b) the negotiations relating to this agreement and the other Transaction Documents or the Insurance Policy;

- (c) in the case of the Buyer, the Seller's Group (other than, from Completion, in relation to the Group), and the businesses carried on by, and the affairs of, the Seller's Group; and
 - (d) in the case of the Seller, the Buyer's Group and the businesses carried on by, and the affairs of, the Buyer's Group.
- 12.3 Each party (and any of their respective Related Persons who pursuant to clause 12.3(d) receive Confidential Information or other information which is otherwise to be treated as confidential under this clause 12) may disclose such Confidential Information or such other information which is otherwise to be treated as confidential under this clause 12 if and to the extent:
- (a) that the information becomes public knowledge (other than as a result of a breach by the disclosing party of this agreement) including, for the avoidance of doubt, any information contained in any Approved Announcement;
 - (b) required to be disclosed by law or the rules, requirements or regulations of, or at the request of, any competent judicial, regulatory or governmental authority or stock exchange to which any party (or any of their respective Related Persons) is subject (including (without limitation) the London Stock Exchange, the NYSE, the United States Securities and Exchange Commission, the FCA and the Panel on Takeovers and Mergers), and provided such disclosure shall then only be made in accordance with clauses 13(e)(i) and (ii);
 - (c) the disclosure is made to a Taxation Authority and is reasonably required for the efficient management of its Tax affairs;
 - (d) the disclosure is made by a party to any of their respective Related Persons and provided such disclosure is made on terms that such Related Persons undertake to keep such information confidential and that the disclosing party shall be responsible for their failure to do so;
 - (e) the disclosure is made by a party to the directors, officers, employees, agents, insurers, auditors and/or professional advisers of that party or any of its Related Persons on a need to know basis to enable such persons to carry out their duties and on terms that such directors, officers, employees, agents, insurers, auditors and/or professional advisers undertake to keep such information confidential and that the disclosing party shall be responsible for their failure to do so; or
 - (f) that prior written consent to the disclosure has been obtained from the Buyer, in the case where the disclosing party is the Seller or any member of the Seller's Group, or the Seller, in the case where the disclosing party is the Buyer or any member of the Buyer's Group, such consent not to be unreasonably withheld or delayed.
- 12.4 The restrictions contained in clause 12.2 shall continue to apply for a period of two years after Completion.

13. ANNOUNCEMENTS

No party shall (without the prior written consent of the Buyer, in the case where the disclosing party is the Seller or any member of the Seller's Group, or the Seller, in the case where the disclosing party is the Buyer or National Grid, any member of the Buyer's Group (such consent not to be unreasonably withheld or delayed)) issue any press release or any other document or make any public statement or otherwise make any disclosure to any person who is not a party to this agreement relating to any of the matters provided for or referred to in this agreement, any other Transaction Document or the Insurance Policy or any ancillary matter thereto, unless such disclosure is:

- (a) solely in respect of the information contained in any Approved Announcement;
- (b) made in accordance with clauses 12.3(c) to 12.3(f);
- (c) required by a party to enforce its rights under this agreement or any other relevant Transaction Document or the Insurance Policy;
- (d) solely containing information which is already in the public domain (other than as a result of a breach by the disclosing party of this agreement); or
- (e) required to be disclosed by law or the rules, requirements or regulations of, or at the request of, any competent judicial, regulatory or governmental authority or stock exchange to which any party (or any of their respective Related Persons) is subject (including (without limitation) the London Stock Exchange, the NYSE, the United States Securities and Exchange Commission, the FCA and the Panel on Takeovers and Mergers), and disclosure shall then only be made:
 - (i) to the extent lawful and reasonably practicable, after it has taken all such steps as may be reasonable in the circumstances to agree the contents of such announcement with the other parties before making such announcement and provided that any such announcement shall be made only after notice to the other parties, unless giving such prior notice is not reasonably possible or the disclosing party is otherwise prevented from giving such prior notice by applicable law or regulation; and
 - (ii) to the person or persons and in the manner required by law or such authority or stock exchange or as otherwise agreed between the parties.

14. ASSIGNMENT

No party shall be entitled to assign, transfer or create any trust in respect of the benefit or burden of any provision of this agreement without the prior written consent of, in the case of assignment by the Seller, the Buyer or, in the case of assignment by the Buyer, the Seller, save that:

- (a) from Completion, this agreement and the benefits arising under it may be assigned in whole or in part by the Seller to a member of the Seller's Group (provided that if such assignee ceases to be a member of the Seller's Group, this agreement and the benefits arising under it shall be deemed automatically by that fact to have been retransferred to the Seller immediately before the assignee ceases to be a member of the Seller's Group);
- (b) from Completion, this agreement and the benefits arising under it may be assigned in whole or in part by the Buyer to any member of the Buyer's Group to whom the Buyer transfers any of the Shares (provided that if such assignee ceases to be a member of the Buyer's Group, this agreement and the benefits arising under it shall be deemed automatically by that fact to have been retransferred to the Buyer immediately before the assignee ceases to be a member of the Buyer's Group); and
- (c) from Completion, this agreement and the benefits arising under it may be assigned or charged in whole or in part by the Buyer to its financial lenders or banks as security for any financing or refinancing or other banking or related facilities in respect of or in connection with the Transaction and such benefits may further be assigned to any other financial institution by way of security for the borrowings made under such agreement or to any person entitled to enforce any such security.

provided that, in the case of an assignment pursuant to either paragraphs (a), (b) or (c) above, the liability of any party to such an assignee shall not be greater than it would have been had such an assignment not taken place, and all the rights, benefits and protections afforded to a party shall continue to apply to the benefit of that party as against the assignee as they would have applied as against the person who is a party to this agreement.

15. COSTS

- 15.1 Unless expressly otherwise provided in this agreement, each of the parties shall bear its own legal, accountancy and other costs, charges and expenses connected with the sale and purchase of the Shares and the negotiation, execution and implementation of this agreement.
- 15.2 The Buyer is solely responsible for any stamp duty (or other transfer tax) that is payable on or in relation to this agreement or the other Transaction Documents, the Transaction and any instrument or other agreement contemplated by this agreement or the other Transaction Documents.

16. EFFECT OF COMPLETION

The terms of this agreement (insofar as not performed at Completion and subject as specifically otherwise provided in this agreement) shall continue in force after and notwithstanding Completion.

17. SELLER RESTRICTIVE COVENANTS

- 17.1 Subject to clause 18.3, the Seller shall not, and shall procure that no member of the Seller's Group shall, for a period of two years after Completion either for itself or jointly with or for any other person, directly or indirectly, solicit, employ or engage Neil Briggs or any person who was a Key Employee of any Group Company on Completion.
- 17.2 Nothing in clause 17.1 shall prohibit the Seller's Group from employing or engaging any person who responds to a recruitment advertisement, or who contacts the Seller's Group on his or her own initiative, or whose employment with the Group has ceased, provided that such response, contact or cessation was not solicited or induced directly or indirectly by the Seller's Group.

18. POST-COMPLETION UNDERTAKINGS AND SERVICES

- 18.1 The Buyer acknowledges that the Seller may, for itself and other members of the Seller's Group, need reasonable access from time to time after Completion for tax, legal, regulatory or accounting purposes to certain accounting, tax and other records and information held by the members of the Group to the extent such records and information pertain to events occurring prior to Completion (or any tax or accounting period of any member of the Group or the Seller's Group commencing prior to Completion) and, accordingly, the Buyer agrees that it shall, and shall cause the Group to:
- (a) properly retain and maintain such records until the date that is seven years after Completion; and
 - (b) upon being given reasonable notice by the Seller and subject to the Seller giving such undertaking as to confidentiality as the Buyer shall reasonably require, allow the Seller, any member of the Seller's Group and their respective directors, officers, employees, agents, insurers, auditors, professional advisers and representatives (at the expense of the Seller) from the Completion Date until the date that is seven years after Completion:
 - (i) to inspect, review and make copies of such records and information for and only to the extent necessary for that purpose; and

- (ii) (so far as possible) to be given reasonable access to any current or former director, officer, employee, adviser or premises of any of the Group Companies or the Retained Companies.
- 18.2 The Buyer acknowledges that the Seller may, for itself and other members of the Seller's Group, require certain services from time to time after Completion for tax, regulatory or accounting purposes, and accordingly, the Buyer agrees that it shall, to the extent reasonably practicable, upon being given reasonable notice by the Seller, and shall cause the Group to (in each case for the period from the Completion Date to the date which is two years after Completion (other than in respect of the Seller's rights pursuant to clause 18.2(b)(ii))):
- (a) provide (on a bona fide basis) such tax, regulatory or accounting services reasonably required to allow any member of the Seller's Group to comply with its tax, regulatory or accounting obligations in connection with the preparation and filing of any US or UK accounts, tax returns or related documentation of the Group Companies or any other member of the Seller's Group for any period commencing on or before Completion as described further in the Post-Completion Services Summary, in each case so far as they relate to or are otherwise required as a result of the retention of the Retained Companies;
 - (b) provide (on a bona fide basis) such services reasonably required by the Seller in connection with:
 - (i) preparing, submitting, agreeing any Tax Return or any related documentation including computations, claims or elections in respect of which the Seller has conduct pursuant to clause 8 (*Tax Returns*) of the Tax Deed and any associated claims, surrenders and elections, including procuring that the auditors for the time being of the Group provide all reasonable assistance and information in relation thereto; and
 - (ii) the conduct of any claim or dispute under paragraphs 8 or 9 of schedule 2 of this agreement or clauses 4 (*Right to Reimbursements and Credits*), 5 (*Overprovisions*), 6 (*Refunds*) and 7 (*Resistance of Claims*) of the Tax Deed, and in particular the Buyer shall procure that, while Neil Briggs is employed or otherwise engaged by the Buyer's Group (including the Group), he is made reasonably available to the Seller's Group to carry out day-to-day management of the HMRC Enquiry and any claim for Tax in connection with the HMRC Enquiry (as such terms are defined in the Tax Deed);
 - (c) in connection with the retention of the Retained Companies by the Seller's Group, continue to provide (on a bona fide basis) such reasonable tax, regulatory or accounting services provided to any member of the Seller's Group prior to Completion to the extent such services relate to any event occurring prior to Completion (or any tax or accounting period of any member of the Group or the Seller's Group commencing prior to Completion); and
 - (d) on receipt of a written notice from the Seller, transfer all accounting, tax and other records in relation to the Retained Companies to the Seller.
- 18.3 The Buyer shall procure that, if Neil Briggs ceases to be employed or otherwise engaged by the Buyer's Group, no member of the Buyer's Group shall in any way prevent, hinder or dissuade Neil Briggs from being employed or engaged by the Seller's Group in respect of the matters set out in this clause 18 or enter into any agreement that may have such an effect.

- 18.4 The Buyer or its duly authorised agents shall be responsible for and have the conduct of preparing, submitting and agreeing all statutory accounts of the Group Companies and the Retained Companies for all accounting periods ending on or before 31 March 2021. The Buyer shall use reasonable endeavours to procure that all such accounts shall be prepared, so far as possible, on a basis consistent with previous practice. In connection therewith, the Buyer shall use reasonable endeavours to send to the Seller drafts of the accounts of each Retained Company, and of such Group Companies as may be reasonably required and requested by the Seller, provided such request is made by the Seller to the Buyer no later than 31 May 2021. The Buyer shall use reasonable endeavours to provide such accounts to the Seller at least 45 days before the date such accounts are required by law to be submitted to Companies House. The Buyer shall keep the Seller informed of any material changes to any drafts provided and afford it a reasonable opportunity to comment on such changes. The Seller or its agent shall comment within 14 days of such receipt of such draft accounts and if the Buyer has not received comments within that period, the Seller or its agents shall be deemed to have approved such draft statutory accounts. In respect of the accounts of the Retained Companies, if the Seller or its agents have any comments, the Buyer shall incorporate any comments received provided always that the Buyer will not be required to adopt any comments or submit any document which it does not consider is accurate and complete in all material respects. In respect of the accounts of the Group Companies, the Buyer or its agents shall not unreasonably refuse to adopt any comments of the Seller, provided always that the Buyer will not be obliged to adopt any comments or submit any document which it does not consider is accurate and complete in all material respects or which it reasonably considers to be detrimental to the business of any of the Group Companies.
- 18.5 Each of the parties acknowledges that in respect of (i) any services provided to the Seller or any other member of the Seller's Group pursuant to clause 18.2, and (ii) the preparation of the accounts in accordance with clause 18.4 the Buyer and any member of the Buyer's Group, including any Group Company following Completion:
- (a) disclaims any duty of care to the Seller or any member of the Seller's Group (including any of the Retained Companies); and
 - (b) shall not be liable to the Seller or any member of the Seller's Group (including any of the Retained Companies) in respect of any cause of action, save for gross negligence, wilful misconduct and fraud.
- 18.6 The Seller agrees that it shall:
- (a) procure that any claims, matters, events or circumstances which arise or which it or any of the Group Companies has become aware of before the Completion Date relating to any of the Group Companies in connection with indemnified coverage under the Cyber Insurance Policies and/or D&O Insurance Policies are validly notified to the relevant insurers;
 - (b) procure that insurance is maintained for a period of six years from the Completion Date covering past and present directors and officers of the Group Companies for loss that they may suffer on account of claims made against them for an actual or alleged wrongful act committed in their capacity as a director or officer of such Group Company prior to the Completion Date on terms which are substantially similar to the D&O Insurance Policies, including as to policy limits;
 - (c) properly retain and maintain copies of the (i) Cyber Insurance Policies until the date that is three years after the Completion Date and (ii) D&O Insurance Policies (including the policies maintained under clause 18.6(b)) until the date that is seven years after the Completion Date;
 - (d) not do or omit to do anything which might render the Cyber Insurance Policies and/or D&O Insurance Policies void or voidable or otherwise compromise a claim or possible claim by a Group Company under the Cyber Insurance Policies and/or D&O Insurance Policies (including in each case the policies maintained under clause 18.6(b)); and

- (e) with regards to any existing claim or claims made by any of the Group Companies under the Cyber Insurance Policies and/or D&O Insurance Policies, use reasonable endeavours after the Completion Date to recover all monies due from insurers and pay all monies received to the Company as soon as practical after receipt.

18.7 In the event that the Seller's Group determine that the STIP 2021 Awards are to be paid to the Key Employees after Completion, the Seller's Group shall notify the Buyer by Completion of the date for payment and of the final value of the STIP 2021 Awards (which shall in aggregate be capped at £902,388 (excluding Tax)) and the respective amount to be paid to each Key Employee, and the Buyer shall procure that the Group shall pay the STIP 2021 Awards to each of the Key Employees in the proportions specified by the Seller's Group, and the Group shall withhold, deduct and account for any Tax payable by the Group in connection therewith (including without limitation PAYE, employer's and employee's national insurance contributions and apprenticeship levy), as soon as reasonably practicable following Completion.

19. EMPLOYEE INCENTIVE ARRANGEMENTS

19.1 In respect of the awards granted to the Key Employees under (i) the PPL Corporation Amended and Restated 2012 Stock Incentive Plan and (ii) the PPL Corporation Incentive Compensation Plan for Key Employees, such awards shall vest upon Completion as referred to in the Transition Incentive Award Letters and in accordance with the 2021 award agreements and 2019 and 2020 award amendment agreements under the plans at (i) and (ii), as contained in the Data Room (documents 8.6.2 to 8.6.11) and:

- (a) the Seller shall confirm to the Company the number of PPL Corporation shares in respect of which such awards vest; and
- (b) the Seller shall transfer, or procure the transfer, to the Key Employees as soon as reasonably practicable following Completion of the PPL Corporation shares in respect of which such awards vest.

19.2 Where the Group Companies are responsible for withholding income tax and/or employees' national insurance contributions (or any similar liability), to be accounted for to the Taxation Authorities in any jurisdiction, resulting from, or otherwise in connection with, the participation by any of the Key Employees in (i) the PPL Corporation Amended and Restated 2012 Stock Incentive Plan; and (ii) the PPL Corporation Incentive Compensation Plan:

- (a) the Seller shall provide the Group Companies in a timely manner with sufficient information to enable the Group Companies to fulfil their obligations to the Taxation Authorities in any jurisdiction;
- (b) the Buyer will procure that the Group Companies will provide the relevant persons at the Seller with all such information as they shall reasonably require for the purpose of ascertaining the amount of income tax and employees' national insurance contributions due to be accounted for in respect of the awards, including but not limited to the Key Employees' income tax rates and employee national insurance rates; and
- (c) subject to clause 19.2(b) above, the Seller shall withhold, or shall procure the withholding of, from any shares to be delivered to the Key Employees, sufficient to reimburse the Group Companies for the withholding of income tax and/or employees' social security contributions and shall pay or procure the payment of such amount to the Company in a timely manner.

20. FURTHER ASSURANCES

Each of the parties shall from time to time upon request from any other party do or procure the doing of all acts and/or execute or procure insofar as each is reasonably able the execution of all such documents and in a form reasonably satisfactory to the party concerned for the purpose of transferring to the Buyer the Shares and otherwise giving the other parties the full benefit of this agreement.

21. ENTIRE AGREEMENT

21.1 Each party on behalf of itself and as agent for each of its Related Persons acknowledges and agrees with the other parties (each such party acting on behalf of itself and as agent for each of its Related Persons) that:

- (a) the Transaction Documents and the Insurance Policy constitute the entire and only agreement between the parties and their respective Related Persons relating to the subject matter of the Transaction Documents and the Insurance Policy;
- (b) neither it nor any of its Related Persons has been induced to enter into any Transaction Document and the Insurance Policy in reliance upon, nor has any such party been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than as are expressly set out in the Transaction Documents or the Insurance Policy and, to the extent that any of them has been, it (acting on behalf of itself and as agent on behalf of each of its Related Persons) unconditionally and irrevocably waives any claims, rights or remedies which any of them might otherwise have had in relation thereto; and
- (c) save for any breach of any of the covenants or obligations in clauses 3, 6, 10, 12, 13, 14, 17, 18 and 29 of this agreement and for any breach of any of the covenants or obligations of the Tax Deed (in respect of which the parties acknowledge that damages may not necessarily be an adequate remedy and that equitable remedies (including, without limitation, the remedies of injunction or specific performance) may be available) the only remedies available to it in respect of the Transaction Documents (and, where appropriate, to its Related Persons) are damages for breach of contract and, for the avoidance of doubt, save as provided for in clauses 3.4(f), 3.7, 3.8, and 6.5 neither it (nor its Related Persons, where appropriate) has any other right to rescind or terminate any Transaction Documents either for breach of contract or for negligent or innocent misrepresentation or otherwise,

provided that the provisions of this clause 21 shall not exclude any liability which any of the parties or, where appropriate, their respective Related Persons would otherwise have to any other parties or, where appropriate, to their respective Related Persons or any right which any of them may have to rescind this agreement in respect of any statements made fraudulently by any of them prior to the execution of this agreement or any rights which any of them may have in respect of fraudulent concealment by any of them.

21.2 Each of the parties acknowledges to the others, after due and careful consideration, that:

- (a) it is not entering into this agreement in consequence of or in reliance on any unlawful communication (as defined in section 30(1) of the FSMA) made by the other parties or their respective professional advisers;
- (b) except as expressly provided in this agreement, it is entering into this agreement solely in reliance on its own commercial assessment and investigation and advice from its own professional advisers; and
- (c) the other parties are entering into this agreement in reliance on the acknowledgements given in this clause 21.2.

22. **VARIATIONS**

This agreement may be varied only by a document signed by or on behalf of each of the parties.

23. **WAIVER**

- 23.1 A waiver of any term, provision or condition of, or consent granted under this agreement shall be effective only if given in writing (which for this purpose does not include email) and signed by the waiving or consenting party and then only in the instance and for the purpose for which it is given.
- 23.2 No failure or delay on the part of any party in exercising any right, power or privilege under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 23.3 No breach of any provision of this agreement shall be waived or discharged except with the express written consent of all the parties.
- 23.4 Subject to clause 21, the rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.

24. **INVALIDITY**

If any provision of this agreement is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction:

- (a) the validity, legality and enforceability under the law of that jurisdiction of any other provision; and
- (b) the validity, legality and enforceability under the law of any other jurisdiction of that or any other provision,
- shall not be affected or impaired in any way.

25. **NOTICES**

- 25.1 Any notice, demand or other communication given or made under or in connection with the matters contemplated by this agreement shall be in writing and shall be sent in electronic form (such as email) or delivered by hand or by courier or sent by prepaid first class post (air mail if posted to or from a place outside the United Kingdom):

In the case of the **Seller**:

Address: PPL Corporation
Office of General Counsel
Two North Ninth Street
Allentown, PA 18101

Attention: Jennifer McDonough
Email: jlmcdonough@pplweb.com

With a copy to:

Address: Ashurst LLP
London Fruit & Wool Exchange
1 Duval Square,
London, E1 6PW
United Kingdom

Attention: Nick Williamson and Aaron Shute
Email: Nick.Williamson@ashurst.com
Aaron.Shute@ashurst.com

From and after Completion, with
copies also to:
Address: Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue
N.W. Washington, D.C.
20005-2111

Attention: Pankaj Sinha
Email: pankaj.sinha@skadden.com

In the case of the **Buyer**:
Address: 1-3 Strand
London
WC2N 5EH

Attention: The Company Secretary
Email: box.Group.CoSec@nationalgrid.com
With a copy to:

Address: Herbert Smith Freehills LLP
Exchange House
London, E2A 2EG
United Kingdom

Attention: Caroline Rae
Email: Caroline.Rae@hsf.com

In the case of **National Grid**:
Address: 1-3 Strand
London
WC2N 5EH

Attention: The Company Secretary
Email: box.Group.CoSec@nationalgrid.com
With a copy to:

Address: Herbert Smith Freehills LLP
Exchange House
London, E2A 2EG
United Kingdom

Attention: Caroline Rae
Email: Caroline.Rae@hsf.com

and shall be deemed to have been duly given or made as follows:

- (a) if sent in electronic form, when the sender receives confirmation on its server that the message has been transmitted;
- (b) if delivered by hand or by courier, upon delivery at the address of the relevant party;
- (c) if sent by first class post, two Business Days after the date of posting; and
- (d) if sent by air mail, five Business Days after the date of posting;

provided that if, in accordance with the above provisions, any such notice, demand or other communication would otherwise be deemed to be given or made after 5.00 p.m. such notice, demand or other communication shall be deemed to be given or made at 9.00 a.m. on the next Business Day.

25.2 A party may notify the other parties to this agreement of a change to its name, relevant addressee or address for the purposes of clause 25.1 provided that such notification shall only be effective on:

- (a) the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five Business Days after the date on which notice is given, the date falling five Business Days after notice of any such change has been given.

26. COUNTERPARTS

26.1 This agreement may be executed in any number of counterparts which together shall constitute one agreement. Any party may enter into this agreement by executing a counterpart and this agreement shall not take effect until it has been executed by all parties.

26.2 Delivery of an executed signature page of a counterpart in Adobe™ Portable Document Format (PDF) sent by email shall take effect as delivery of an executed counterpart of this agreement.

27. GOVERNING LAW AND JURISDICTION

27.1 This agreement, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this agreement or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with English law.

27.2 Each of the parties irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings (“**Proceedings**”), and/or to settle any disputes (“**Disputes**”), which may arise out of or in connection with this agreement or its formation and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.

27.3 Each party irrevocably waives any objection which it might at any time have to the courts of England being nominated as the forum to hear and decide any Proceedings and to settle any Disputes and agrees not to claim that the courts of England are not a convenient or appropriate forum for any such Proceedings or Disputes and further irrevocably agrees that a judgment in any Proceedings or Disputes brought in any court referred to in this clause 27 shall be conclusive and binding upon the parties and may be enforced in the courts of any other jurisdiction.

28. **THIRD PARTY RIGHTS**

- 28.1 Except as expressly provided in this agreement, no person (other than the parties to this agreement) who is given any rights or benefits under this agreement (a **“Third Party”**) shall be entitled to enforce those rights or benefits against the parties in accordance with the Contracts (Rights of Third Parties) Act 1999.
- 28.2 The third parties referred to in clauses 6.7, 10.1, 11.4, 12.3, 17.2, 18.1, 18.2, 18.3, and 21.1 may enforce only those clauses in which they are referred to.
- 28.3 The parties may amend, vary or terminate this agreement in such a way as may affect any rights or benefits of any Third Party which are directly enforceable against the parties under the Contracts (Rights of Third Parties) Act 1999 without the consent of such Third Party.
- 28.4 Any Third Party entitled pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any rights or benefits conferred on it by this agreement may not veto any amendment, variation or termination of this agreement which is proposed by the parties and which may affect the rights or benefits of the Third Party.

29. **US TAX (ELECTIONS)**

- 29.1 The Buyer shall, only if requested by the Seller (in its sole discretion), make such valid and timely elections under Section 338(g) of the Code and under any applicable similar provisions of state or local law with respect to each of the Group Companies for which the Seller makes such request (each election a **“Section 338(g) Election”**, and collectively, the **“Section 338(g) Elections”**). The parties shall cooperate to prepare and timely file, or procure to be prepared and timely filed, the IRS forms required to be filed in connection with any Section 338(g) Election requested pursuant to this clause 29.1, including any IRS Forms 8023 and IRS Form 8883 and any other required forms or schedules thereto and any similar forms necessary to effectuate the Section 338(g) Elections under applicable state and local laws (collectively, the **“Section 338(g) Forms”**) as soon as reasonably practical following Completion but in any event no later than the fifteenth day of the ninth month following the Completion Date (or, if earlier, the latest date for timely filing the Section 338(g) Forms under applicable law). The Buyer shall provide the Seller with final copies of any such Section 338(g) Forms filed by the Buyer and other documentation confirming their filing including a duly completed notice required under Treasury Regulation Section 1.338-2(e)(4)(i), not later than 15 days after such forms are filed.
- 29.2 If any Section 338(g) Election is requested pursuant to clause 29.1, then within 180 days of the Consideration being transferred in accordance with clause 6.4(b), the Seller shall provide or procure to be provided to the Buyer:
- (a) an allocation, for Tax purposes, of the Consideration paid to the Seller by the Buyer pursuant to this agreement among the assets of the Group in accordance with Sections 338 and 1060 of the Code (the **“Target Allocation Schedule”**) which shall be deemed final; and
 - (b) a complete set of IRS Forms 8883 (and any comparable forms required to be filed under state or local law with respect to Taxes) and any additional data or materials required to be attached to IRS Form 8883 pursuant to the U.S. Treasury Regulations promulgated under Section 338 of the Code which shall be deemed final.

- 29.3 Each of the Seller and the Buyer shall, and shall cause its respective Related Persons to, take all actions necessary and appropriate to effect and preserve the Section 338(g) Elections in accordance with the provisions of Section 338 of the Code and any applicable U.S. Treasury Regulations (and any comparable provisions of state or local law with respect to Taxes) or any successor provisions, including (as applicable) the signing and filing in a timely manner of the Section 338(g) Forms and any additional forms. To the extent permissible pursuant to the applicable law, each of the Seller and the Buyer shall (and shall cause its respective Related Persons to) cooperate in the preparation and timely filing of:
- (a) any corrections, amendments or supplements to the Section 338(g) Forms (including IRS Forms 8023 and IRS Form 8883); and
 - (b) any state or local forms or reports that are necessary or appropriate for purposes of complying with the requirements for making any state or local election that is comparable to the Section 338(g) Election.
- 29.4 Each of the Seller and the Buyer shall, and shall cause its respective Related Persons to, report the Transaction with regards to the shares of each of the Group Companies pursuant to this agreement for which a Section 338(g) Election was made consistent with such Section 338(g) Election made pursuant to clause 29.1, the Target Allocation Schedule and any Section 338(g) Forms and shall take no position contrary thereto in any Tax Return, or in any proceeding before any Taxation Authority or otherwise.
- 29.5 The Buyer shall not, and shall cause its Related Persons to not, take any action to modify any of the forms or reports (including any corrections, amendments or supplements thereto) that are required for the making of a Section 338(g) Election after their execution or to modify or revoke any Section 338(g) Election following the filing of the IRS Forms 8023 without the prior written consent of the Seller.
- 29.6 Except as required as a result of a Section 338(g) Election, the Buyer shall not, and shall cause its Related Persons to not, change the taxable year of any Group Company which includes but does not end on the Completion Date without the prior written consent of the Seller.
- 29.7 The Buyer shall provide, and shall procure that its Related Persons (including the Group Companies) provides, to the Seller such cooperation, documentation and information as the Seller reasonably may request in (a) determining the amount of “subpart F income” or “global intangible low-taxed income” (as defined in sections 951(a) and 951A of the Code, respectively) for U.S. federal income tax purposes realised by the Seller or any of its Related Persons with respect to the Group Companies for the taxable year that includes the Completion and (b) making a timely election under U.S. Treasury Regulation Section 1.245A-5(e)(3)(i) or any successor provisions to close the taxable year of the Group Companies for U.S. federal tax purposes as at the end of the day on the Completion Date (the “**Closing of the Books Election**”), including filing all required Tax Returns consistent therewith and not taking any position to the contrary thereto in any Tax Return, or in any proceeding before any Taxation Authority or otherwise. Buyer acknowledges and agrees that none of Buyer or any of its Related Persons will be a U.S. tax resident (within the meaning of Treasury Regulation Section 1.245A-5(e)(3)(i)(C)(2) and -5(i)(29)) that as at the end of the day on the Completion Date owns directly or indirectly any stock of the Group Companies.
- 29.8 The Buyer shall make, and shall procure that its Related Persons (including the Group Companies) make, their respective employees reasonably available on a mutually convenient basis to provide an explanation of any documents or information so provided.

- 29.9 The Buyer shall pay to the Seller on an After-Tax Basis an amount equal to all losses, Taxes, damages, liabilities, costs and expenses incurred by Seller or any other member of the Seller's Group arising from, in connection with or attributable to (a) any failure by the Buyer to make a timely and valid Section 338(g) Election in a manner consistent with this clause 29 or (b) Buyer or any of its Related Persons filing Tax Returns inconsistent with the Closing of the Books Election, including for the avoidance of doubt any additional Tax liability arising from, in connection with or attributable to such failure or filing, to the extent that the same would not have occurred had a valid Section 338(g) Election been so made or Tax Returns inconsistent with the Closing of the Books Election not been filed, as applicable.

SCHEDULE 1

Seller Warranties

1. THE COMPANY, THE SHARES AND THE SUBSIDIARIES

1.1 Incorporation and Existence

- (a) The Company and each of the Subsidiaries are limited companies duly organised and validly existing under the laws of the countries of its incorporation as set out in the Schedule of Particulars and has been in continuous existence since incorporation.
- (b) The information set out in the Schedule of Particulars is accurate in all material respects.

1.2 The Subsidiaries

- (a) The Company does not have any subsidiary undertakings other than the Subsidiaries. Each of the Subsidiaries is a wholly-owned subsidiary of the Company and each of the shares of such Group Companies has been properly allotted and issued and is fully paid.
- (b) There is no Encumbrance in relation to any of the shares held by a Group Company in the capital of any of the Subsidiaries.
- (c) Other than as set out in the articles of association of the relevant Subsidiary there is no agreement or obligation requiring the allotment, sale, transfer, redemption or repayment of, or the grant to a person of the right (conditional or not) to require the allotment, sale, transfer, conversion, redemption or repayment of, a share in the capital of any of the Subsidiaries (including an option or right of pre-emption or conversion).
- (d) No Group Company owns any shares or stock in the capital of any company or business organisation other than the Subsidiaries and no Group Company controls or takes part in the management of any other company or business organisation.
- (e) No order has been made, petition presented, meeting convened to consider a resolution, or resolution passed, for the winding up or for the appointment of an administrator, liquidator, receiver, or trustee in bankruptcy of any Group Company (and no action has been taken in relation to any such appointment), nor is any Group Company the subject of any analogous insolvency, reorganisation or similar proceedings anywhere in the world or any other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors or shareholders or any other contributors, nor is any Group Company insolvent or unable to pay its debts as they fall due.

2. CONSTITUTIONAL DOCUMENTS AND RECORDS

- 2.1 Each Group Company has the power to carry on its business as now conducted.
- 2.2 The memorandum and articles of association, by-laws or equivalent constitutional documents of each Group Company in the form contained in the Data Room are true and complete.
- 2.3 The records of all matters and information contained in the registers of members of each Group Company are true and accurate and the Group has not received any written notice or allegation that any of the registers is untrue or inaccurate in any material respect or require rectification.

- 2.4 The statutory books of each Group Company are up to date in all material respects and are in its possession.
- 2.5 All resolutions, annual returns and other documents required to be delivered to the Registrar of Companies (or other relevant company registry or other corporate authority in any jurisdiction) by each Group Company have been properly prepared in all material respects and filed.

3. ACCOUNTS

- 3.1 The Company Accounts give a true and fair view of the assets, liabilities, financial position and state of affairs of the Company as at the Accounts Date and the profits and losses and cash flows of the Company for the period in respect of which they were prepared ending on the Accounts Date.
- 3.2 The Locked Box Accounts give a true and fair view of the consolidated assets, liabilities, financial position and state of affairs of the WPD Group Companies as at the Locked Box Date and the consolidated profits and losses of the WPD Group Companies for the period in respect of which they were prepared ending on the Locked Box Date.
- 3.3 The Accounts have been properly prepared and audited in accordance with:
- (a) in the case of the Company Accounts, UK GAAP; and
 - (b) in the case of the Locked Box Accounts, IFRS,
- and the Accounts have been prepared in accordance with the Companies Act 2006 and on a basis consistent with:
- (c) in the case of the Company Accounts, the basis upon which all audited accounts of the Company have been prepared in respect of the two years before the Accounts Date; and
 - (d) in the case of the Locked Box Accounts, the basis upon which all audited accounts of the WPD Group have been prepared in respect of the two years before the Locked Box Date.
- 3.4 The Management Accounts have been prepared specifically for the purpose of the Transaction and with due care and attention, are free from material error and are not misleading having regard to the purpose for which they were prepared, and show with reasonable accuracy the state of affairs and profit or loss of the WPD Group as at and for the period in respect of which they have been prepared, but it is acknowledged that they are not prepared on a statutory basis and are not audited.

4. CHANGES SINCE THE LOCKED BOX DATE

- 4.1 Since the Locked Box Date:
- (a) the Group has carried on its business in the ordinary and usual course and so as to maintain it as a going concern;
 - (b) no Group Company has acquired or disposed of, or agreed to acquire or dispose of, any business at a cost (or with a value) in excess of £30 million;
 - (c) save as set out in the Model, no Group Company has assumed or incurred, or agreed to assume or incur, a liability, obligation or expense, including for capital expenditure, (actual or contingent) in excess of £30 million;

- (d) apart from the dividends provided for or disclosed in the Accounts or in this agreement, no dividend or other distribution (as defined for the purposes of Part 23 of the CTA 2010) has been declared, paid or made by any Group Company to any other party than a Group Company; and
- (e) no debtor owing an aggregate sum to the Group as a whole in excess of £5 million has been released by any Group Company on terms that such debtor pays less than the book value of any debt and no debt in excess of £5 million has been written off or has proved to be irrecoverable to any extent.

5. ASSETS

- 5.1 Each asset used by the Group (tangible or intangible) that is material to the operation of the Group's business as it is currently operated (together, the "**Material Assets**") is legally and beneficially owned by a Group Company or is validly leased or licenced to a Group Company and, where capable of possession, is in the possession or control of a Group Company.
- 5.2 There are no Encumbrances, nor has any Group Company agreed to create any Encumbrances, over any part of any of the Material Assets that are owned by a Group Company.
- 5.3 No Group Company is owed any money in excess of £2.5 million in aggregate other than debts incurred in the ordinary course of business, intra-Group loans and cash at bank.

6. LIABILITIES AND BORROWINGS

- 6.1 The total amount borrowed, guaranteed or secured by the Group Companies from its lenders, or contingent liabilities owed to hedge counterparties, does not exceed the limits of the applicable facilities (including the Group Finance Agreements) or limits contained in its articles of association, by-laws or equivalent constitutional documents.
- 6.2 True, accurate and complete copies of the Group Finance Agreements are contained in the Data Room.
- 6.3 Except for the Group Finance Agreements, the Group as a whole has no obligation outstanding which exceeds £5 million in aggregate across all Group Companies, for the payment or repayment of monies borrowed, whether present or future, actual or contingent (a "**Financial Obligation**"), nor have any of them entered into or agreed to enter into any agreement or arrangement the purpose of which is to raise money or provide finance or credit or to guarantee or indemnify any Financial Obligation or to prevent or limit loss in respect of any Financial Obligation.
- 6.4 No written notice of termination or acceleration (or intention to terminate or accelerate) has been received or given by a Group Company in respect of any Group Finance Agreement and, so far as the Seller is aware, no fact or circumstance has occurred, been alleged in writing to have occurred or will occur as a result of Completion of the Transaction, in each case, as a result of which any lender or hedge counterparty (in the case of a Group Company's hedging arrangements) would be entitled to terminate or accelerate the relevant Group Finance Agreement or which would otherwise constitute an event of default or give rise to an obligation by a Group Company to repay or to give security under any of the Group Finance Agreements.
- 6.5 None of the Group Finance Agreements contains any provision entitling any lender to be repaid or require repayment by a Group Company or to terminate or accelerate the relevant Group Finance Agreement as a result of Completion of the Transaction.
- 6.6 No Group Company is a party to or is liable (including contingently) under a material guarantee, indemnity or other agreement to provide surety in relation to another person's obligation, other than another Group Company, or has provided a guarantee, indemnity or any form of security in connection with the pension liabilities of any other employer other than the Pension Funding Obligations.

6.7 There are no Seller's Group Guarantees in respect of any liability or obligation of any member of the Group.

7. CONTRACTUAL MATTERS AND COMMERCIAL

7.1 True, accurate and complete copies of all Material Commercial Contracts are contained in the Data Room.

7.2 Each of the Material Commercial Contracts are valid, enforceable and in full force and effect and no Group Company or, so far as the Seller is aware, other party to a Material Commercial Contract is in material breach of such Material Commercial Contract and, so far as the Seller is aware, there is no allegation of a material breach by a Group Company or other party to a Material Commercial Contract.

7.3 No written notice of termination (or intention to terminate) has been received or given by a Group Company in respect of any Material Commercial Contract and, so far as the Seller is aware, no fact or circumstance has occurred, been alleged in writing to have occurred or will occur as a result of Completion of the Transaction, in each case, as a result of which any party to a Material Commercial Contract (other than a Group Company) would be entitled to terminate such Material Commercial Contract.

7.4 None of the Material Commercial Contracts contain any provision entitling any party to a Material Commercial Contract (other than a Group Company) to terminate such Material Commercial Contract as a result of the execution of this agreement or Completion of the Transaction.

7.5 So far as the Seller is aware, all Standard Commercial Contracts have been entered into on terms which are substantially the same as the template terms which have been disclosed to the Buyer in folder 6.2.2 of the Data Room, and have not been entered into on terms which would expose any Group Company to a material liability which is disproportionate to the terms of the relevant Standard Commercial Contract.

7.6 There is, and for the last three years there has been, no agreement or arrangement (including in relation to any loan) to which any Group Company is or was a party and in which any member of the Seller's Group (excluding the Group Companies), a director or former director of any member of the Seller's Group (excluding the Group Companies), or a person connected with any of them is or was interested in any way.

7.7 A copy of the current usual terms and conditions for connection agreements and other standard UK electricity industry agreements commonly used by the DNOs in the ordinary course of the Group's business have been disclosed to the Buyer and are contained in the Data Room.

7.8 No Group Company:

- (a) is a party to any material joint venture, consortium or partnership arrangement; or
- (b) has entered into any contract with a value of more than £5 million which is outside the ordinary course of its business as currently carried on.

8. PERMITS

8.1 True and complete copies of the Material Permits are contained in the Data Room.

- 8.2 Each of the Distribution Licences held by the DNOs is valid, subsisting and in full force and effect.
- 8.3 Each of the Material Permits are validly held by a Group Company and in full force and effect and, so far as the Seller is aware, the Group Companies are in compliance with the terms and conditions of the Material Permits in all material respects and there is no material breach or allegation in writing of material breach by a Group Company of their terms and conditions in the past three years.
- 8.4 So far as the Seller is aware, there are no pending or threatened proceedings or investigations which would materially and adversely affect the Material Permits in any material respect and there is no allegation in writing or, so far as the Seller is aware, fact or circumstance which would be reasonably likely to cause, that any Material Permit would be suspended, cancelled, revoked or otherwise become invalid or that may result in the imposition of a fine or other sanction or material modification of the relevant Material Permit.

9. PROPERTIES

- 9.1 The documents relating to the Properties and the Property Rights contained in the Data Room are true and accurate.
- 9.2 Except in any such case as is not, individually or in the aggregate, reasonably likely to materially and adversely affect the operation of the business of the Group, taken as a whole, as presently conducted:
- (a) the Property Rights and Properties are the only properties and rights and interests in land necessary for the operation of the business of the Group as presently conducted;
 - (b) each of the Properties and the Property Rights is vested in a Group Company, the relevant Group Companies have good and marketable title to the Properties and the relevant Group Company is solely legally and beneficially entitled to the Properties and solely entitled to exercise the Property Rights;
 - (c) no Encumbrance, liberty, right, easement, licence or other arrangement is enjoyed or is in the course of being acquired against the Properties;
 - (d) so far as the Seller is aware, each of the Properties and/or Property Rights has the benefit of all rights and/or where applicable all statutory powers necessary for the continued present use of, access to and enjoyment of the Properties and/or the Property Rights;
 - (e) so far as the Seller is aware, the Properties are not subject to any Encumbrance, licence, lease or agreement for lease, agreements or covenants;
 - (f) none of the Properties or the Property Rights is the subject of any resolution or proposal for compulsory acquisition by or from the local or any other authority;
 - (g) no defect or damage has been discovered in relation to any of the Properties or the equipment the subject of the Property Rights; and
 - (h) the relevant Group Companies hold copies of all of the material title deeds and documents necessary to prove their interest in the Properties and the Property Rights including all necessary consents for the vesting of any leasehold interests in the Properties in the relevant Group Company.

9.3 So far as the Seller is aware:

- (a) all of the Properties and Property Rights which either (i) directly form a part of the DNOs' Distribution Systems as they are currently operated, or (ii) upon, under, over or through which the DNOs' Distribution Systems as they are currently operated, and any Material Assets connected with the DNOs' Distribution Systems as they are currently operated, are situated, are either vested in the DNOs or the DNOs have operational control over such Properties and Property Rights such that each DNO complies with the terms of its Distribution Licences;
- (b) each member of the Group has duly performed, observed and complied with, in each case in all material respects, all covenants, restrictions, exceptions, reservations, conditions, agreements, leases, deeds, statutory and common law requirements, by-laws, orders, planning consents and planning agreements, building regulations and other stipulations and regulations affecting the Properties and the Property Rights and the uses of the Properties and the Property Rights;
- (c) no notice of any alleged breach of any of the matters listed above nor (where the Property is held leasehold) any notice of forfeiture has been served on any of the Group Companies which (if the alleged breach was confirmed) would materially and adversely affect the Group's ability to operate its business as it is currently operated;
- (d) none of the Group Companies has waived or acquiesced in any breach of any of the matters listed above by any third party nor made or entered into any collateral assurances, undertakings or concessions in connection therewith which would in each case materially and adversely affect the Group's ability to operate its business as it is currently operated;
- (e) there are no disputes, actions, claims, proceedings or demands which are subsisting regarding boundaries, easements, covenants or other matters affecting any of the Properties or the Property Rights which would materially and adversely affect the Group's ability to operate its business as it is currently operated; and
- (f) no notice of action or claim has been served on any of the Group Companies which is subsisting in respect of leasehold property of which (i) it was the original tenant or (ii) it entered into a covenant with the landlord to observe and perform the tenant covenants under that lease which would materially and adversely affect the Group's ability to operate its business as it is currently operated.

9.4 So far as the Seller is aware, the actual existing use of each of the Properties and the Property Rights by the Group Companies is the lawful permitted use and all necessary consents and permissions which authorise such actual existing use have been obtained and are valid, enforceable and in full force and effect with no subsisting breaches of the same.

9.5 So far as the Seller is aware, no development at the Properties or the Property Rights has been carried out in breach of planning law.

9.6 So far as the Seller is aware, no fact or circumstance has occurred, been alleged in writing to have occurred or will occur, as a result of Completion of the Transaction, in each case, as a result of which the Group would be prevented or impeded from operating the Group's business as it is currently operated at the Properties and exercising the Property Rights.

10. **EMPLOYMENT**

10.1 The Data Room contains true and accurate details of the matters listed below, with all personal data anonymised:

- (a) the total number of Employees as at 31 December 2020;

- (b) the age profile of employees, a summary of staff numbers and work locations, details of the EBA employees' salary bands and details of notice periods and change of control provisions in respect of all Key Employees;
 - (c) the standard terms and conditions, policies or arrangements, including for the making of any payment or the provision of any benefit on the redundancy, retirement or other termination of employment or services beyond any obligation to make any minimum payment due under relevant legislation, which apply to the Employees and a summary of the contractual benefits provided to Employees; and
 - (d) the employment contracts or service agreements of Key Employees, together with a schedule of all current rates of remuneration and entitlement to benefits of all such individuals.
- 10.2 True and complete copies of all documents referred to above at 10.1(c), are contained in the Data Room.
- 10.3 No Group Company has given written notice of termination to, or received written notice of resignation from, any Key Employee.
- 10.4 The Data Room contains details of all persons who work in the business of the Group Companies other than the Employees, including agency workers and self-employed contractors.
- 10.5 So far as the Seller is aware, any individuals who provide services to any Group Company pursuant to a consultancy agreement, or pursuant to any contractual arrangement with any Group Company, are not, and have not at any time been considered or treated as, employees of the relevant Group Company.
- 10.6 All salaries, wages, fees and other benefits (including, for the avoidance of doubt, overtime pay and holiday pay) of all Employees have, to the extent due and payable prior to the date of this agreement, been duly paid or discharged or provided for in the Accounts, together with all related payments to third party benefit providers and relevant authorities.
- 10.7 No Group Company is under any obligation to make any material change in the basis of remuneration or other benefits paid or provided to any of its Employees.
- 10.8 There are no terms and conditions in any contract with any Employee pursuant to which such person will be entitled to receive any payment or benefit or such person's rights will change as a direct consequence of the Transaction.
- 10.9 True, accurate and complete copies of all agreements or arrangements with, or granting recognition to, a trade union, any works council, staff association or other body representing any of the Employees and all material particulars of any requests to negotiate or agree, or any claims to rights to, or any cessation of rights to, information, consultation or collective bargaining arrangements in respect of all or any of such Employees made or occurring within the last two years are contained in the Data Room.
- 10.10 No industrial action has taken place within the last two years and, so far as the Seller is aware, no industrial action is currently threatened in relation to any Group Company.
- 10.11 No Group Company is involved or has in the last 12 months been involved in a dispute with any Employee or individual formerly providing services directly or indirectly to such Group Company or any trade union, works council, staff association or other body representing any of the Employees (together, the "**Prospective Claimants**") and, so far as the Seller is aware, no fact or circumstance has occurred which would give rise to any such dispute.

- 10.12 No material claim is outstanding between any Group Company and any Prospective Claimant which is likely to result in a material liability (the meaning of “material” in this context being a value to a Group Company in excess of £1.25 million in aggregate).
- 10.13 There are no current disciplinary or grievance proceedings or appeals in respect of any Key Employee.
- 10.14 During the period of 12 months before the date of this agreement, no Group Company has given notice of any redundancies or started redundancy consultations, and no Group Company has any obligation (including any implied obligation which has arisen from past practice) to make a payment on redundancy of any Employee in excess of their statutory redundancy entitlement.
- 10.15 No Group Company has been party to an actual or alleged relevant transfer for the purposes of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“**Relevant Transfer**”) or equivalent legislation in other jurisdictions, nor has the Group made or proposed to make any changes to the terms and conditions of employment of any Employee in connection with a Relevant Transfer, in either case during the past two years and nor does any Employee whose employment has so transferred have a right to enhanced benefits on redundancy or early retirement.

11. INCENTIVES

- 11.1 Other than the Incentive Schemes, the Management Bonuses and the Transition Incentive Awards, there are no outstanding incentive schemes, or arrangements or any entitlements under these schemes or arrangements (whether contractual, discretionary or customary and whether or not approved or otherwise sanctioned by any Taxation Authority) under which any Employee or former Employee may receive:
- (a) any cash, shares or other benefit by reference to performance (whether individual performance or otherwise) or otherwise; or
 - (b) any cash, shares or other benefit conditional upon Completion.
- 11.2 No loans have been made to any current, former or proposed Employees (or to any nominees or associates of such Employees) which were made or arranged by any Group Company or member of the Seller’s Group and there are no employee benefit trusts, family benefit trusts or similar arrangements established by the Seller’s Group under which any current or former Employees (or any nominees or associates of such Employees) may benefit in any form.
- 11.3 There are no arrangements in place pursuant to which any Group Company is under an obligation to pay to any member of the Seller’s Group any amount in connection with the participation by any Employees in any employee incentive scheme operated by any member of the Seller’s Group.
- 11.4 In respect of all awards, options or other interests granted by any member of the Seller’s Group over any shares (or similar) to Employees:
- (a) all relevant laws and regulations have been complied with;
 - (b) all applicable reporting requirements in respect of such awards, options or interests were complied with within the required periods (including, without limitation, registration and annual reporting requirements to HM Revenue & Customs);
 - (c) no notice of any enquiry or similar in respect of any such award, option or interest has been received by the Company from the revenue authority in any jurisdiction; and

- (d) the Group Companies and / or the relevant member of the Seller's Group have the right to withhold income tax and employees' national insurance contributions (or any similar liability) resulting from, or otherwise in connection with such awards, options or other interests.

11.5 There will be no outstanding awards, options or other interests outstanding over any Group Company shares following Completion, whether under the Incentive Schemes or otherwise.

12. PENSIONS

12.1 Other than the Pension Schemes, the Unfunded Pension Arrangements, the Pension Funding Obligations, and the state pension schemes, the Group Companies have no obligation to provide retirement, death, disability or life assurance benefits in respect of the present or former Employees and directors of the Group Companies.

12.2 The Pension Schemes

- (a) True, accurate and complete material particulars of the terms of the Pension Schemes are contained in the Data Room.
- (b) All payments, contributions, premiums and levies which have become due and payable by the Group Companies that participate in the Pension Schemes prior to the date of this agreement under the Pension Schemes have been duly paid or discharged or provided for in the Accounts.
- (c) So far as the Seller is aware, the Pension Schemes have been operated in all material respects in compliance with the provisions of their governing documentation, applicable legislation and regulatory requirements and no regulatory or other action, claim or dispute is in progress or pending in connection with the Pension Schemes or otherwise in relation to the provision of retirement or life assurance benefits by a Group Company.
- (d) In respect of any Pension Scheme which provides money purchase benefits, the current rate at which Group Companies are obliged to contribute in respect of Employees is included in the Data Room.
- (e) The Pension Schemes are registered schemes within the meaning of Chapter 2 of Part 4 of the Finance Act 2004 and so far as the Seller is aware there is no reason why any of the Pension Schemes could cease to be registered.
- (f) No employer other than a Group Company has ever participated in any of the Pension Schemes.

12.3 Pension Schemes

- (a) In respect of the Pension Schemes, the Data Room contains true, accurate and complete copies of:
 - (i) the latest trust deeds and rules (including any subsequent amendments), containing full details of benefits payable;
 - (ii) where Part 3 of the Pensions Act 2004 applies to the Pension Scheme, the latest actuarial valuation and subsequent actuarial reports;
 - (iii) the recovery plan, schedule of contributions, payment schedule and details of all contributions which are or may become payable under the relevant Pension Scheme;
 - (iv) the latest annual report and audited scheme accounts;

- (v) the latest statement of investment principles;
 - (vi) membership data; and
 - (vii) all material correspondence from the Pensions Regulator, the Pension Protection Fund, the Information Commissioner and HMRC.
- (b) The Defined Benefit Pension Schemes are funded in accordance with applicable law and accounting requirements.
- (c) Other than the Defined Benefit Pension Schemes, the Unfunded Pension Arrangements and the Pension Funding Obligations, the Group Companies have no obligation to provide benefits (other than lump sum death in service benefits) on a basis other than on a money purchase benefits basis (as defined in sections 181 and 181B of the Pension Schemes Act 1993).

12.4 Unfunded Pension Arrangements and Pension Funding Obligations

- (a) True, accurate and complete material particulars of the Unfunded Pension Arrangements and the Pension Funding Obligations are contained in the Data Room.
- (b) So far as the Seller is aware, the Unfunded Pension Arrangements have been operated in all material respects in compliance with the provisions of their governing documentation and applicable legislation. So far as the Seller is aware, the Group Companies comply with, and have at all times complied with, the material legal requirements and applicable laws relevant to the Pension Funding Obligations. No regulatory or other action, claim or dispute is in progress or pending, so far as the Seller is aware, in connection with the Unfunded Pension Arrangements or the Pension Funding Obligations.

12.5 General

- (a) Each Group Company complies and has at all times complied in all material respects with:
 - (i) all legal and regulatory requirements relevant to its participation in the Pension Schemes;
 - (ii) its duties under the Pensions Act 2008 in respect of the Employees who are employed by such Group Company and
 - (iii) (where applicable) its duties under the Electricity (Protected Persons) (England and Wales) Pension Regulations 1990 and the equivalent regulations in Scotland.
- (b) All lump sum death benefits which may be payable under the Pension Schemes (other than a refund of members' contributions with interest where appropriate) are fully insured and so far as the Seller is aware there is no reason why any policy of insurance may be invalidated or set aside.
- (c) No Group Company has been issued with a contribution notice, financial support direction or restoration order by the Pensions Regulator in accordance with its powers under sections 38 to 52 of the Pensions Act 2004 and, so far as the Seller is aware, there are no circumstances (including Completion) which could result in such a notice, direction or order being issued to a Group Company.
- (d) No announcement has been made in the previous 24 months (or is being considered) regarding continuing, introducing or altering the provision of benefits on retirement, incapacity, ill-health or death in respect of which any Group Company has or could have liability.

- (e) No event has occurred (or ,so far as the Seller is aware, will occur) before, on or as a result of Completion which could result in any of the Pension Schemes or the Unfunded Pension Arrangements being amended, closed, terminated or wound-up in whole or in part.

13. TAXATION

In this paragraph 13 the following words have the following meanings, unless the context otherwise requires:

“Effective Date” has the meaning given to it in section 119 of FA 2003;

“FA 2003” means the Finance Act 2003;

“Land Transaction” has the meaning given to it in section 43 of FA 2003; and

“TCGA” means the Taxation of Chargeable Gains Act 1992.

- 13.1 Each Group Company has duly and punctually paid all material Tax due or imposed to the extent that the same ought to have been paid and is not liable nor has it within the last three years been liable to pay any material penalty or interest in connection therewith.
- 13.2 Each Group Company has duly and punctually complied in all material respects with its obligations to deduct, withhold or retain amounts of or on account of Tax from any material payments made by it and to account for such amounts to any Taxation Authority and has complied in all material respects with all its reporting obligations to any Taxation Authority in connection with any such material payments made.
- 13.3 Each Group Company has complied in all material respects with all its duties under all relevant taxation laws and regulations and has in all material respects kept all records, made all returns and supplied all information and given all notices to any Taxation Authority as reasonably requested or required by law within any requisite period and all such returns and information and notices and any statements or disclosures made to any Taxation Authority were and, so far as the Seller is aware, remain true and accurate in all material respects.
- 13.4 No Taxation Authority has agreed to operate any special arrangement (being an arrangement which is not based on a strict and detailed application of the relevant legislation, statements of practice or extra-statutory concessions published by a Taxation Authority) in relation to any Group Company’s Tax affairs.
- 13.5 Where any clearance or consent for a transaction, scheme or arrangement has been sought from a Taxation Authority by or behalf of a Group Company, that transaction, scheme or arrangement has been implemented strictly in accordance with the terms of such clearance or consent and any conditions attaching to such clearance or consent.
- 13.6 No Group Company is the subject of, or has during the last three years been the subject of, any non-routine investigation, audit or visit by any Taxation Authority and, so far as the Seller is aware, none are pending or threatened.
- 13.7 No Group Company is currently, nor during the last four years has been, involved in a dispute with any Taxation Authority where the amount which is the subject of the dispute exceeds £500,000.

- 13.8 No Group Company will become liable to any Tax (including any Tax imposed pursuant to any provisions in relation to PAYE or national insurance contributions) in consequence of the entering into or completion of this agreement or anything done pursuant to its terms.

13.9 Accounts and Post Accounts Date Events

- (a) The Accounts make proper provision or reserve in respect of any period ended on or before the Accounts Date for all Tax assessed or liable to be assessed on each Group Company or for which it is accountable at the Accounts Date whether or not any such Group Company has or may have any right of reimbursement against any other person and full provision has been made and shown in the Accounts for deferred taxation in accordance with generally accepted accounting principles including, where relevant, IAS.
- (b) Since the Accounts Date:
 - (i) no Group Company has been involved in any transaction which has given , or may give rise to any material Tax other than in respect of actual income earned by such Group Company in the course of its trade;
 - (ii) no Group Company has made any material payment of a revenue nature in aggregate exceeding £5 million (or incurred any liability to make any such payment) which could be disallowed as a deduction in computing the taxable profits of such Group Company or as a charge on such Group Company's income;
 - (iii) no Group Company has been involved in any material transaction other than on arm's length terms;
 - (iv) no accounting period (as defined in chapter 2 of part 2 of CTA 2009) of any Group Company has ended as referred to in section 10 of CTA 2009;
 - (v) no disposal has taken place or other event occurred such that any Group Company would be required to bring a disposal value in aggregate exceeding £5 million into account for the purposes of the Capital Allowances Act 2001 or such that a chargeable gain in aggregate exceeding £5 million could or would accrue to any Group Company; and
 - (vi) no Group Company has ceased to be a member of a group (as defined in section 170 of TCGA).

13.10 Corporation Tax

- (a) No Group Company is party to any loan relationship as defined in part 5 of CTA 2009 which may give rise to material debits or credits (other than in respect of actual interest taxable or deductible on an accruals basis).
- (b) So far as the Seller is aware, all necessary conditions for all capital allowances within section 1119 of the CTA 2010 claimed by any Group Company were at all material times satisfied and remain satisfied.
- (c) Each Group Company has always been resident in the territory in which it was incorporated and has never been resident in any other territory or treated as so resident for the purposes of any double Tax agreement nor does any Group Company have a permanent establishment or other taxable presence in any jurisdiction other than that in which it was incorporated.

- (d) Within the last six years, no Group Company has acquired any asset or liability other than trading stock from any company other than a Group Company belonging at the time of acquisition to the same group of companies as the relevant Group Company within the meaning of section 170 of TCGA or section 765 of CTA 2009, and no member of any group of companies of which any Group Company is or has at any material time been the principal company (as defined in section 170(2)(b) of TCGA or section 765 of CTA 2009) has so acquired any asset or liability.
- (e) The Data Room contains particulars of all arrangements relating to the surrender of group relief under part 5 of CTA 2010 to which any Group Company is or has been a party in respect of any accounting period ended on or after 31 March 2017 and under all such arrangements no Group Company is liable to make any payments or repayments to any company other than a Group Company in respect of any relevant surrender of Group Relief.
- (f) The Company is not nor has it ever been a close company as defined by section 439 of CTA 2010.
- (g) So far as the Seller is aware, all transactions entered into by a Group Company have been entered into on an arm's length basis and the consideration (if any) which has been charged, received or paid by the relevant Group Company on all transactions entered into by it has been equal to the consideration which would have been expected to be charged, received or paid between independent persons dealings at arm's length.

13.11 Secondary taxation

- (a) No Group Company is bound by or party to any Tax indemnity, Tax sharing or Tax allocation agreement in respect of which claims would not be time barred.
- (b) No transaction or event has occurred in consequence of which any Group Company is or may be held liable for any material Tax or deprived of Relief otherwise available to it in consequence of any such liability in respect of material Tax or may otherwise be held liable for or to indemnify any person in respect of any material Tax, where some other company or person is or may become primarily liable for the Tax in question (whether by reason of any such other company being or having been a member of the same group of companies or otherwise).

13.12 Value Added Tax

- (a) Each Group Company is a registered taxable person for VAT legislation and no Group Company has at any time been treated as a member of a group of companies for such purpose nor has made any application to be so treated and no circumstances exist whereby any Group Company would or might become liable for value added tax as an agent or otherwise by virtue of section 47 of VATA.
- (b) Each Group Company has within the last three years complied in all material respects with the requirements and provisions of the VAT legislation and has made and maintained materially accurate and up-to-date records, invoices, accounts and other documents required by or necessary for the purposes of the VAT legislation and each Group Company has at all times punctually paid and made all material payments and returns required thereunder.
- (c) So far as the Seller is aware, the Options Spreadsheet contains details of all options to tax made by any Group Company for the purposes of Part 1 of Schedule 10 of VATA in respect of any material Property (it being acknowledged that the Options Spreadsheet may also contain details of options to tax in respect of other Properties).

13.13 Stamp Duty and Stamp Duty Land Tax

- (a) All material documents in the enforcement of which the Group is or may be interested have been duly stamped and since the Accounts Date no Group Company has been a party to any transaction whereby the Group was or is or could become liable to material stamp duty reserve tax.
- (b) In relation to the Properties no Group Company is or has been party to any Land Transaction in respect of which a Group Company has since the Accounts Date been liable or could at any time after the date of this agreement become liable to pay any material stamp duty land tax under any provisions of any act.
- (c) No stamp duty land tax (in excess of £1,000,000) shall arise under paragraph 11 of schedule 17A to FA 2003 (cases where assignment of lease treated as grant of lease) on the assignment of any material lease in which a Group Company has an interest.
- (d) The Group has in its (or its agents') possession, power or control copies of all material stamp duty land tax returns and/or self certificates (as defined in section 79(3)(b) of FA 2003) filed by the Group within the last three years in relation to land in which or in part of which the Group has an interest.
- (e) The Group does not at the date hereof hold any chargeable interest (as that expression is defined in section 48 of FA 2003) that was acquired by it by an instrument within three years prior to the date hereof, or by way of a Land Transaction with an Effective Date within three years prior to the date hereof, such acquisition (or instrument) having been exempt from stamp duty and/or stamp duty land tax on the basis **either** that group relief under section 42 of FA 1930, section 11 of the Finance Act (Northern Ireland) 1954, section 151 of FA 1995 or section 62 of or Schedule 7 to FA 2003 applied **or** that relief under section 76 of FA 1986 applied where, but for any such relief, the stamp duty and/or stamp duty land tax that would have arisen would have been in excess of £1,000,000.

13.14 Anti-avoidance

- (a) No Group Company is or has ever been party to or otherwise involved in any scheme, arrangement, transaction or series of transactions the main purpose, or one of the main purposes of which was the obtaining of a tax advantage.
- (b) No Group Company is or has ever been party to any transaction in respect of which disclosure has been made or is required pursuant to Part 7 of the Finance Act 2004 or Schedule 11A to VATA or entered into any tax arrangements that are abusive for the purposes of the General Anti-Abuse Rule (GAAR) in Part 5 of the Finance Act 2013.

14. INTELLECTUAL PROPERTY

- 14.1 Complete and accurate details of all registered Intellectual Property (and applications for any such right) belonging to the Group (the “**Registered Intellectual Property**”) and all domain names used by any Group Company (the “**Domain Names**”) are contained in sections 13.1 and 13.2 of the Data Room.
- 14.2 All right, title and interest in and to the Registered Intellectual Property is solely, legally and beneficially owned by a Group Company and the Domain Names are each registered in the name of a Group Company.
- 14.3 A Group Company either owns all right, title and interest in and to, or has sufficient rights to use, all material registered or unregistered Intellectual Property used in connection with the Group’s business as presently conducted.
- 14.4 There are no Encumbrances, nor has any Group Company agreed to create any Encumbrances, over any part of the Registered Intellectual Property.

- 14.5 No member of the Seller's Group owns or is licensed to use any Intellectual Property used in the Group's business as presently conducted.
- 14.6 No Group Company has received any written notice or allegation of any infringement by any Group Company of any Intellectual Property belonging to a third party, or been involved in any infringement, claim, dispute or challenge relating to any third party Intellectual Property, during the last two years (or earlier, to the extent any such issue is not currently resolved) and, so far as the Seller is aware, there are no facts or matters which might give rise to any such proceedings.
- 14.7 So far as the Seller is aware, no Intellectual Property owned or used by a Group Company has been infringed or misappropriated by a third party, or been subject to any infringement, claim, dispute or challenge, or threat of the same, during the last two years (or earlier, to the extent any such issue is not currently resolved).

15. INFORMATION TECHNOLOGY

- 15.1 True and accurate material details of all IT Systems, including the Material IT Agreements relating thereto, used in connection with, and that is material to, the operation of the Group's business as it is currently operated (together, the "**Material IT Systems**") are contained in the Data Room.
- 15.2 The Material IT Agreements comprise all of the IT Agreements which are of material importance to the operation of the Group's business as it is currently operated.
- 15.3 All Material IT Systems are either (i) legally and beneficially owned by a Group Company free from any Encumbrances, or (ii) are validly leased or licensed to a Group Company, and are under the control of a Group Company.
- 15.4 Reasonable steps have been taken to ensure that the Material IT Systems are in satisfactory working order in all material respects and are functioning adequately in accordance with all applicable specifications.
- 15.5 So far as the Seller is aware, the Material IT Systems have not suffered any material IT failures in the two years preceding the date of this agreement.
- 15.6 So far as the Seller is aware, the use of the Material IT Systems for the purposes of the Group's business complies with all reasonable security standards, and adequate data security breach, incident monitoring and business continuity and disaster recovery plans are in place with regard to such use.
- 15.7 No Material IT Agreement contains any provision entitling any party to a Material IT Agreement (other than a Group Company) to terminate such Material IT Agreement as a result of Completion of the Transaction.
- 15.8 So far as the Seller is aware:
- (a) the Material IT Agreements are valid, enforceable and in full force and effect and no Group Company or, so far as the Seller is aware, other party to a Material IT Agreement is in material breach of such Material IT Agreement;
 - (b) there are no disputes under or in relation to a Material IT Agreement; and
 - (c) no written notice terminating a Material IT Agreement has been given or received by any Group Company.
- 15.9 The Group has possession or control of the source code to all of the software in the Material IT Systems that is bespoke to the Group, or has the right to gain access to such source code under the terms of a binding agreement with a reputable escrow agent on the agent's standard terms.

16. CYBER SECURITY

- 16.1 Each Group Company has in place reasonable technical and organisational measures (including policies, procedures and training on these measures) to manage the ability of its network and information systems to resist, at a reasonable level of confidence, a “**Cyber Incident**”, being any incident that compromises (or attempts to compromise) the availability, authenticity, integrity or confidentiality of stored or transmitted or processed data of whatever nature, or the systems, networks or other infrastructure on which such data resides, or the related services offered by, or accessible via, those networks and information systems.
- 16.2 So far as the Seller is aware, each Group Company has in place valid insurance cover against Cyber Incidents or related cyber security risks.
- 16.3 So far as the Seller is aware, no Group Company has been the subject of any material Cyber Incident (each a “**Company Cyber Incident**”) in the last two years, whether it has been notified to a governmental or other regulatory body or not.
- 16.4 So far as the Seller is aware, no Group Company has any actual, material threatened or anticipated liability associated with or arising from any Company Cyber Incident in the last two years.

17. COMPLIANCE WITH LAWS AND LITIGATION

- 17.1 Each Group Company has conducted its business, affairs, operations and dealt with its assets in all material respects in accordance with all legal, regulatory and administrative requirements applicable to it which are material to the conduct of its business in any jurisdiction where it operates its business.
- 17.2 No Group Company during the two years ending on the date of this agreement has been involved in any civil, criminal, arbitration, administrative or other proceeding in any jurisdiction which is material to the operation of the Group (the meaning of “material” in this context being a value to a Group Company in excess of £5 million in respect of any one claim).
- 17.3 There is no outstanding judgment, arbitral award or decision of a court, tribunal, arbitrator, administrative or governmental agency against any Group Company which is material to the operation of the Group (the meaning of “material” in this context being a value to a Group Company in excess of £5 million in respect of any one such judgment, arbitral award or decision).
- 17.4
- (a) No civil, criminal, arbitration, administrative, or other proceeding is outstanding, pending or, so far as the Seller is aware, threatened by or against any Group Company, any assets of the Group, so far as the Seller is aware, in respect of which any Group Company is liable to indemnify any third party; and,
- (b) so far as the Seller is aware, no matter or circumstance exists which might give rise to a civil, criminal, arbitration, administrative or other proceeding in any jurisdiction involving any Group Company,
- in each case which is material to the operation of the Group (the meaning of “material” in this context being a value to a Group Company in excess of £5 million in respect of any one claim).

- 17.5 No member of the Group is nor has during the two years ending on the date of this agreement been subject to any investigation, inquiry or disciplinary proceeding (whether judicial, quasi-judicial or otherwise) in any jurisdiction which is material to the operation of the Group (the meaning of “material” in this context being a value to a Group Company in excess of £5 million in respect of any one investigation, inquiry or disciplinary proceeding) and, so far as the Seller is aware, none is pending or threatened and no matter or circumstance exists which might reasonably be expected to give rise to such investigation, enquiry or disciplinary proceeding.
- 17.6 No Group Company has received any request for information from, any court or governmental authority (including any national competition authority and the Commission of the European Communities and the EFTA Surveillance Authority) under any anti-trust or similar legislation.
- 17.7 So far as the Seller is aware, no Group Company (nor any Seller company in relation to the business of the Group) has received any State Aid within the meaning of Articles 107 to 109 of the Treaty on the Functioning of the European Union.

18. ENVIRONMENTAL, HEALTH AND SAFETY (“EHS”) MATTERS

- 18.1 So far as the Seller is aware, each Group Company complies and has in the past three years complied in all material respects with all EHS Laws.
- 18.2 Each Group Company has obtained all EHS Consents required for its business, and, each Group Company complies and has in the past three years complied in all material respects with all EHS Consents.
- 18.3 Copies of the most up to date version of each of the Group Companies’ EHS Consents, all material correspondence with each EHS Regulatory Authority relating to compliance with EHS Consents and EHS Laws and of each report in the possession or control of any Group Company of intrusive environmental site investigation in respect of properties owned or occupied by any Group Company were made available to Ashurst LLP for the purposes of its vendor legal due diligence review and to Arup for the purposes of its technical vendor due diligence report.
- 18.4 There are no pending applications made by any Group Company to vary or surrender the whole or any part of its EHS Consents and no Group Company is on notice of a proposed or pending variation or review of its EHS Consents by an EHS Regulatory Authority.
- 18.5 No Group Company has received written notice from an EHS Regulatory Authority that any EHS Consent will be revoked, suspended or withdrawn within 12 months following Completion.
- 18.6 There are no civil, criminal or administrative claims, litigation, investigations, prosecutions or other legal proceedings or enforcement action under EHS Law which are currently being brought or which are pending or, so far as the Seller is aware, have been threatened against any Group Company by an EHS Regulatory Authority or any third party and, in each case, which are material to the operation of the Group (the meaning of “material” in this paragraph being a value to a Group Company in excess of £1.25 million in respect of any one claim).
- 18.7 There is no outstanding judgment, arbitral award or decision of a court, tribunal, arbitrator or governmental agency against any Group Company with regard to any EHS matter and any enforcement notices issued to any Group Company by any EHS Regulatory Authority has been complied with in full.
- 18.8 No Group Company has in the past three years received formal written notice under EHS Law from an EHS Regulatory Authority alleging that any Group Company is in breach of EHS Law or EHS Consents or imposing or threatening to impose any liability under EHS Law or in respect of any EHS matter and so far as the Seller is aware, no circumstances exist which may give rise to this kind of action.

18.9 No Group Company has entered into or made an offer to an EHS Regulatory Authority to enter into any enforcement undertaking or if it has entered into an enforcement undertaking it has complied with all of its obligations, and no Group Company has agreed to indemnify, guarantee or otherwise assume the EHS liabilities of any third party other than in the ordinary course of business.

18.10 So far as the Seller is aware, no expenditure of more than £1.25 million in total is required over the next two years so as to:

- (i) obtain or comply with the conditions of an EHS Consent (including an improvement programme); or
- (ii) comply with EHS Law in force or effect as at the date of this agreement.

18.11 All current projects with an estimated total expenditure of £1.25m or more for the remediation by Group Companies of contaminated land are included in the Contaminated Land Register (Document 18.5.8.2) in the Data Room.

19. ANTI-BRIBERY AND CORRUPTION

19.1 No Group Company, nor any of their directors, officers or, so far as the Seller is aware, employees, has, directly or indirectly, given, promised, offered or authorised, or accepted, requested, received or agreed to receive, any payment, gift, reward, rebate, contribution, commission, incentive, inducement or advantage to or from any person, in contravention of Anti-Bribery and Corruption Laws.

19.2 The Group has instituted, maintained and monitored policies and procedures designed to ensure continued compliance with Anti-Bribery and Corruption Laws.

20. DATA PROTECTION

20.1 Each Group Company has complied in all material respects in the two years preceding the date of this agreement with, and has in place, the necessary registrations, notifications and procedures to comply in all material respects with the DP Legislation.

20.2 No Group Company has, in the two years preceding the date of this agreement, received:

- (a) any written notice, request or communication from a regulatory or supervisory authority, or been subject to any enforcement action, in each case relating to a breach or alleged breach of its obligations under the DP Legislation; or
- (b) any notice, claim, complaint, correspondence or other communication from a data subject or any other person claiming a right to compensation under the DP Legislation, or alleging any breach of the DP Legislation,

and, so far as the Seller is aware, there is no fact or circumstance that may lead to any such notice, request, correspondence, communication, claim, complaint or enforcement action.

20.3 So far as the Seller is aware, there are, and in the two years preceding the date of this agreement, there have been, no instances of accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data stored or otherwise processed by a Group Company required to be notified to a regulatory or supervisory authority by DP Legislation.

- 20.4 All material Personal Data processing activities carried out on behalf of each Group Company by a Processor (as defined in DP Legislation) are carried out under written contracts binding on the Processor with regard to the relevant Group Company and which comply in all material respects with all applicable requirements of the DP Legislation.

21. **INSURANCE**

- 21.1 The Data Room contains a true, accurate and complete list of all material and current insurance and indemnity policies in respect of which any Group Company has an interest (together, the **“Policies”**).
- 21.2 All premiums due and payable prior to the date of this agreement on each of the Policies have been duly paid and, so far as the Seller is aware, all Policies are in full force and effect and no Group Company has done or omitted to do anything which might render any of those policies void or voidable whether in full or in part.
- 21.3 True and accurate details of any material claims that are outstanding under each of the Policies in respect of any of the Group Companies are contained in the Data Room. No insurer in respect of each of the Policies has refused or given written notice that it intends to refuse any claim under the Policies.
- 21.4 So far as the Seller is aware, the Seller and/or each Group Company has validly notified relevant insurers of all claims, matters, events or circumstances which have arisen or which they have become aware of relating to any of the Group Companies in connection with indemnified coverage under the Cyber Insurance Policies and/or D&O Insurance Policies.

SCHEDULE 2

Limitations on Seller Liability

1. MONETARY LIMITS

- 1.1 The Seller shall not be liable in respect of a Claim (except for a Claim for breach of a Seller Fundamental Warranty or a Tax Deed Claim) unless and until:
- (a) the aggregate liability of the Seller in respect of that Claim would (but for this paragraph) exceed £1.25 million; and
 - (b) in respect of that Claim (other than a Claim for which liability is already excluded under paragraph (a) above) when aggregated with the aggregate liability of the Seller in respect of all other such Claims exceeds £30 million in which event the Seller shall be liable for the total amount of such Claims and shall not be limited to the excess.
- 1.2 All amounts which may be deducted from the amount of such Claim by virtue of the operation of the other paragraphs of this schedule 2 shall first be taken into account in order to determine whether the amount of the Claim exceeds the thresholds in paragraph 1.1 above.

2. TIME LIMITS FOR CLAIMS

- 2.1 The Seller shall not be under any liability in respect of any claim under any Transaction Document and any such claim shall be wholly barred and unenforceable unless written notice of such claim setting out reasonable details of the relevant claim (including the grounds on which such claim is based and, so far as it is known to the Buyer, the likely quantum of such claim) shall have been served upon the Seller by the Buyer:
- (a) in the case of a Seller Warranty Claim (other than a Seller Fundamental Warranty Claim or a Tax Warranty Claim), by not later than 5.00 p.m. on the date that is three years after the date of Completion;
 - (b) in the case of a Seller Fundamental Warranty Claim, by not later than 5.00 p.m. on the date that is six years after the date of Completion;
 - (c) in the case of a Tax Claim, by not later than 5.00 p.m. on the date that is seven years after the date of Completion; and
 - (d) in the case of any other claim under any Transaction Document (other than a claim under clause 7 to which clause 7.2 applies), by not later than 5.00 p.m. on the date that is three years after the date of Completion.
- 2.2 Following the giving of notice under paragraph 2.1 in respect of a Claim (other than a Tax Claim):
- (a) where the Claim arises by reason of a liability of the Buyer or any Group Company which, at the time of service of the notice, is contingent only or otherwise not capable of being quantified, the liability of the Seller shall determine if legal proceedings in respect of such Claim have not been commenced within nine months of such Claim ceasing to be contingent or becoming capable of being quantified; or
 - (b) where the Claim does not fall within paragraph 2.2(a) above, the liability of the Seller shall determine if legal proceedings in respect of such Claim have not been commenced within nine months of the service of such notice.

- 2.3 For the purpose of this paragraph 2 legal proceedings shall not be deemed to have been commenced unless they have been properly issued and validly served upon the Seller.

3. **CAP ON LIABILITY**

The aggregate liability of the Seller (before any netting off or set off of any liability of the Buyer and including all legal and other costs and expenses) in respect of any claim under any Transaction Document shall not, subject to paragraph 4:

- (a) in respect of a Seller Warranty Claim (other than a Seller Fundamental Warranty Claim) or a Tax Deed Claim (other than an Anti-hybrid Tax Indemnity Claim), exceed £1.00;
- (b) in respect of an Anti-hybrid Tax Indemnity Claim, exceed £50 million; and
- (c) in respect of a Seller Fundamental Warranty Claim and all other claims under any Transaction Document (including, but subject to the limitations therein, any of the Claims referred to in paragraphs (a) and (b) above, but excluding a claim under clause 7 to which clause 7.5 applies) exceed the amount of the Consideration actually received by the Seller.

4. **FRAUD**

The limitations set out in paragraphs 1 to 3 above shall not apply to any claim to the extent that it arises as a result of the fraud or fraudulent concealment by the Seller.

5. **OTHER LIMITS**

- 5.1 No liability (whether in contract, tort or otherwise) shall attach to the Seller in respect of any Claim and no liability shall attach to the Seller for any amount by which a Claim is increased (in each case, other than a Tax Claim) to the extent that:

- (a) the Claim or the events giving rise to the Claim would not have arisen but for an intentional act, or transaction of the Buyer's Group or which the Buyer's Group requested or consented to in writing;
- (b) the Claim is based upon a liability which is contingent only, unless and until such contingent liability becomes an actual liability or until the same is finally adjudicated;
- (c) appropriate allowance, provision or reserve in respect of the matter giving rise to the Claim is expressly made in the Accounts or to the extent that the matter giving rise to the Claim is expressly noted in the Accounts;
- (d) the Claim occurs wholly or partly out of or the amount thereof is increased as a result of:
 - (i) anything expressly provided to be done or omitted to be done pursuant to this agreement or any other Transaction Document;
 - (ii) any change in the accounting principles or practices of the Buyer's Group introduced or having effect after the date of this agreement;
 - (iii) any increase in the rates of taxation made after the date hereof;
 - (iv) any change in law or regulation or extra statutory concession or other regulatory agreement or in its interpretation or administration by the English courts, by HMRC or by any other fiscal, monetary or regulatory authority (whether or not having the force of law), occurring in each case after Completion;

- (v) any reorganisation (including a cessation of the whole or any part of any trade) or change in ownership of any member of Buyer's Group after Completion;
- (e) the loss or damage giving rise to the Claim is recovered by the Buyer's Group under any policy of insurance; or
- (f) the Claim relates to a claim or liability for taxation and would not have arisen but for any winding-up or cessation after Completion of any business or trade carried on by the Buyer's Group except to the extent that such winding-up or cessation is occasioned by the facts or circumstances giving rise to the Claim.

6. BENEFITS

In assessing any liabilities, losses, damages or other amounts recoverable by the Buyer as a result of any claim under any Transaction Document (other than a Tax Claim) there shall be taken into account any benefit accruing to the Buyer's Group including, without prejudice to the generality of the foregoing, any amount of any Relief obtained or obtainable by the Buyer's Group and any amount by which any Tax for which the Buyer's Group is or may be liable to be assessed or accountable is reduced or extinguished, arising directly or indirectly in consequence of the matter which gives rise to such claim but excluding any benefit to the extent it has been taken into account for the purposes of the Insurance Policy by reducing the amount payable to the Buyer or is required to be paid by the Buyer thereunder.

7. RIGHT TO REMEDY

No liability will arise in respect of any claim under any Transaction Document (other than a Tax Deed Claim) if such claim is remediable and within the period of 30 days following the Buyer having given written notice thereof to the Seller in accordance with paragraph 2.1, such matter has been remedied to the reasonable satisfaction of the Buyer within the period of 30 days following the date of service of such notice. For the avoidance of doubt, the time period afforded to remedy any such claim under this paragraph 7 shall not operate to prejudice the time limitations applying to such claims under paragraph 2, provided that the Buyer has served notice and (if applicable) commenced legal proceedings within the time periods specified therein.

8. THIRD PARTY CLAIMS

8.1 Paragraph 8.2 shall apply in circumstances where:

- (a) any claim, allegation, cause of action, proceeding, liability, suit or demand is made or threatened against the Buyer's Group which could reasonably be expected to give rise to a Claim (other than a Tax Claim) by the Buyer against the Seller;
- (b) the Buyer's Group is or could reasonably be expected to be entitled to make recovery from some other person any sum in respect of any facts, matters, events or circumstances by reference to which the Buyer has or may have a Claim (other than a Tax Claim) against the Seller; or
- (c) the Seller shall have paid to the Buyer or the Buyer's Group an amount in respect of a Claim (other than a Tax Claim) and subsequent to the making of such payment the Buyer's Group becomes or shall become entitled to recover from some other person (including under the Insurance Policy) a sum which is referable to that payment,

(each, a “Third Party Claim”).

8.2 The Buyer shall and shall procure that the Buyer’s Group shall:

- (a) promptly upon becoming aware of any Third Party Claim give notice and reasonable details in writing to the Seller of that Third Party Claim (to the extent known at the time) and thereafter shall keep the Seller fully informed of all material developments in relation thereto;
- (b) make or procure to be made available to the Seller, and, if so requested by the Seller, provide copies of, all books of account, records and correspondence of any Group Company relevant to any Third Party Claim and permit the Seller and its advisers to ascertain or extract any information relevant to that Third Party Claim therefrom; and
- (c) in the case of paragraph 8.1(c) only, promptly repay to the Seller an amount equal to the amount so recovered (including under the Insurance Policy) or, if lower, the amount paid by the Seller to the Buyer,

provided that the Buyer shall not be required to take any step or action under this paragraph 8.2 which is not permitted under the Insurance Policy.

9. **RIGHTS OF RECOVERY BY BUYER’S GROUP**

9.1 The Buyer shall and shall procure that the Buyer’s Group shall:

- (a) promptly inform the Seller in writing of any fact, matter, event or circumstance which comes to the Buyer’s notice or to the notice of the Buyer’s Group whereby it appears that the Seller is or may be liable to the Buyer under a Claim (other than a Tax Claim) or whereby it appears the Buyer’s Group shall become or may become entitled to recover from some other person a sum which is referable to a payment already made by the Seller in respect of such Claim (other than a Tax Claim); and

- (b) thereafter keep the Seller fully informed of all material developments in relation thereto;

provided that:

- (i) the Buyer shall not be required to take any step or action under this paragraph 9 which is not permitted under the Insurance Policy; and
- (ii) failure by the Buyer or any member of the Buyer’s Group to inform and keep the Seller fully informed or to provide access to the Seller in accordance with paragraphs 9.1(a) and 9.1(b) shall not relieve the Seller from liability except only to the extent that the Seller suffers actual prejudice as a result of such failure.

10. **TAX**

No liability in respect of any Tax Warranty Claim shall become payable:

- (a) in the case of a Claim for Tax involving an actual payment of tax or the loss or set off of a relief against taxation, prior to the date on which a payment of taxation becomes finally due and payable under or in consequence of the Claim for Tax in question; or
- (b) in the case of a Claim for Tax involving the loss of or reduction of a right to repayment of taxation, prior to the day on which any repayment or increased repayment of taxation which, but for such Claim for Tax would have been available, would have been due.

11. BUYER'S KNOWLEDGE

The Buyer warrants as at the date of this agreement that it does not have any actual knowledge of any breach of the Seller's Warranties as at the date of this agreement and for the purposes of this paragraph, the Buyer's knowledge shall mean the knowledge of Chris Waters, Deborah Waller, Donald Simpson and Jian Li, in each case after such individuals have made reasonable enquiries of any professional advisers advising the Buyer in connection with the Transaction.

12. MITIGATION

Nothing in this agreement shall or shall be deemed to relieve the Buyer or any other member of the Buyer's Group of any common law or other duty to mitigate any loss or damage it has suffered or incurred or may suffer or incur (including, without limitation, enforcing against any person other than the Seller, any rights any member of the Buyer's Group has or may have in respect of the fact, matter, event or circumstance giving rise to a claim under this agreement (other than a Tax Deed Claim and a claim for breach of the Leakage provisions pursuant to clause 7)).

13. CONSEQUENTIAL LOSS

The Buyer shall not be entitled to claim for any special, indirect or consequential loss, including (without prejudice to the generality of the foregoing) loss of profits, loss of market share, loss of goodwill or possible business after Completion, whether actual or prospective, even if such loss was reasonably foreseeable.

14. FORECASTS

The Buyer acknowledges and agrees that the Seller does not give or make any warranty as to the accuracy of the forecasts, business plans, estimates, projections, statements of intent or statements of honestly expressed opinion provided to the Buyer (however so provided) on or prior to the date of this agreement, including (without limitation) in the Disclosure Letter or the Data Room Information.

15. DOUBLE RECOVERY

No liability shall attach to the Seller by reason of any claim under this agreement or any other Transaction Document to the extent that the same loss or damage has been recovered by the Buyer or any other member of the Buyer's Group under any other provision of this agreement or any other Transaction Document or the Insurance Policy, and accordingly the Buyer may only recover from the Seller under this agreement, the other Transaction Documents and the Insurance Policy once only in respect of the same loss or damage suffered.

SCHEDULE 3

Action Pending Completion

The Seller shall procure that each of the Company, WPD plc and the DNOs shall:

1. not create, allot, issue, acquire, reduce, repay or redeem any share or loan capital or agree, arrange or undertake to do any of those things, or acquire or agree to acquire an interest in an undertaking;
2. not pass a shareholders' resolution; and
3. not declare, pay or make a dividend or distribution.

The Seller shall procure that each Group Company shall:

1. (other than in respect of Company, WPD plc and the DNOs) not create, allot, issue, acquire, reduce, repay or redeem any share or loan capital or agree, arrange or undertake to do any of those things, or acquire or agree to acquire an interest in an undertaking other than to or from another Group Company;
2. (other than in respect of Company, WPD plc and the DNOs) not declare, pay or make a dividend or distribution other than to another Group Company;
3. not make any alteration to its articles of association;
4. give or agree to give any option, right to acquire or call (whether by conversion, subscription or otherwise) or create or agree to create any Encumbrance, in each case in respect of any of its share or loan capital;
5. not acquire or agree to acquire an interest in an undertaking;
6. not acquire or dispose of, or agree to acquire or dispose of, an asset except in the usual course of its trade or assume or incur, or agree to assume or incur, a liability, obligation or expense (actual or contingent) except in the usual course of its trade;
7. not make, or agree to make, capital expenditure exceeding in total £20 million;
8. not create, or agree to create, an Encumbrance over a material asset or redeem, or agree to redeem, an existing Encumbrance over a material asset, other than with respect to the Group Finance Agreements;
9. not take any action or omit to take any action which could reasonably be expected to put a Group Company in breach of any Material Permit obligation;
10. continue each of the Policies (as defined in paragraph 21.1 of schedule 1) and not do or omit to do anything which would make any of the Policies void or voidable;
11. not breach any covenants on its part that are contained in any lease or licence of any property held or occupied by it which would or might result in a liability for a Group Company in excess of £3 million;
12. not enter into, amend the terms of, or terminate any partnership, joint venture or other profit sharing agreement which is material in the context of the Group as a whole, provided that a counterparty's termination of such an agreement shall not be a breach of this paragraph;
13. not make any material change to the management and organisation of the Group or Group Companies or the manner in which they carry on the business;

14. not enter into any transaction with any person otherwise than at arms' length and for full value;
15. not make any proposal for the winding up or liquidation of any Group Company;
16. not enter into a long-term, onerous or unusual agreement, arrangement or obligation which is material in the context of the Group as a whole (which shall include any agreement, arrangement or obligation having an individual value of £15 million or more);
17. not amend (to the detriment of the Group) or terminate an agreement, arrangement or obligation to which it is a party which is material in the context of the Group as a whole (which shall include any agreement, arrangement or obligation having an individual value of £15 million or more);
18. not materially amend, enter into, offer to enter into or terminate or give notice to terminate any terms of employment of any Key Employee (except where required under law or as a result of a breach by any Key Employee of the terms of his or her employment);
19. not amend, or agree to amend, the terms of any schedule of contributions and/or recovery plan applicable to any Pension Scheme, and not take action or fail to take any action which will or may cause a Pension Scheme or Unfunded Pension Arrangement to be amended, closed, terminated or wound-up whether before, on or following Completion;
20. except in the ordinary course and consistent with past practice, not pay any Incentive Scheme, or create or enter into any new incentive or bonus scheme (or arrangement) for Employees, or grant or issue any new awards, interests or bonus under any such scheme (or arrangement), other than (i) the grant of a Management Bonus, subject to the limitations of paragraph 18 of schedule 4, (ii) payment of the STIP 2021 Awards subject to the limitations of paragraph 10 of schedule 4, (iii) the grant of Phantom Stock Options as disclosed in document 8.2.25 in the Data Room; or (iv) any payments in connection with the Transition Incentive Awards, subject to the limitations of paragraph 9 of schedule 4;
21. not amend, or agree to amend, (to the detriment of the Group) the terms of its borrowing or indebtedness in the nature of borrowing or create, incur, or agree to create or incur, borrowing or indebtedness in the nature of borrowing (except pursuant to the Group Finance Agreements where the borrowing or indebtedness in the nature of borrowing does not exceed the amount available to be drawn by each Group Company under those facilities);
22. not give, or agree to give, a guarantee, indemnity or other agreement to secure, or incur financial or other obligations with respect to the Seller's Group's obligations;
23. terminate or interchange any currency hedging arrangements, or any other derivative transaction entered into in order to provide protection against exposure to, or to benefit from, fluctuation in any rate or price, other than where such an arrangement reaches the end of its stated term;
24. not make, revoke or change any Tax election, adopt or change any Tax accounting method, practice or period, grant or request a waiver or extension of any limitation on the period for audit and examination or assessment and collection of Tax, file any amended tax return or settle or compromise any contested Tax liability (save that this paragraph 24 shall not prevent the making or filing of any Tax election or return that relates to the ordinary course of business of the Group and does not result in any actual or contingent Tax liability in excess of £100,000);
25. not make any drawdown under the Demand Loan; and
26. except in the usual course of its trade, not compromise, settle, release, discharge or compound litigation or arbitration proceedings or a liability, claim, action, demand or dispute, or waive a right in relation to litigation or arbitration proceedings, in each case which is in excess of £1.25 million.

Signed by Joseph P. Bergstein Jr.)
for and on behalf of)
PPL WPD LIMITED) /s/ Joseph P. Bergstein Jr.
under a power of attorney dated)
17 March 2021:)

Signed by Andrew Agg)
for and on behalf of)
NATIONAL GRID HOLDINGS ONE PLC:) /s/ Andrew Agg
)

Signed by John Pettigrew)
for and on behalf of)
NATIONAL GRID PLC:) /s/ John Pettigrew
)

[Signature page to SPA]

EX-2.2 3 d128074dex22.htm EX-2.2

Exhibit 2.2

EXECUTION VERSION

SHARE PURCHASE AGREEMENT

by and among

PPL ENERGY HOLDINGS, LLC,

PPL CORPORATION

(solely with respect to Section 4.10 and Section 6.14)

and

NATIONAL GRID USA

Dated as of March 17, 2021

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SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT is entered into as of March 17, 2021, by and among PPL Energy Holdings, LLC, a Delaware limited liability company (“Pluto”), National Grid USA, a Delaware corporation (“Newquay,” and together with Pluto, the “Parties”) and, solely with respect to Section 4.10 and Section 6.14, PPL Corporation, a Pennsylvania corporation (“Pluto Topco”). Capitalized terms herein have their respective meanings set forth in Annex A hereto.

RECITALS

WHEREAS, Newquay owns 100% of the outstanding shares of common stock, par value \$50.00 per share, in The Narragansett Electric Company, a Rhode Island corporation (“Rover” and such equity interests, the “Rover Equity Interest”);

WHEREAS, upon the terms and subject to the conditions set forth herein, Newquay desires to sell to Pluto, and Pluto desires to purchase from Newquay, 100% of the Rover Equity Interest;

WHEREAS, in furtherance of the foregoing and upon the terms and subject to the conditions set forth herein, Newquay shall sell to Pluto, and Pluto shall purchase from Newquay, the Rover Equity Interest in exchange for the consideration provided for herein; and

WHEREAS, Pluto and Newquay (or one or more of their respective wholly owned Subsidiaries) shall enter into the Transition Services Agreement as of the Closing.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE I SALE AND PURCHASE

Section 1.1 Sale and Purchase. Upon the terms and subject to the conditions of this Agreement, at the Closing, Newquay shall sell, assign, transfer and convey to Pluto, and Pluto shall purchase, acquire and accept from Newquay, all of the Rover Equity Interest, free and clear of all Liens (other than Permitted Equity Liens).

Section 1.2 Purchase Price. Subject to adjustment pursuant to Section 3.2, upon the terms and subject to the conditions of this Agreement, at the Closing Pluto shall pay to Newquay a payment, in cash by wire transfer of same day immediately available funds, in the amount of (i) \$3,770,000,000, *plus* (ii) the Rover Adjustment Amount (which Rover Adjustment Amount, for the avoidance of doubt, may be positive or negative) as calculated using the Rover Estimated Closing Statement (and amounts calculated therefrom).

ARTICLE II THE CLOSING

Section 2.1 Closing. The closing of the transactions provided for in this Agreement with respect to the sale and purchase of the Rover Equity Interest (the “Closing”) shall take place (a) at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 1440 New York Avenue N.W., Washington, DC 20005 (or remotely via the electronic exchange of executed documents) at 9:00 a.m., New York City time, on the fifth (5th) Business Day following the date on which the last of the conditions required to be satisfied or waived pursuant to Article VII is either satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to satisfaction or waiver thereof), or (b) at such other place, time or date as the Parties shall agree upon in writing. The date on which the Closing is to occur is referred to herein as the “Closing Date.” The Closing shall be deemed to occur and be effective at 12:01 a.m., New York City time, on the Closing Date (the “Effective Time”).

Section 2.2 Estimated Closing Statements.

(a) (i) Newquay shall prepare, or cause to be prepared, and deliver, or cause to be delivered, to Pluto at least four (4) Business Days prior to the Closing Date, a statement (the “Rover Estimated Closing Statement”) prepared in accordance with Section 2.2(a)(ii) setting forth the estimated amounts of (A) Rover Closing Net Indebtedness, (B) Rover Closing Net Working Capital and (C) the Rover Adjustment Amount, determined as of the anticipated Effective Time (without giving effect to the transactions contemplated hereby) (the “Rover Adjustment Items”).

(ii) Newquay shall, in good faith and at Newquay’s expense, prepare, or cause to be prepared, the Rover Estimated Closing Statement on a basis consistent with the Rover Applicable Accounting Principles. Newquay shall give, and shall use its reasonable best efforts to cause its Representatives to give, Pluto and its Representatives reasonable access to such books, records and personnel of Rover (including the work papers of Newquay and its accountants relating to the preparation of the Rover Estimated Closing Statement and such calculations based thereon) as may be necessary to enable Pluto and its Representatives to review the Rover Estimated Closing Statement and such calculations based thereon prior to the Closing.

(b) Prior to the Closing, Newquay and Pluto in good faith shall seek to resolve any differences that they may have with respect to the computation of any of the items in the Rover Estimated Closing Statement, and such statement shall be updated accordingly prior to the Closing; *provided* that to the extent the Parties are unable to resolve such differences prior to the Closing, the amounts reflected in the Rover Estimated Closing Statement with respect to any such disputed item shall be used for purposes of calculating the Rover Adjustment Amount for purposes of the Closing.

Section 2.3 Pluto Deliveries at Closing. At the Closing, Pluto shall deliver, or cause to be delivered, to Newquay:

- (a) a duly executed counterpart to the Transition Services Agreement on behalf of Pluto;
- (b) the officer's certificate required pursuant to Section 7.2(c);
- (c) properly executed and mutually agreed upon Forms 8023;
- (d) copies (or other evidence) of all valid approvals or authorizations of, filings or registrations with, or notifications to, all Governmental Authorities required to be obtained, filed or made by Pluto in satisfaction of Section 7.1(b); and
- (e) all such additional instruments, documents and certificates provided for by this Agreement or as may reasonably be requested by Newquay in order to consummate the Transactions.

Section 2.4 Newquay Deliveries at Closing. At the Closing, Newquay shall deliver, or cause to be delivered, to Pluto:

- (a) stock certificates (or similar evidence) representing the Rover Equity Interest, duly endorsed in blank or with stock powers executed in proper form for transfer, and with any required stock transfer stamps affixed thereto;
- (b) a duly executed counterpart to the Transition Services Agreement on behalf of Newquay;
- (c) the resignations, in a form reasonably satisfactory to Pluto, of the officers and directors of Rover designated by Pluto in writing at least four (4) Business Days prior to the Closing Date;
- (d) the officer's certificate required pursuant to Section 7.3(d);
- (e) a complete and duly executed IRS Form W-9 from Newquay;
- (f) properly executed and mutually agreed upon Forms 8023;
- (g) copies (or other evidence) of all valid approvals or authorizations of, filings or registrations with, or notifications to, all Governmental Authorities required to be obtained, filed or made by Newquay in satisfaction of Section 7.1(b); and
- (h) all such additional instruments, documents and certificates provided for by this Agreement or as may reasonably be requested by Pluto in order to consummate the Transactions.

Section 2.5 Proceedings at Closing. All proceedings to be taken, and all documents to be executed and delivered by the Parties, at the Closing shall be deemed to have been taken and executed simultaneously, and, except as permitted hereunder, no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

Section 2.6 Withholding Rights. Notwithstanding any other provision in this Agreement to the contrary, each of Newquay and Pluto (and its respective Affiliates or agents) shall be entitled to deduct and withhold from all amounts payable pursuant to this Agreement such amounts as are required to be deducted and withheld under the Code or any other provision of applicable Requirement of Law; *provided, however*, that if Newquay or Pluto or anyone acting on its respective behalf believes that any withholding is required with respect to any amounts payable under this Agreement, such Person shall, at least five (5) Business Days prior to the Closing Date or, if different, the date such payment will be made, provide the applicable payee with written notice of the intention to withhold and the opportunity for such payee to provide any statement, form or other documentation that would reduce or eliminate the requirement to withhold. Each of Newquay and Pluto (and its respective Affiliates) shall reasonably cooperate with the other party to reduce and mitigate any withholding Taxes under applicable Requirement of Law. To the extent that amounts are so deducted and withheld pursuant to this Section 2.6, such amounts (i) shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made and (ii) shall be timely remitted to the appropriate Governmental Authority. For the avoidance of doubt, this Section 2.6 shall not apply to Transfer Taxes. Each Party acknowledges and agrees that as of the date of this Agreement, such Party does not believe that any deduction or withholding of any amounts payable pursuant to this Agreement is required.

ARTICLE III POST-CLOSING ADJUSTMENTS

Section 3.1 Rover Final Closing Statement.

(a) (i) Not later than ninety (90) days after the Closing Date or such other time as is mutually agreed by the Parties, Newquay shall prepare, or cause to be prepared, and deliver, or cause to be delivered, to Pluto a written statement setting forth a calculation in reasonable detail of the Rover Adjustment Items (the "Rover Final Closing Statement"), determined as of the Effective Time (and without giving effect to the transactions contemplated hereby). The Rover Final Closing Statement shall be prepared on a basis consistent with the Rover Applicable Accounting Principles.

(ii) From and after the Closing, in connection with the preparation and delivery of the Rover Final Closing Statement and related calculations as set forth therein and during the period of any dispute contemplated by this Section 3.1, Newquay shall, and shall cause its Representatives to, and Pluto shall, and shall cause Rover and its respective Representatives to, (A) provide the other Party and its Representatives with reasonable access to the relevant books and records, facilities and employees and (B) cooperate in good faith with the other Party and its Representatives, including by providing on a timely basis all information reasonably necessary in or reasonably related to the preparation of the Rover Final Closing Statement and calculations as set forth therein.

(b) Within 45 days following its receipt of the Rover Final Closing Statement, Pluto shall deliver to Newquay either (i) its agreement as to the calculation of the Rover Adjustment Items as set forth therein or (ii) a written dispute notice, specifying in reasonable detail the nature of its dispute of the calculation of the Rover Adjustment Items as set forth therein; *provided* that Pluto may dispute the calculation of the Rover Adjustment Items as set forth in the Rover Final Closing Statement only on the basis that such calculation was not made in accordance with the Rover Applicable Accounting Principles, or on the basis of arithmetic error. During the 30 days after the delivery of a dispute notice to Newquay, Newquay and Pluto shall attempt in good faith to resolve any such dispute and finally determine the amounts, as applicable, of the Rover Adjustment Items as set forth in the Rover Final Closing Statement. If at the end of such 30-day period, Newquay and Pluto have failed to reach agreement with respect to such dispute, the matter shall be submitted to KPMG, or, if such firm is unwilling to act, such other internationally recognized accounting firm that is not the principal independent auditor for either Pluto or Newquay and is otherwise neutral and impartial and mutually agreed upon by Pluto and Newquay, *provided, however*, that if Pluto and Newquay are unable to select such other accounting firm within 45 days after delivery of a dispute notice to Newquay, either Party may request the American Arbitration Association to appoint, within 20 Business Days from the date of such request, an independent accounting firm meeting the requirements set forth above. The accounting firm so selected shall be referred to herein as the “Accountant.” The Accountant, as an expert and not as an arbitrator, shall resolve the disputed portions of the calculation of the Rover Adjustment Items as set forth in the Rover Final Closing Statement in accordance with the terms and conditions of this Agreement. In making such determination, the Accountant may only consider those items and amounts as to which Newquay and Pluto have disagreed within the time periods and on the terms specified above and must resolve the matter in accordance with the terms and provisions of this Agreement; *provided* that the determination of the Accountant will neither be more favorable to Newquay than reflected in the Rover Final Closing Statement nor more favorable to Pluto than reflected in Pluto’s dispute notice. The Accountant shall deliver to Pluto and Newquay, as promptly as practicable after its appointment (and in no event later than 60 days), a written report setting forth the resolution of each disputed matter and its determination of the amounts of the Rover Adjustment Items as set forth in the Rover Final Closing Statement as determined in accordance with the terms of this Agreement. Such report shall be final and binding upon the Parties to the fullest extent permitted under Requirements of Law and may be enforced in any court having jurisdiction. Each of Newquay and Pluto shall bear all the fees and costs incurred by it in connection with the Accountant’s resolution of any disputed items pursuant to this Section 3.1(b), except that all fees and expenses relating to the foregoing work by the Accountant shall be borne by Newquay and Pluto in inverse proportion as they may prevail on the matters resolved by the Accountant, which proportionate allocation will also be determined by the Accountant and be included in the Accountant’s written report.

(c) Each Party shall make available to the other Party its (and shall use its reasonable best efforts to cause its accountants to make available their) work papers, schedules and other supporting data as may reasonably be requested by such Party to enable such Party to verify the calculations of the Rover Adjustment Items as set forth in the Rover Final Closing Statement, subject to customary confidentiality and indemnity agreements.

Section 3.2 Post-Closing Payment. On the second Business Day after the later of (x) the date Newquay and Pluto agree to the calculations of the Rover Adjustment Items as set forth in the Rover Final Closing Statement and the Rover Adjustment Amount and (y) if Newquay and Pluto are unable to agree on such calculations of the Rover Adjustment Items or the Rover Adjustment Amount, the date that Newquay and Pluto receive notice from the Accountant of the final determination of the amount(s) being so disputed,

(a) in the event that the Rover Adjustment Amount as calculated using the Rover Final Closing Statement (and amounts calculated therefrom) is greater than the Rover Adjustment Amount as calculated using the Rover Estimated Closing Statement (and amounts calculated therefrom), Pluto shall pay, or cause to be paid, in cash by wire transfer of same day immediately available funds to Newquay an amount equal to such excess; and

(b) in the event that the Rover Adjustment Amount as calculated using the Rover Final Closing Statement (and amounts calculated therefrom) is less than the Rover Adjustment Amount as calculated using the Rover Estimated Closing Statement (and amounts calculated therefrom), Newquay shall pay, or cause to be paid, in cash by wire transfer of same day immediately available funds to Pluto an amount equal to such difference.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PLUTO AND PLUTO TOPCO

Each of Pluto and, solely with respect to Section 4.10, Pluto Topco, hereby represents and warrants to Newquay as of the date hereof and as of the Closing that:

Section 4.1 Organization and Good Standing. Pluto is a legal entity duly organized, validly existing and in good standing under the Requirements of Law of its jurisdiction of organization and has all requisite power and authority to own, operate and lease its assets and to carry on its business as currently conducted. Pluto is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, operation or leasing of its assets or the conduct of its business as currently conducted requires such qualification, except for those jurisdictions where the failure to be so qualified or to be in good standing, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Pluto's ability to perform its obligations under this Agreement or to consummate the Transactions. Pluto has made available to Newquay true and complete copies of the Charter Documents of Pluto.

Section 4.2 Authorization; Binding Obligations. Each of Pluto and each of its Subsidiaries that is party to the Transition Services Agreement has all necessary power and authority to make, execute and deliver this Agreement and the Transition Services Agreement, as applicable, and to perform all of its obligations to be performed by it under this Agreement and the Transition Services Agreement, as applicable. The making, execution, delivery and performance by Pluto and each of its applicable Subsidiaries of this Agreement and the Transition Services Agreement and the consummation by them of the Transactions have been duly and validly authorized by all necessary corporate action on the part of Pluto and each such Subsidiary. This Agreement has been, and, as of the Closing Date, the Transition Services Agreement will be, duly and validly executed and delivered by Pluto and each such Subsidiary,

as the case may be, and assuming the due authorization, execution and delivery by Newquay and each of its applicable Subsidiaries that is a party thereto, this Agreement constitutes, and, as of the Closing Date, the Transition Services Agreement will constitute, the valid, legal and binding obligation of Pluto and each of its applicable Subsidiaries that is a party thereto, enforceable against it in accordance with its terms, except (i) as the enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Requirements of Law, now or hereafter in effect, relating to or affecting the rights of creditors generally and (ii) the availability of specific remedies (including specific performance and injunctive or other forms of equitable relief) may be limited by legal and equitable principles of general applicability (clauses (i) and (ii), the “Enforceability Exceptions”).

Section 4.3 No Conflicts. The execution and delivery of this Agreement by Pluto does not, and the performance by Pluto of its obligations hereunder, the execution and delivery of the Transition Services Agreement by Pluto and each of its applicable Subsidiaries that is party thereto, the performance by Pluto and each such Subsidiary of its obligations thereunder, and the consummation of the Transactions will not, conflict with, result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any Person any right of payment or reimbursement, termination, revocation, cancellation, modification or acceleration of, or result in the creation or imposition of any Lien upon any of the assets or properties of Pluto or any applicable Subsidiary under, any of the terms, conditions or provisions of (a) the Charter Documents of Pluto or such Subsidiary, (b) subject to the taking of the actions described in Section 4.4 by Pluto, any Requirements of Law applicable to Pluto or any such Subsidiary or any of their respective assets or properties, or (c) any Contract, Permit or other instrument to which Pluto or any such Subsidiary is a party or by which it or any of their respective assets or properties is bound, excluding from the foregoing clauses (b) and (c) such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a material adverse effect on Pluto’s or such Subsidiaries’ ability to perform their obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions.

Section 4.4 Pluto Required Statutory Approvals. Except for (a) compliance with, and filings under, the HSR Act and the rules and regulations thereunder, (b) FERC authorization under Section 203 of the Federal Power Act and (c) Rhode Island Division of Public Utilities and Carriers (the “Rhode Island Division”) authorization under Chapter 39-3 of the Rhode Island General Laws (the “Rhode Island Approval”) (the items set forth above in clauses (a) through (c) collectively, the “Pluto Required Statutory Approvals”), or to the extent required under the Communications Act of 1934 (the “Communications Act”), or applicable rules and regulations promulgated thereunder (together with the Communications Act, the “Communications Laws”), no notification, filing or registration, consent, approval, declaration, Permit or authorization to, by or from any Governmental Authority is necessary or required in connection with the execution and delivery of this Agreement or the Transition Services Agreement by Pluto or each applicable Subsidiary that is party thereto, the performance by Pluto or such Subsidiaries of their respective obligations hereunder or thereunder or the consummation of the Transactions by Pluto or such Subsidiaries, other than such items that the failure to make or obtain, as the case may be, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Pluto’s or such Subsidiaries’ ability to perform their obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions.

Section 4.5 No Pluto Shareowner Vote. No vote or other action of the shareowners of Pluto Topco is required pursuant to any Requirement of Law, the Charter Documents of Pluto Topco or otherwise in order for Pluto to consummate the Transactions.

Section 4.6 Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Pluto, except J.P. Morgan Securities LLC whose fees and expenses will be the sole responsibility of Pluto.

Section 4.7 Pluto Financing. Assuming the Island Sale has been consummated, Pluto has sufficient cash, credit facilities or other financing sources available, and will have sufficient cash available at the Closing to make the cash payment contemplated by Section 1.2 and to pay all related fees and expenses, in each case in United States dollars, and otherwise to effect the Transactions. Notwithstanding anything contained in this Agreement to the contrary, Pluto expressly acknowledges that its obligations hereunder are not conditioned in any manner upon Pluto or any of its Affiliates obtaining any financing.

Section 4.8 Legal Proceedings. (a) There are no pending or, to the Knowledge of Pluto, threatened, actions, suits, arbitrations or proceedings by or before any Governmental Authority against or involving Pluto or any of its assets and properties, nor to the Knowledge of Pluto are there any Governmental Authority investigations, inquiries or audits pending or threatened against or involving Pluto or any of its assets and properties, that, in each case, individually or in the aggregate, would reasonably be expected to (i) prevent, materially impair or materially delay the consummation of the Transactions or (ii) have a material adverse effect on Pluto's ability to perform its obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions and (b) there are no judgments, injunctions, writs, orders or decrees of any Governmental Authority binding or, to the Knowledge of Pluto, threatened to be imposed upon Pluto that, individually or in the aggregate, would reasonably be expected to (i) prevent, materially impair or materially delay the consummation of the Transactions or (ii) have a material adverse effect on Pluto's ability to perform its obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions.

Section 4.9 Securities Act. The Rover Equity Interests are being acquired for investment only and not with a view to any public distribution thereof, and neither Pluto nor any Affiliate of Pluto shall offer to sell or otherwise dispose of the Rover Equity Interests so acquired by it in violation of any of the registration requirements of the United States Securities Act of 1933, as amended.

Section 4.10 Pluto Topco.

(a) Pluto Topco is a legal entity duly organized, validly existing and in good standing under the Requirements of Law of its jurisdiction of organization and has all necessary power and authority to make, execute and deliver this Agreement and to perform all of its obligations to be performed by it under this Agreement.

(b) The making, execution, delivery and performance by Pluto Topco of this Agreement and performance by Pluto Topco of its covenants and agreements under this Agreement have been duly and validly authorized by all necessary corporate action on the part of Pluto Topco. This Agreement has been duly and validly executed and delivered by Pluto Topco and constitutes the valid, legal and binding obligation of Pluto Topco, enforceable against it in accordance with its terms, subject to the Enforceability Exceptions.

(c) None of the execution, delivery and performance of this Agreement by Pluto Topco will (i) violate, conflict with or result in a breach of the Charter Documents of Pluto Topco, (ii) violate, conflict with or result in the breach of any Requirements of Law applicable to Pluto Topco or its assets or properties, or (iii) (A) require any notification, filing or registration, consent, approval, declaration, Permit or authorization to, by, with or from any Person, or (B) violate, result in any breach of or, with or without notice or lapse of time or both, constitute a default or give rise to any right of termination, cancellation, suspension, revocation, amendment, modification or acceleration of, or result in the creation or imposition of a Lien on any asset, property or business of Pluto Topco under, any Contract, Permit or other instrument or arrangement to which Pluto Topco is a party or by which Pluto Topco or its properties or assets are bound, except, in the case of the foregoing clauses (ii) and (iii), as, individually or in the aggregate, has not and would not reasonably be expected to prevent or materially impair Pluto Topco's ability to perform its obligations under this Agreement.

Section 4.11 No Other Representations. Pluto acknowledges and agrees that, except for the representations and warranties contained in this Agreement, neither Newquay nor any of its Affiliates nor their respective Representatives, nor any other Person, makes, or shall be deemed to make, any representation or warranty to Pluto, express or implied, at law or in equity, on behalf of Newquay, and Newquay hereby excludes and disclaims any such representation or warranty, notwithstanding the delivery or disclosure to Pluto or any of its Affiliates or their respective Representatives or any other Person of any documentation or other information. In connection with Pluto's investigation of the Rover Business, Newquay has delivered, or made available to Pluto and its Representatives, certain projections and other forecasts relating to the Rover Business and certain business plan information of the Rover Business. Pluto acknowledges that there are uncertainties inherent in attempting to make such projections and other forecasts and plans and accordingly is not relying on them, that Pluto is familiar with such uncertainties, that Pluto is taking full responsibility for making its own evaluation of the adequacy and accuracy of all projections and other forecasts and plans so furnished to them, and that Pluto and its Representatives shall have no claim against any Person with respect thereto. Accordingly, Pluto acknowledges and agrees that neither Newquay nor any of its Representatives has made any representation or warranty with respect to such projections and other forecasts and plans. Pluto represents and warrants that it has not relied upon, and is not relying upon, any representation or warranty made by Newquay or any of its Affiliates or their respective Representatives in executing, delivering and performing this Agreement or in consummating the Transactions, except for the representations and warranties contained in this Agreement. Pluto acknowledges that it has conducted to its reasonable satisfaction an independent investigation of the financial condition, liabilities, results of operations and projected operations of the Rover Business and the nature and condition of the properties, assets and businesses of Rover and, in making the determination to proceed with the Transactions, has relied on the results of its own independent investigation and the representations and warranties contained in this Agreement. Nothing in this Section 4.11 shall be deemed to disclaim or waive any claims of, or causes of action arising from, representations or warranties made by the Parties or their respective Affiliates under any other agreement.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF NEWQUAY

Newquay hereby represents and warrants to Pluto as of the date hereof and as of the Closing that, except as set forth in the corresponding section of the Newquay Disclosure Schedule (with any disclosure in a section of the Newquay Disclosure Schedule being deemed and understood to be disclosure in each other section of the Newquay Disclosure Schedule to which the applicability of the disclosure is reasonably apparent on its face, notwithstanding reference to a specific section):

Section 5.1 Organization and Good Standing. Each of Newquay and Rover is a legal entity duly organized, validly existing and (where applicable) in good standing under the Requirements of Law of its jurisdiction of organization and has all requisite power and authority to own, operate and lease its assets and to carry on its business as currently conducted. Each of Newquay and Rover is duly qualified to do business and is in good standing (where applicable) as a foreign corporation in each jurisdiction where the ownership, operation or leasing of its assets or the conduct of its business as currently conducted requires such qualification, except for those jurisdictions where the failure to be so qualified or to be in good standing, individually or in the aggregate, would not reasonably be expected to have a Rover Material Adverse Effect or, with respect to Newquay, to have a material adverse effect on Newquay's ability to perform its obligations under this Agreement or to consummate the Transactions. Newquay has made available to Pluto true and complete copies of the Charter Documents of Newquay and Rover.

Section 5.2 Authorization; Binding Obligations. Each of Newquay and each of its Subsidiaries that is party to the Transition Services Agreement has all necessary power and authority to make, execute and deliver this Agreement and the Transition Services Agreement, as applicable, and to perform all of the obligations to be performed by it under this Agreement and the Transition Services Agreement, as applicable. The making, execution, delivery and performance by Newquay and each of its applicable Subsidiaries of this Agreement and the Transition Services Agreement and the consummation by them of the Transactions have been duly and validly authorized by all necessary corporate action on the part of Newquay and each such Subsidiary. The board of directors of Newquay has approved the Transactions, and no other corporate proceedings on the part of Newquay or its shareholders are necessary or required to authorize the execution, delivery and performance of this Agreement by Newquay and the consummation by Newquay of the Transactions. This Agreement has been, and, as of the Closing Date, the Transition Services Agreement will be, duly and validly executed and delivered by Newquay and each such Subsidiary, as the case may be, and assuming the due authorization, execution and delivery by Pluto and each of its applicable Subsidiaries that is a party thereto, this Agreement constitutes, and, as of the Closing Date the Transition Services Agreement will constitute, the valid, legal and binding obligation of Newquay and each of its applicable Subsidiaries that is a party thereto, enforceable against them in accordance with its terms, subject to the Enforceability Exceptions. No vote or other action of the shareholders of Newquay Topco, Newquay or Rover is required pursuant to any Requirement of Law, the Charter Documents of Newquay Topco, Newquay or Rover or otherwise in order for Newquay to consummate the Transactions.

Section 5.3 No Conflicts. The execution and delivery of this Agreement by Newquay does not, and the performance by Newquay of its obligations hereunder, the execution and delivery of the Transition Services Agreement by Newquay and each of its applicable Subsidiaries that is party thereto, and the performance by Newquay and each such Subsidiary of its obligations thereunder, and the consummation of the Transactions will not, conflict with, result in a violation or breach of, constitute (with or without notice or lapse of time or both) a default under, result in or give to any Person any right of payment or reimbursement, termination, revocation, cancellation, modification or acceleration of, or result in the creation or imposition of any Lien upon any of the assets or properties of Newquay or such Subsidiary under, any of the terms, conditions or provisions of (a) the respective Charter Documents of Newquay or such Subsidiary, (b) subject to the taking of the actions described in Section 5.4 by Newquay, any Requirements of Law applicable to Newquay or any such Subsidiary or any of their respective assets or properties, or (c) any Contract, Permit or other instrument to which Newquay or any such Subsidiary is a party or by which it or any of their respective assets or properties is bound, excluding from the foregoing clauses (b) and (c) such items that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect or to have a material adverse effect on Newquay's or such Subsidiaries' ability to perform their obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions.

Section 5.4 Newquay Required Statutory Approvals. Except for (a) compliance with, and filings under, the HSR Act and the rules and regulations thereunder, (b) FERC authorization under Section 203 of the Federal Power Act, (c) Rhode Island Approval and (d) Massachusetts Department of Public Utilities authorization under Chapter 164, Section 96 of the Massachusetts General Laws (the "Massachusetts Approval") (the items set forth above in clauses (a) through (d) collectively, the "Newquay Required Statutory Approvals", and together with the Pluto Required Statutory Approvals, the "Required Statutory Approvals"), or to the extent required under the Communications Laws, no notification, filing or registration, consent, approval, declaration, Permit or authorization to, by or from any Governmental Authority is necessary or required in connection with the execution and delivery of this Agreement or the Transition Services Agreement by Newquay or each applicable Subsidiary that is party thereto, the performance by Newquay or such Subsidiaries of their obligations hereunder or thereunder or the consummation of the Transactions by Newquay or such Subsidiaries, other than such items that the failure to make or obtain, as the case may be, individually or in the aggregate, would not reasonably be expected to (i) prevent, materially impair or materially delay the consummation of the Transactions, (ii) have a Rover Material Adverse Effect or (iii) have a material adverse effect on Newquay's or such Subsidiaries' ability to perform their obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions.

Section 5.5 Rover; Other Interests.

(a) The authorized capital stock of Rover consists of 1,132,487 shares of common stock, par value \$50.00 per share (the “Rover Common Stock”), of which 1,132,487 shares are issued and outstanding, and 350,000 shares of cumulative preferred stock, par value \$50.00 per share (the “Rover Preferred Stock”), of which 49,089 shares are issued and outstanding. All shares of Rover Common Stock and Rover Preferred Stock are duly authorized, validly issued, paid and non-assessable. Newquay is the legal and beneficial owner, directly or indirectly, of all of the outstanding shares of Rover Common Stock, free and clear of all liens (other than Permitted Equity Liens).

(b) Except for Equity Securities acquired after the date of this Agreement without violating any covenant or agreement set forth herein, Rover does not own, directly or indirectly, Equity Securities of any Person.

(c) There are no outstanding Contracts obligating Rover to acquire Equity Securities of any Person. Neither Newquay nor any of its Subsidiaries is a party to any Contract that obligates Newquay or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Equity Securities of Rover.

(d) There are no outstanding subscriptions, options, warrants, rights (including stock appreciation rights), preemptive rights or other Contracts, commitments, understandings or arrangements, including any right of conversion or exchange under any outstanding security, instrument or Contract, obligating Rover to (i) issue or sell any Equity Securities of Rover, (ii) grant, extend or enter into any option with respect thereto, (iii) redeem or otherwise acquire any such Equity Securities, or (iv) provide any amount of funds to, or make any material investment (in the form of a loan, capital contribution or otherwise) in, any Person (including any of their respective Subsidiaries).

(e) There are no voting trusts, proxies or other Contracts, commitments, understandings, restrictions or arrangements to which Newquay or any of its Affiliates is a party in favor of any Person with respect to the voting of or the right to participate in dividends or other earnings on any capital stock or other equity interests of Rover.

(f) Assuming that the Consents set forth in Section 5.4 are duly obtained and any applicable waiting periods have expired or terminated, upon consummation of the Transactions (including the execution and delivery of the documents to be delivered at the Closing), at the Closing, Pluto (or one or more of its wholly owned Subsidiaries) shall be vested with good and marketable title in and to the Rover Equity Interest, free and clear of all Liens (other than Permitted Equity Liens).

Section 5.6 Absence of Certain Changes.

(a) Since December 31, 2020 through the date of this Agreement, (i) Rover has conducted its businesses in the ordinary course of business in all material respects and (ii) there has not been any Change that, individually or in the aggregate, has had or would reasonably be expected to have a Rover Material Adverse Effect.

(b) Since December 31, 2020 through the date of this Agreement, no action has been taken with respect to Rover which, if taken after the date of this Agreement and prior to the Closing, would constitute a violation of Sections 6.1(b)(i), (ii)(A) – (C), (iii), (iv), (v), (viii), (ix) or (xiv).

Section 5.7 Undisclosed Liabilities. Rover does not have any Liabilities that would be required to be recorded or reflected on a balance sheet of Rover prepared in accordance with GAAP, other than (a) Liabilities reflected or otherwise reserved against in the Rover Financial Statements, (b) Liabilities arising in the ordinary course of business since the date of the Rover Financial Statements, (c) Liabilities incurred in accordance with this Agreement or incurred in connection with the Transactions and (d) Liabilities that have not had and would not reasonably be expected to have, individually or in the aggregate, a Rover Material Adverse Effect. Rover is not a party to, and does not have any commitment to become a party to, any “off balance sheet arrangement” (as defined in Item 303(a) of Regulation S-K promulgated by the SEC).

Section 5.8 Financial Statements; Utility Reports; Regulatory Status.

(a) Schedule 5.8(a) of the Newquay Disclosure Schedule sets forth true and complete copies of (i) an audited income statement for Rover for the 12 months ended March 31, 2020 (the “Rover Audited Income Statement”) and an unaudited income statement for Rover for the nine months ended December 31, 2020 (the “Rover Unaudited Income Statement”) and (ii) an audited balance sheet for Rover as of March 31, 2020 (the “Rover Audited Balance Sheet”) and, together with the Rover Audited Income Statement, the “Rover Audited Financial Statements”), and an unaudited balance sheet for Rover as of December 31, 2020 (the “Rover Unaudited Balance Sheet”) and, together with the Rover Unaudited Income Statement, the “Rover Unaudited Financial Statements”; the Rover Audited Financial Statements and the Rover Unaudited Financial Statements together being the “Rover Financial Statements”).

(b) The Rover Financial Statements (i) have been derived from the accounting books and records of Rover, (ii) comply as to form in all material respects with the applicable accounting requirements and were prepared in accordance with GAAP (except as may be indicated therein or in the notes thereto and except with respect to unaudited statements), and (iii) fairly present in all material respects the financial position of Rover as of the respective dates thereof and the results of operations of Rover for the respective periods then ended (except as they may expressly disclose and subject, in the case of the Rover Unaudited Financial Statements, to the absence of footnotes therein and to normal, recurring year-end adjustments). The Rover Unaudited Financial Statements (except as they may expressly disclose and subject to the absence of footnotes therein and to normal, recurring year-end adjustments) were prepared using the same techniques and accounting policies as those adopted in preparing the Rover Audited Financial Statements. Rover’s system of internal controls over financial reporting is sufficient in all material respects to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP.

(c) All filings required to be made by Rover since January 1, 2018, under (i) the Public Utility Holding Company Act of 2005, the Federal Power Act, the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, and the Communications Act of 1934 (in each case including all regulations promulgated thereunder) or (ii) Rhode Island Requirements of Law, have been filed on a timely basis (taking into account all applicable grace periods), with FERC, the Rover Utility Regulators or any other relevant Governmental Authority, as the case may be, including all forms, statements, reports, agreements (oral or written), undertakings, and all documents, exhibits, amendments and supplements appertaining thereto, including all rates, tariffs, franchises, service agreements and related documents, and all such filings complied, as of their respective dates, with all applicable requirements of the applicable statute and the rules and regulations thereunder, except for filings the failure of which to make or the failure of which to make in compliance with all applicable Requirements of Law, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect.

(d) Schedule 5.8(d) of the Newquay Disclosure Schedule sets forth, as of the date of this Agreement, (i) all filings requesting approval to implement a change in rates or charges in regulatory proceedings by Rover or on behalf of Rover by an Affiliate of Rover pending as of the date of this Agreement before the FERC or the Rover Utility Regulators and (ii) each other material proceeding pending as of the date of this Agreement before the FERC or the Rover Utility Regulators (other than those rate filings or other proceedings of a general or industry-wide nature that also affect other entities engaged in a business similar to that of Rover). All charges that have been made for service and all related fees have been charged in accordance with the terms and conditions of valid and effective tariffs or valid and enforceable agreements for non-tariff charges and are not subject to refund, except for failures to have made such charges or charged such fees that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect.

(e) Rover is legally entitled to provide services in all areas (i) where it currently provides service to its customers, and (ii) as identified in its respective licenses and authorizations, except for failures to be so entitled that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect.

(f) Rover is regulated as a public utility under the Federal Power Act and under applicable Requirements of Law of the State of Rhode Island. Rover is not subject to regulation as a public utility by any state or province other than the State of Rhode Island.

Section 5.9 Legal Proceedings. There are no pending or, to the Knowledge of Newquay, threatened, actions, suits, arbitrations or proceedings by or before any Governmental Authority against or involving Rover or any of its assets and properties, nor to the Knowledge of Newquay are there any Governmental Authority investigations, inquiries or audits pending or threatened against or involving Rover or any of its assets and properties, that, in each case, (a) involves potential criminal penalties or (b) seeks injunctive relief, damages or other remedies or relief that individually or in the aggregate, have had or would reasonably be expected to have a Rover Material Adverse Effect or to have a material adverse effect on the ability of Newquay or any Subsidiary of Newquay that is party to the Transition Services Agreement to perform their obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions. There are no judgments, injunctions, writs, orders or decrees of any Governmental Authority binding or, to the Knowledge of Newquay, threatened to be imposed upon (i) Rover, (ii) any other Affiliate of Newquay with respect to the Rover Business or (iii) the Rover Business, in each case, that seeks injunctive relief, damages or other remedies or relief that individually or in the aggregate, have had or would reasonably be expected to have a Rover Material Adverse Effect or to have a material adverse effect on the ability of Newquay or any Subsidiary of Newquay that is party to the Transition Services Agreement to perform their obligations under this Agreement or the Transition Services Agreement or to consummate the Transactions. There is no unsatisfied judgment (other than any such judgment subject to appeal) against Rover or any of its assets or the Rover Business, except as, individually or in the aggregate, have not had or would not reasonably be expected to have a Rover Material Adverse Effect. The provisions of this Section 5.9 do not relate to matters with respect to Environmental Claims, such matters being the subject of Section 5.15.

Section 5.10 Permits; Compliance with Law and Orders. Rover holds all permits, licenses, certificates, notices, franchises, authorizations, approvals and similar consents from Governmental Authorities (“Permits”) necessary or required for the lawful conduct of its business, except for failures to hold such Permits that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect. Rover is, and since January 1, 2018 has been, in compliance with the terms of its Permits, except failures so to comply that, individually or in the aggregate, have not had, and would not reasonably be expected to have a Rover Material Adverse Effect. Newquay and Rover are not, and since January 1, 2018 have not been, in violation of or default under any Requirement of Law or order of any Governmental Authority, except for such violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect or, with respect to Newquay, to have a material adverse effect on Newquay’s ability to perform its obligations under this Agreement or to consummate the Transactions. The provisions of this Section 5.10 do not relate to matters with respect to Environmental Permits and Environmental Laws, such matters being the subject of Section 5.15.

Section 5.11 Taxes.

(a) All income and other material Tax Returns with respect to Rover that are required to be filed by, or on behalf of, Rover have been duly and timely filed with the appropriate Governmental Authority, and all such Tax Returns are (and, except to the extent that amendments have been made with respect to a Tax Return or adjustments to items reported on a Tax Return have been made by a Governmental Authority, were when filed) true, complete and correct in all material respects.

(b) All material Taxes due and owing by Rover (whether or not shown on any Tax Return) have been fully and timely paid to the appropriate Governmental Authority.

(c) The most recent financial statements contained in the Rover Financial Statements reflect, in accordance with GAAP, an adequate reserve for all Taxes payable by Rover for all taxable periods through the date of such financial statements, and since such date, Rover has not incurred any Liability for Taxes outside the ordinary course of business.

(d) Rover (i) has timely paid, deducted, withheld and collected all material amounts required to be paid, deducted, withheld or collected by it with respect to any payment owing to, or received from, its employees, creditors, independent contractors, shareholders, customers and other third parties (and has timely paid over, or set aside in accounts for such purpose and reported, any amounts so withheld, deducted or collected to the appropriate Governmental Authority), and (ii) has otherwise complied in all material respects with all Requirements of Law relating to the payment, withholding, collection and remittance of Taxes (including information reporting Requirements of Law).

(e) There is no ongoing, pending or, to the Knowledge of Newquay, threatened audit, claim, assessment, levy, administrative or judicial proceeding with respect to any material Taxes or material Tax Return of Rover.

(f) Neither Newquay nor Rover has received written notice of any claim made by a Governmental Authority in a jurisdiction where Rover has not filed a Tax Return or paid Taxes of a particular type, that Rover is or may be subject to taxation by that jurisdiction, required to file Tax Returns in that jurisdiction or required to pay such Taxes, which claim has not been resolved.

(g) Schedule 5.11(g) of the Newquay Disclosure Schedule sets forth all state, local and non-U.S. jurisdictions in which Rover is or has been subject to Tax, and each type of Tax payable in such jurisdiction, during the three (3) most recent taxable years.

(h) No Governmental Authority has proposed, asserted or assessed any deficiency with respect to any material Taxes against Rover (and that has not been fully paid or finally settled) with respect to any taxable period for which the period of assessment or collection remains open.

(i) There are no outstanding applications, written agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against Rover, and no power of attorney has been granted by or with respect to Rover outside the ordinary course with respect to any matters relating to Taxes that is currently in force.

(j) Rover (i) as of the Closing Date, is not a party to, or bound by, nor has any obligation under, any agreement providing for the allocation, indemnification or sharing of Taxes (other than such agreements with customers, vendors, lessors or the like entered into in the ordinary course of business and that are not primarily concerning Taxes), (ii) is not as of the Closing Date, and was not during any Taxable period for which the statutory period of limitations applicable to the assessment of any Taxes or deficiencies against Rover is open as of the Closing Date, a member of an affiliated, consolidated, combined, unitary or similar Tax group (or similar state, local or non-U.S. Tax group) (other than the group the common parent of which is National Grid North America Inc. (formerly known as National Grid Holdings Inc.)) and (iii) has no liability for the Taxes of any Person under U.S. Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or non-U.S. Requirement of Law), or as a transferee or successor.

(k) There are no Liens for material Taxes (other than Permitted Liens) with respect to the assets owned or held by Rover.

(l) Neither Newquay nor Rover (i) has requested or received any closing agreement (as described in Section 7121 of the Code, or any predecessor provision or any analogous, comparable or similar provision of state, local or non-U.S. Requirement of Law), private letter rulings, technical advice memoranda or similar agreements or rulings related to Taxes from any Governmental Authority, or signed (or been a party to or bound by) any binding agreement relating to Taxes with any Governmental Authority (including any advance pricing agreement) that reasonably could be expected to have an impact on the Tax liability of Rover in a taxable period (or portion thereof) ending after the Closing Date, or (ii) is currently the beneficiary of any Tax holiday or other Tax reduction or incentive arrangement with any Governmental Authority.

(m) Within the past two (2) years, or otherwise as part of a plan (within the meaning of Section 355(e) of the Code) that includes the transactions contemplated hereunder, Rover has not distributed the stock of another Person, or has had its stock distributed by another Person in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the Code.

(n) Rover has not participated in any “listed transaction” within the meaning of U.S. Treasury Regulation Section 1.6011-4(b)(2) (or any similar provision of state, local or non-U.S. Requirement of Law).

(o) Rover will not be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) adjustment under Section 481 of the Code (or any similar provision of state, local or non-U.S. Requirement of Law) or any other change in method of accounting occurring prior to the Closing, (ii) closing agreement described in Section 7121 of the Code (or any similar provision of state, local or non-U.S. Requirement of Law) entered into prior to the Closing, (iii) installment sale or open transaction disposition occurring prior to the Closing, (iv) use of an improper method of accounting prior to the Closing, (v) prepaid amount received, or deferred revenue accrued, prior to the Closing, or (vi) “gain recognition agreement” as described in U.S. Treasury Regulation Section 1.367(a)-8 (or any similar provision of state, local or non-U.S. Requirement of Law) executed prior to the Closing.

(p) Rover is not, and will not be, required to include any amount in income for a taxable year ending after December 31, 2017 as a result of the application of Section 965 of the Code, except with respect to payments made in subsequent taxable years under a valid election under Section 965(h)(1) of the Code or with respect to which the financial statements of Rover reflect adequate reserves in accordance with GAAP. With respect to any amounts that Rover is required to include in income as a result of the application of Section 965 of the Code (or any similar or analogous provision of state or local Requirement of Law), Rover (i) has timely made a valid election under Section 965(h)(1) of the Code (or any similar or analogous provision of state or local Requirement of Law) and (ii) has timely paid in full each installment payment that is required to be paid on or before the Closing Date pursuant to Section 965(h)(2) of the Code (or any similar or analogous provision of state or local Requirement of Law).

(q) Rover and Newquay are properly treated as members of the same United States federal income tax consolidated group.

(r) Rover has not requested, applied for, or sought or received any relief, assistance or benefit from any Governmental Authority under any COVID-19 Legislation.

(s) It is agreed and understood that no representation or warranty is made by Newquay in respect of Tax matters in any section of this Agreement other than Section 5.6 (to the extent relating specifically to Taxes), Section 5.13 and this Section 5.11.

Section 5.12 Rover Business. The Rover Business is the only business operation currently carried on by Rover. The assets of Rover are currently being operated and maintained in accordance with Good Utility Practice, except as would not, individually or in the aggregate, reasonably be expected to have a Rover Material Adverse Effect. Rover owns, leases, licenses or has contractual rights to use all of the assets necessary to conduct the Rover Business in the manner in which it is currently conducted, except as would not, individually or in the aggregate, reasonably be expected to have a Rover Material Adverse Effect. The assets of Rover, and the Rover Business Employees, when taken together with the services to be provided pursuant to the Transition Services Agreement and any services Newquay is prepared to provide pursuant to the Transition Services Agreement but Pluto declines to accept, are sufficient to enable Rover to conduct the Rover Business in all material respects in the same manner and on the same terms as currently conducted.

Section 5.13 Employee Benefit Plans.

(a) Schedule 5.13(a) of the Newquay Disclosure Schedule sets forth, as of the date of this Agreement, an accurate and complete list of each material Rover Benefit Plan and identifies each such Rover Benefit Plan that is an Assumed Benefit Plan. Newquay has made available to Pluto a copy of, for each material Rover Benefit Plan, the plan document (including all amendments thereto) and, for each material Assumed Benefit Plan, the most recent, as applicable, (i) summary plan description and any current summary of material modifications, (ii) annual report, (iii) determination letter received from the IRS and (iv) actuarial report and related financial statements related thereto for the prior three (3) years.

(b) Each Assumed Benefit Plan has been established, operated and administered in accordance with its terms and is in compliance with ERISA, the Code and all other applicable Requirements of Law and all contributions required to be made under the terms of any Assumed Benefit Plan have been timely made or, if not yet due, have been properly reflected in the Rover Financial Statements to the extent required to be reflected therein in accordance with the Rover Applicable Accounting Principles, except, in each case, for instances of non-compliance that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect. Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect, there are no pending, anticipated or, to the Knowledge of Newquay, threatened claims by or on behalf of any Assumed Benefit Plan, by any employee or beneficiary covered thereunder or otherwise involving any Assumed Benefit Plan (other than routine claims for benefits).

(c) Each of the Rover Benefit Plans intended to be “qualified” within the meaning of Section 401(a) of the Code is so qualified and each trust maintained thereunder is exempt from taxation under Section 501(a) of the Code. Except for matters that, individually or in the aggregate, have not resulted in and would not reasonably be expected to result in a material Liability to Rover, with respect to any Assumed Benefit Plan, none of Newquay, any Newquay ERISA Affiliate nor Rover has engaged in a transaction in connection with which Rover reasonably could be subject to either a civil penalty assessed pursuant to Section 409 or 502(i) of ERISA or a tax imposed pursuant to Section 4975 or 4976 of the Code.

(d) Except as would not, individually or in the aggregate, reasonably be expected to have a Rover Material Adverse Effect, none of Newquay, any Newquay ERISA Affiliate nor Rover maintains, contributes to or sponsors (or has in the past six (6) years maintained, contributed to, or sponsored) a multiemployer plan within the meaning of Section 3(37) or Section 4001(a)(3) of ERISA (each, a “Multiemployer Plan”), a multiple employer welfare arrangement within the meaning of Section 3(40) of ERISA or any “pension plan”, as defined in Section 3(2) of ERISA (each, a “Pension Plan”) that is subject to Section 302 or Title IV of ERISA or Section 412 of the Code.

(e) With respect to each Pension Plan that is a Rover Benefit Plan, (i) no condition exists that presents a risk to Rover of incurring any material Liability under Title IV or Section 302 of ERISA, other than any material Liability for premiums due the Pension Benefit Guaranty Corporation (which premiums have been paid when due); (ii) the minimum funding standard under Section 430 of the Code has been satisfied in all material respects and no waiver of any minimum funding standard or any extension of any amortization period has been requested or granted; and (iii) all material contributions required to be made with respect to such Pension Plan on or prior to the Closing Date have been timely made and deposited or, if not yet due, have been properly reflected in the Rover Financial Statements to the extent required to be reflected therein in accordance with the Rover Applicable Accounting Principles.

(f) None of Newquay, any Newquay ERISA Affiliate nor Rover has made or suffered a “complete withdrawal” or a “partial withdrawal”, as such terms are respectively defined in sections 4203 and 4205 of ERISA, from a Multiemployer Plan that has resulted in or would reasonably be expected to result in a material Liability to Rover (or such material Liability resulting therefrom has been satisfied in full).

(g) None of the execution and delivery of this Agreement, the performance by any party of its obligations hereunder or the consummation of the Transactions (either alone or in conjunction with any other event, including any termination of employment on or following the Closing) will (i) entitle any Rover Business Employee, any other current individual service provider of Rover or any Rover Business Former Employee (collectively, the “Rover Personnel”) to any additional compensation or benefit, (ii) accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefit or trigger any other obligation under any Assumed Benefit Plan, (iii) result in any breach or violation of, or default under, or limit Rover’s right to amend, modify or terminate, any Assumed Benefit Plan, (iv) result in any forgiveness or extension of indebtedness under or with respect to any Assumed Benefit Plan or (v) result in an entitlement of any Rover Personnel to severance pay, unemployment compensation or any other payment or benefit.

(h) No amount or benefit that could be, or has been, received (whether in cash or property or the vesting of property or the cancellation of indebtedness) by any Rover Personnel who is a “disqualified individual” within the meaning of Section 280G of the Code could be characterized as an “excess parachute payment” (as defined in Section 280G(b)(1) of the Code) as a result of the consummation of the Transactions.

(i) No Assumed Benefit Plan provides for the gross-up of any Taxes imposed by Section 409A or Section 4999 of the Code or otherwise.

(j) No Rover Benefit Plan that is a “welfare benefit plan” within the meaning of Section 3(1) of ERISA (without regard to whether it is subject to ERISA) provides benefits with respect to Rover Business Employees or Rover Business Former Employees beyond their retirement or other termination of service, other than coverage mandated by Requirement of Law or benefits the full costs of which are borne by the Rover Business Employee or Rover Business Former Employee or, respectively, his or her beneficiary.

Section 5.14 Labor Matters.

(a) Schedule 5.14(a) of the Newquay Disclosure Schedule sets forth, as of the date of this Agreement, each labor agreement, collective bargaining agreement or other labor-related agreements or arrangements with (i) any labor union, labor organization or works council to which Rover is a party to or bound by, and (ii) any other labor union, labor organization or works council representing any Rover Business Employee with respect to his or her employment with Newquay or any Affiliate of Newquay or Rover ((i) and (ii) collectively, the “Rover Labor Agreements”).

(b) Neither the announcement nor the consummation of the Transactions will require the consent of, or advance notification to, any labor union, labor organization or works councils with respect to any Rover Business Employee.

(c) Since January 1, 2018, there have not been any work stoppages, strikes, slowdowns or lockouts by or affecting any Rover Business Employee, except in each case, as, individually or in the aggregate, has not resulted in and would not reasonably be expected to result in a material Liability to Rover, and as of the date of this Agreement, there is not any material work stoppage, strike, slowdown or lockout by or affecting any Rover Business Employee and, to the Knowledge of Newquay, no such action has been threatened.

(d) Each individual employed by Rover is primarily dedicated to the operation of the Rover Business.

(e) Except for matters that, individually or in the aggregate, has not had and would not reasonably be expected to have a Rover Material Adverse Effect, Newquay, each Affiliate of Newquay and Rover are, and since January 1, 2018, have been, in compliance with all applicable Requirements of Law respecting employment and employment practices, including, without limitation, all Requirements of Law respecting terms and conditions of employment, health and safety, wages and hours, worker classification, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers’ compensation, labor relations, employee leave issues and unemployment insurance, in each case with respect to the Rover Business.

(f) Except for matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect, there are no pending or, to the Knowledge of Newquay, threatened labor or employment-related actions, suits, arbitrations or proceedings by or before any Governmental Authority, in each case, with respect to the Rover Business or the Rover Business Employees.

(g) Since January 1, 2018, (i) none of Newquay or Rover has been a party to a settlement agreement with a current or former officer, employee or independent contractor of Rover or the Rover Business that involves allegations relating to sexual or racial discrimination, harassment or other misconduct by a Rover Business Employee at the level of Vice President or above and (ii) to the Knowledge of Newquay no material allegations of sexual or racial discrimination, harassment or other misconduct have been made against a Rover Business Employee at a level of Vice President or above.

Section 5.15 Environmental Matters.

(a) Rover is, and has been since January 1, 2018, in compliance with all, and has not received any written notice since January 1, 2018 alleging that Rover has any Liability arising under any, applicable Environmental Laws, except where the failure to be in such compliance with or any such notice of Liability, individually or in the aggregate, has not had and would not reasonably be expected to have a Rover Material Adverse Effect.

(b) Rover has obtained all Environmental Permits necessary for the conduct of its operations as of the date of this Agreement, as applicable, and all such Environmental Permits are validly issued, in full force and effect, and Rover is, and has been since January 1, 2018, in compliance with all terms and conditions of the Environmental Permits, except where the failure to obtain or comply with such Environmental Permits, or to maintain such Permits in good standing or, where applicable, to timely file a renewal application, individually or in the aggregate, has not had and would not reasonably be expected to have a Rover Material Adverse Effect.

(c) There is no Environmental Claim pending or, to the Knowledge of Newquay, threatened against Rover, and Rover has not retained or assumed by contract or operation of law any Liability that would reasonably be expected to result in an Environmental Claim against (i) Rover or (ii) any real or personal property or operations that Rover owns, leases or manages, in whole or in part, or formerly owned, leased or managed, in whole or in part), except in each case, for such Environmental Claims that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect.

(d) To the Knowledge of Newquay, there have not been any Releases of any Hazardous Material that would be reasonably likely to form the basis of any Environmental Claim against Rover or any Person whose liability for such Environmental Claim has been retained or assumed either contractually or by operation of law by Rover, in each case, except for such Releases that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect.

Section 5.16 Insurance. Schedule 5.16 of the Newquay Disclosure Schedule sets forth a list of all material insurance policies carried as of the date hereof by or on behalf of Rover that directly insure the Rover Business or the assets of Rover. Rover is in material compliance with the terms and conditions of all such insurance policies. No written notice of cancellation or termination, other than pursuant to the expiration of any such insurance policy in accordance with the terms thereof, has been received with respect to any such insurance policy, except as, individually or in the aggregate, has not had and would not reasonably be expected to have a Rover Material Adverse Effect. Except for failures to maintain insurance that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect, Rover has been continuously insured with financially responsible insurers, in each case in such amounts and with respect to such risks and losses as are customary for companies in the United States conducting the business conducted by Rover. Since January 1, 2018, neither Newquay nor Rover has been refused any material insurance with respect to the Rover Business or the assets of Rover.

Section 5.17 Material Contracts.

(a) Schedule 5.17(a) of the Newquay Disclosure Schedule sets forth a list of all Rover Material Contracts. For purposes of this Agreement, the term “Rover Material Contract” shall mean any Contract to which Rover is a party or bound by (or by which its assets are bound) as of the date hereof (other than any Plans):

(i) that (A) purports to limit in any material respect either the type of business in which Rover (including those Contracts that purport to so limit Pluto or its Subsidiaries or Joint Ventures after the Closing) or any of its Affiliates may engage or the manner or geographic area in which any of them may so engage in any business, (B) would require the disposition of any material assets or line of business of Rover (including those Contracts that so require Pluto or its Subsidiaries or Joint Ventures after the Closing) or any of its Affiliates as a result of the consummation of the Transactions, (C) is a material Contract that grants “most favored nation” or exclusivity status with respect to any third party that, following the Closing, would impose obligations upon Pluto or its Subsidiaries or Joint Ventures (including Rover), (D) prohibits or limits, in any material respect, the right of Rover (including those Contracts that so prohibit or limit Pluto or its Subsidiaries or Joint Ventures after the Closing) to make, sell or distribute any products or services, (E) relates to the development, ownership, licensing or use of any Intellectual Property that is material to the operation of Rover, (F) relates to the operation and maintenance of the information technology systems of Rover that are material to its operation and not entered into in the ordinary course of business, (G) is with a Governmental Authority (other than settlement agreements or ordinary course customer Contracts with Governmental Authorities relating to the supply of electricity or gas), (H) grants any right of first refusal or right of first offer or similar right or that limits or purports to limit the ability of Rover (or, after the Closing, Pluto or its Subsidiaries or Joint Ventures after the Closing) to own, operate, lease, provide or receive services, or sell, transfer, pledge, or otherwise dispose of any material amount of its assets or its business, (I) are partnership, joint venture, joint ownership or limited liability company agreements or similar Contracts (however named) involving a sharing of assets, profits, losses, costs or liabilities with a third party (other than Charter Documents of Rover), (J) is an Affiliate Agreement or (K) providing for Indebtedness of Newquay or any of its Affiliates (other than Rover) secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on any property or asset of Rover;

(ii) that (A) has an aggregate principal amount, or provides for an aggregate obligation, with respect to the Rover Business in excess of \$5,000,000 annually or \$10,000,000 over the life of the Contract (but excluding Contracts for the procurement, sale, transmission, storage or distribution of gas or electricity the obligations of which are subject to review by the FERC or Rover Utility Regulators), (B) evidences Indebtedness to a third party in excess of \$10,000,000, (C) guarantees any Indebtedness of a third party, (D) contains a covenant restricting the payment of dividends, or (E) provides for interest rate swaps, interest rate hedges, currency swaps or forward currency agreements, including each collar, cap and similar hedging obligations or other financial agreements or arrangements entered into by Rover for the purpose of limiting or managing interest rate, currency or commodity risks, other than in each case any Contract with a nominal value of less than \$5,000,000; or

(iii) that involves the pending acquisition from another Person or pending disposition to another Person of any asset (including any entity or business) for aggregate consideration in excess of \$5,000,000, other than acquisitions and dispositions of assets in the ordinary course of business of the Rover Business.

(b) Except as to matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect, (i) Rover is not in breach of or default under the terms of any Rover Material Contract, (ii) no event has occurred that (with or without notice or lapse of time or both) would result in a breach or default under any Rover Material Contracts, (iii) to the Knowledge of Newquay, no other party to a Rover Material Contract is in breach of or default under the terms of any such Rover Material Contract and (iv) each Rover Material Contract is a valid and binding obligation of Rover and, to the Knowledge of Newquay, of each other party thereto, and is in full force and effect and enforceable against Rover in accordance with its terms, subject to the Enforceability Exceptions.

(c) Newquay has made available to Pluto a true, complete and correct copy of each Rover Material Contract.

Section 5.18 Rover Real Property.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Rover Material Adverse Effect, Rover has (i) good, valid title to all real property owned in fee simple by Rover (the "Rover Owned Real Property"), (ii) valid leasehold or subleasehold title to, or licensee interests in, all real property leased, subleased, licensed or otherwise occupied by Rover (any such lease, sublease, license or other occupancy agreement, a "Rover Real Property Lease" and such real property leased, subleased, licensed or otherwise occupied, collectively, the "Rover Leased Real Property"), and (iii) valid interest to the real property easements, surface rights or other similar rights granted to or reserved for the benefit of Rover (the real property subject to such easements or rights, the "Rover Easement Real Property," and, together with the Rover Owned Real Property and the Rover Leased Real Property, the "Rover Real Property"), in each case, free and clear of all Liens, except Permitted Liens.

(b) As of the date of this Agreement, Rover is not obligated under, nor a party to, any option, right of first refusal or other Contract to sell, assign or dispose of any Rover Real Property (or any portion thereof) that, if such sale, assignment or disposition is consummated, would reasonably be expected, individually or in the aggregate, to have a Rover Material Adverse Effect.

(c) Except as would not, individually or in the aggregate, reasonably be expected to have a Rover Material Adverse Effect, (i) each Rover Real Property Lease is in full force and effect and is the valid and binding obligation of Rover, enforceable against Rover in accordance with its terms, and to the Knowledge of Newquay, the other party or parties thereto, subject to the Enforceability Exceptions, (ii) no notices of default under any Rover Real Property Lease have been received by Rover that have not been resolved and (iii) to the Knowledge of Newquay, no event has occurred which, with notice, lapse of time or both, would constitute a breach or default under any Rover Real Property Lease.

(d) With respect to the Rover Real Property, Rover has not received any written notice of, nor to the Knowledge of Newquay does there exist as of the date of this Agreement, any pending or threatened condemnation (other than condemnations in connection with rights of railroad operators, municipal road improvement projects, state highway improvement projects or other public transportation projects) or similar proceedings, or any sale or other disposition of any Rover Real Property or any part thereof in lieu of condemnation that, individually or in the aggregate, would reasonably be expected to have a Rover Material Adverse Effect.

Section 5.19 Intellectual Property.

(a) Except as to matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect: (i) Rover owns all right, title and interest in and to the Trademarks and either owns all right, title and interest in, or has sufficient rights to use, all other Intellectual Property, in each case used in the Rover Business as currently conducted; (ii) to the Knowledge of Newquay, the conduct of the Rover Business does not and has not since January 1, 2018 infringed or otherwise violated the Intellectual Property rights of any third party; (iii) there is no litigation, opposition, cancellation, proceeding, objection or claim pending, asserted in writing or, to the Knowledge of Newquay, threatened against Newquay, Rover or the Rover Business concerning the ownership, validity, registrability, enforceability, infringement or use of, or licensed right to use, any Intellectual Property used by Rover; (iv) to the Knowledge of Newquay, no Person is violating any Intellectual Property right that Rover owns or holds exclusively; and (v) Newquay and Rover have taken commercially reasonable measures to protect the confidentiality of all Trade Secrets that are owned, used or held by Rover.

(b) Except as to matters that, individually or in the aggregate, have not had and would not reasonably be expected to have a Rover Material Adverse Effect, to the Knowledge of Newquay: (i) Rover has implemented and maintain reasonable backup, security and disaster recovery and business continuity technology, policies and plans that are consistent with industry practices; (ii) Rover takes such industry standard measures and other measures as are required by Requirement of Law and the policies of Rover to ensure the confidentiality of customer financial and other confidential information and that protect against the loss, theft and unauthorized access or disclosure of such information; (iii) Rover has, since January 1, 2018, complied with Newquay's and Rover's Privacy Legal Requirements; (iv) neither Newquay nor Rover has received any written claims, notices or complaints regarding Rover's information handling or security practices or the disclosure, retention, misuse or security of any Personal Information, or alleging a violation of any Person's privacy, personal or confidentiality rights under any Person's Privacy Legal Requirements, or otherwise by any Person, including any Governmental Authority; and (v) Rover's computers, computer software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology systems operate and perform in all material respects in accordance with their documentation and functional specifications, and have not materially malfunctioned or failed since January 1, 2018, and there have been no material unauthorized intrusions or material breaches of security with respect to such information technology systems.

Section 5.20 Anti-Corruption; Anti-Money Laundering.

(a) None of Rover, any of its Affiliates, their respective officers, directors or employees, nor, to the Knowledge of Newquay, any of their respective other Representatives, has since June 1, 2016, with respect to the Rover Business, directly or indirectly, made, offered, promised, authorized, accepted or agreed to accept, directly or indirectly, any gift, payment, or transfer of any money or anything else of value, including any bribe, rebate, kickback, payoff or other similar unlawful payment, or provided any benefit, to or from anyone, intending that, in consequence, a relevant function or activity should be performed improperly or to reward such improper performance, to any Government Official, (i) for the purpose of (A) influencing any act or decision of that Government Official, (B) inducing that Government Official to do or omit to do any act in violation of his lawful duty, (C) securing any improper advantage, or (D) inducing that Government Official to use his or her influence with a Governmental Authority, (1) to affect or influence any act or decision of any Governmental Authority, or (2) to assist Rover or any of its Affiliates in obtaining or retaining business with, or directing business to, any Person, or (ii) which would otherwise constitute or have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business or any improper advantage, in each case in violation in any material respect of any Requirements of Law (including any Anti-Corruption Laws).

(b) Since June 1, 2016, Rover and its Affiliates have maintained with respect to the Rover Business complete and accurate books and records with respect to payments to any Government Official and any payment to or other expenses involving agents, consultants, representatives, customers, employees and any other third parties acting on behalf of Rover, in each case, in accordance with Anti-Corruption Laws and GAAP in all material respects. Since June 1, 2016, Rover and its Affiliates have maintained with respect to the Rover Business a system of policies, procedures and internal controls reasonably designed to prevent and detect violations of, and promote compliance with, the Anti-Corruption Laws.

(c) None of Rover or any of its Affiliates has since June 1, 2016, with respect to the Rover Business either (i) (A) conducted or initiated any review, audit, or internal investigation, or (B) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing Anti-Corruption Laws, in each case with respect to any alleged act or omission arising under or relating to noncompliance with any Anti-Corruption Laws or Rover policy, or (ii) received any inquiry, notice, request, report or citation from any Person alleging material noncompliance with any Anti-Corruption Laws or Rover policy regarding such Laws.

(d) Each of Rover and its Affiliates is, and has been since June 1, 2016, in compliance with respect to the Rover Business in all material respects with all applicable Requirements of Law relating to anti-money laundering for all applicable jurisdictions, and maintains adequate internal controls to ensure such compliance.

Section 5.21 Affiliate Transactions. Except for Contracts (a) in respect of services and products that are to be continued or provided pursuant to the Transition Services Agreement or (b) to be terminated pursuant to Section 6.6(b) on or prior to the Closing Date, Rover is not a party to any Contract with Newquay or its Affiliates. Since March 31, 2020, the information in each Form No. 1 filed by Rover with FERC with respect to payments, charges and accruals for non-power goods or services received by Rover from, or provided by Rover to, any Affiliate of Newquay (other than Rover) has been true, complete and correct in all material respects (except as may be indicated therein). Since March 31, 2020, all payments, charges and accruals for non-power goods and services received by Rover from, or provided by Rover to, any Affiliate of Newquay (other than Rover) were made in compliance in all material respects with Requirements of Law and the cost allocation methodologies set forth on Schedule 5.21 of the Newquay Disclosure Schedule.

Section 5.22 Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Newquay or Rover, except Barclays Bank PLC, Goldman Sachs International, and Robey Warshaw LLP, whose fees and expenses will be the sole responsibility of Newquay.

Section 5.23 No Other Representations. Newquay acknowledges and agrees that, except for the representations and warranties contained in this Agreement, neither Pluto nor any of its Affiliates nor their respective Representatives, nor any other Person, makes, or shall be deemed to make, any representation or warranty to Newquay, express or implied, at law or in equity, on behalf of Pluto, and Pluto hereby excludes and disclaims any such representation or warranty, notwithstanding the delivery or disclosure to Newquay or any of its Affiliates or their respective Representatives or any other Person of any documentation or other information. Nothing in this Section 5.23 shall be deemed to disclaim or waive any claims of, or causes of action arising from, representations or warranties made by the Parties or their respective Affiliates under any other agreement.

ARTICLE VI COVENANTS

Section 6.1 Conduct of Rover Business.

(a) Except (i) as expressly contemplated by this Agreement, (ii) as may be required by applicable Requirement of Law, (iii) for matters set forth in Schedule 6.1(a) of the Newquay Disclosure Schedule or (iv) with the prior written consent of Pluto (which consent shall not be unreasonably withheld, delayed or conditioned), from and after the date hereof and prior to the Closing Date, Newquay hereby covenants and agrees that it will, and will cause its Affiliates to, use reasonable best efforts to (A) carry on the Rover Business in all material respects in the ordinary course of business and (B) keep the Rover Business and operations intact and preserve its material Permits, rights, franchises, goodwill and relations with its clients, customers, landlords, suppliers, any Governmental Authority and others with whom it does business or interacts.

(b) Without limiting the provisions of Section 6.1(a), Newquay hereby covenants and agrees that, except (i) as expressly contemplated by this Agreement, (ii) as may be required by applicable Requirement of Law, (iii) as set forth in Schedule 6.1(b) of the Newquay Disclosure Schedule, (iv) as contemplated by Rover's budget included in Schedule 6.1(b) of the Newquay Disclosure Schedule or (v) with the prior written consent of Pluto (which consent shall not be unreasonably withheld, delayed or conditioned), from and after the date hereof through the Closing, Newquay will not, and will cause Rover and, for purposes of Section 6.1(b)(vi), its other Affiliates not to, in connection with the Rover Business:

(i) amend, restate or otherwise change the Charter Documents of Rover;

(ii) (A) split, combine, redeem, reclassify, purchase or otherwise acquire, directly or indirectly, any equity interests or shares of capital stock of, or other equity or voting interest in, Rover, or make any other changes in the capital structure of Rover, (B) dissolve, adopt a plan of complete or partial liquidation, or effect a restructuring or recapitalization, with respect to Rover, (C) declare, set aside or pay any non-cash dividend or non-cash distribution to any Person with respect to Rover or (D) declare, set aside or pay any cash dividend or cash distribution, other than (x) dividends consistent with Rover's budget included in Schedule 6.1(b) of the Newquay Disclosure Schedule (allocated pro rata for the number of months elapsing between the date of this Agreement and the Closing Date), (y) dividends required to be declared and paid in respect of the Rover Preferred Stock and (z) distributions in connection with the settlement of intercompany obligations, in each case of clauses (x) and (z), so long as paid prior to the Effective Time;

(iii) authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (A) any equity interests or capital stock of, or other equity or voting interest in, Rover or (B) any equity rights in respect of, security convertible into, exchangeable for or evidencing the right to subscribe for or acquire either (x) any equity interests or shares of capital stock of, or other equity or voting interest in, Rover or (y) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire any shares of the capital stock of, or other equity or voting interest in, Rover;

(iv) with respect to Rover, make, change or revoke any material Tax election (other than (x) with respect to income Taxes or (y) making any initial Tax elections that are made by reporting an item on a Tax Return), change an annual Tax accounting period, adopt or change any method of accounting for Tax purposes, file any material amended Tax Return, enter into, obtain or request any Tax ruling or closing agreement for Tax purposes, surrender any right to claim a refund of material Taxes, consent to any extension or waiver of the limitation period applicable to any material Tax Claim or assessment, enter into any Tax sharing, indemnification or allocation agreement (other than any such agreement entered into in the ordinary course of business the principal purpose of which is not Taxes), settle or compromise any material Tax Claim, audit, assessment or dispute, prepare or file any material Tax Return in a manner which is materially inconsistent with the past practices of Rover, as applicable, with respect to the treatment of items on such Tax Returns unless a different treatment of any item is required by applicable Requirement of Law, fail to file any material Tax Return when due, or incur any material liability for Taxes other than in the ordinary course of business;

(v) terminate, discontinue, close or suspend any material line of business of Rover;

(vi) except as required pursuant to a Rover Benefit Plan, Contract or Rover Labor Agreement, in each case, as in effect as of the date of this Agreement or as established or modified in compliance with this Agreement, or for actions that do not result in any Liability to Pluto or Rover, (A) other than changes to benefits permitted by clause (E), make or agree to make any increase in wages, salaries, compensation, pension or other fringe benefits or perquisites payable to any Rover Business Employee, except for salary and wage increases in the ordinary course of business that, in the aggregate, do not exceed 3.5% of the aggregate salaries and wages of the Rover Business Employees as of December 31, 2020, (B) grant or agree to grant any severance or termination pay or enter into any Contract to make or grant any severance or termination pay or, other than in the ordinary course of business, pay or agree to pay any bonus or other incentive compensation to any Rover Business Employee, (C) grant or agree to grant or accelerate the time of vesting or payment of any benefits or awards under an Assumed Benefit Plan, (D) loan, amend any loan, or advance money or other property to any Rover Business Employee, (E) establish, adopt, amend, modify or terminate any Rover Benefit Plan in any material respect, other than any such actions (x) taken with respect to a Rover Benefit Plan that is not an Assumed Benefit Plan, so long as such action is designed to apply uniformly to eligible Rover Business Employees and other eligible similarly situated employees of Newquay and its Affiliates or (y) in connection with routine, immaterial or ministerial amendments to health and welfare plans that do not materially increase benefits or result in a material increase in administrative costs, or (F) (x) hire or engage any new employee who would be a Rover Business Employee with an annual base salary in excess of \$130,000, (y) terminate the employment or engagement of any Rover Business Employee with an annual base salary in excess of \$130,000 or (z) take any other action, including any transfer of employment, that would affect whether or not an

individual is identified as a Rover Direct Employee or Rover Dedicated Employee, in each case, other than (1) to replace a departed employee in the ordinary course of business, (2) terminations for cause or (3) internal transfers where such employee applied for, and was selected, in a competitive process that, in the case of an individual being removed from the Rover Business, was not targeted at Rover Business Employees;

(vii) with respect to each Additional Rover Service Employee, except as required pursuant to a Rover Labor Agreement as in effect as of the date of this Agreement or as entered into or modified in compliance with this Agreement, (A) terminate the employment of such Additional Rover Service Employee other than for cause or (B) alter the duties and responsibilities of such Additional Rover Service Employee in a manner that materially reduces his or her time spent on behalf of the Rover Business or materially affects the type of services he or she provides on behalf of the Rover Business;

(viii) except as required by the terms of any Rover Labor Agreement as in effect as of the date of this Agreement or as entered into or modified in compliance with this Agreement, (A) modify or extend any Rover Labor Agreement, or enter into any labor agreement, collective bargaining agreement or any other labor-related agreement or arrangement with any labor union, labor organization or works council representing any Rover Business Employee with respect to his or her employment with Rover, Newquay or any of its Affiliates, or (B) recognize or certify any labor union, labor organization, works council or group of employees as the bargaining representative for any Rover Business Employees;

(ix) acquire or dispose of, whether by purchase, merger, consolidation or sale, lease, pledge or other Lien of stock or assets or otherwise, in a single transaction or in a series of transactions, (A) any Equity Securities in any corporation, partnership or other Person or (B) assets comprising a business, in the case of clause (B), that is material to the Rover Business, taken as a whole;

(x) create, incur, assume or guarantee Indebtedness in excess of \$10,000,000 except for (A) any Indebtedness (or any guarantees in respect of any Indebtedness) that will be repaid, discharged or otherwise satisfied in full prior to the Closing, including any borrowing under the intercompany money pool utilized by Newquay and its Subsidiaries (including Rover) pursuant to the Regulated Money Pool Agreement, dated as of November 1, 2012, by and among Newquay, Rover and certain other Affiliates of Newquay party thereto (the "Intercompany Money Pool"), (B) customer deposits or other amounts payable to customers in the ordinary course of business or (C) Indebtedness in replacement of existing Indebtedness at maturity (so long as the aggregate commitments or principal amounts thereunder shall not be increased);

(xi) enter into any Contract of the type described in Section 5.17, other than (A) Contracts entered into in the ordinary course of business, excluding Contracts related to automated metering infrastructure and Contracts with a term of two years or longer or (B) Contracts terminable on notice of 60 days or less without the payment of any premium, penalty or fee;

(xii) other than in the ordinary course of the Rover Business, amend or modify in any material respect or terminate any Contract of the type described in Section 5.17;

(xiii) settle any pending or threatened legal proceeding if such settlement exceeds \$2,500,000 individually or \$12,500,000 in the aggregate, except that (A) the foregoing shall not restrict Rover's ability to enter into settlements in the ordinary course of business (including settlements of collections matters, property damage claims against third parties or property damage or personal injury claims by third parties) or in respect of any regulatory proceedings (including appeals) that would not reasonably be expected to have, individually or in the aggregate, a Rover Material Adverse Effect and (B) any amount that is reserved against in the Rover Financial Statements in respect of such legal proceeding, or that is offset by insurance proceeds received in respect of such legal proceeding, shall in each case not be counted towards the limitations set forth above;

(xiv) fail to use its reasonable best efforts to maintain, in full force without interruption, the present insurance policies or comparable insurance coverage applicable to Rover;

(xv) (A) make aggregate capital expenditures in the period between the date hereof and the Closing Date that exceed the amount of capital expenditures budgeted for the time period between the date hereof and the Closing Date (with any partial month allocated pro rata for the number of days in such month included in such period) in Rover's budget included in Schedule 6.1(b) of the Newquay Disclosure Schedule (such amount, "Budgeted Pre-Closing Capex"), other than (x) in an amount that, in the aggregate, does not exceed the Budgeted Pre-Closing Capex by more than ten percent (10%), (y) capital expenditure that will be recoverable by Rover from customers in the ordinary course of business or (z) in connection with the repair or replacement of facilities, properties or other assets destroyed or damaged due to casualty or accident in accordance with Good Utility Practice, or (B) fail to make capital expenditures in the period between the date hereof and the Closing Date in an amount that, in the aggregate, is at least ninety percent (90%) of the Budgeted Pre-Closing Capex; or

(xvi) commit or agree, whether or not in writing, to do, or to authorize, any of the foregoing.

(c) Nothing contained in this Agreement shall give to Pluto, directly or indirectly, rights to control or direct the operation of the Rover Business prior to the Closing. Prior to the Closing, Newquay and its Affiliates shall be entitled to exercise, subject to the terms and conditions of this Agreement, complete control and supervision of the operations of the Rover Business.

Section 6.2 Access and Confidentiality.

(a) From the date hereof to the Closing, subject to any Requirement of Law and Sections 6.2(b) and 6.2(c), Newquay shall, and shall cause its Affiliates to, permit Pluto and its financial advisors, business consultants, legal counsel, accountants and other agents and representatives to have reasonable access, during regular business hours and upon reasonable advance notice for purposes reasonably related to the Transactions, to their respective properties, premises, facilities, employees and representatives and the relevant books and records; *provided, however*, that Newquay may restrict or otherwise prohibit access to any documents or information to the extent that (i) any Requirement of Law requires Newquay or its Affiliates to restrict or otherwise prohibit access to such documents or information, (ii) access to such documents or information would give rise to a material risk of waiving any attorney-client privilege or other privilege applicable to such documents or information (in which event the Parties shall negotiate in good faith to seek alternative means to disclose such information as nearly as possible without affecting such attorney-client or such other privilege, including entry into a joint defense agreement) or (iii) access to a Contract to which Newquay or any of its Affiliates is a Party or otherwise bound would violate or cause a default under, or give a third party the right to terminate or accelerate the rights under, such Contract; *provided, further*, that such access shall be under the supervision of the designated personnel or representatives of Newquay or its Affiliates (*provided* that no such supervision shall restrict or limit the scope and extent of rights of a Party pursuant to this Section 6.2(a)); *provided, further*, that, to the extent practicable, all requests for information made pursuant to this Section 6.2(a) shall be directed to such Person or Persons as may be designated by Newquay, and Pluto shall use its reasonable best efforts not to directly contact any other officer, director, employee, agent or representative of Newquay or its Affiliates without the prior approval of such designated Person(s); *provided, further*, that no information or knowledge obtained by Pluto in any investigation conducted pursuant to the access contemplated by this Section 6.2(a) shall affect or be deemed to modify any representation or warranty of Newquay set forth in this Agreement or otherwise impair the rights and remedies available to the Party requesting access hereunder; *provided, further*, that Newquay may limit such access to the extent Newquay reasonably determines, in light of the COVID-19 virus or any COVID-19 Measures, that such access would jeopardize the health and safety of any employee or representative of Newquay or its Affiliates (in which event the Parties shall negotiate in good faith to seek alternative means to disclose such information as nearly as possible without jeopardizing the health and safety of any employee or representative of Newquay or its Affiliates, including by converting any such information to digital format). In the event that Newquay does not provide access or information in reliance on the preceding sentence, it shall use its reasonable best efforts to communicate the applicable information to Pluto in a way that would not violate the applicable Requirement of Law or Contract, waive such a privilege or jeopardize the health and safety of any employee or representative of Newquay or its Affiliates. Any investigation conducted pursuant to the access contemplated by this Section 6.2(a) shall be conducted in a manner that does not unreasonably interfere with the conduct of the business of Newquay or any of its Affiliates or create a risk of damage or destruction to any property or assets of Newquay or any of its Affiliates. Any access to the properties of Newquay or any of its Affiliates shall be subject to its reasonable security measures and insurance requirements and shall not include the right to perform invasive testing (including a so-called “Phase 2”) without Newquay’s prior written consent. The terms and conditions of the Confidentiality Agreement shall apply to any information obtained by Pluto or any of its financial advisors, business consultants, legal counsel, accountants and other agents and representatives in connection with any investigation conducted pursuant to the access contemplated by this Section 6.2(a).

(b) From and after the Closing until the date that is seven years following the Closing Date, except in connection with the activities contemplated by the Transition Services Agreement as provided therein, neither Party shall, and shall cause its respective Affiliates (including, in the case of Pluto, Rover) and its Affiliates' personnel (including each of their accountants, legal advisers and other professional advisers) not to, disclose to any other Person or otherwise use any Confidential Information of the other Party; *provided* that a Party (or any of its Affiliates) may disclose Confidential Information (i) to the extent required pursuant to the Requirements of Law, in any report, statement, testimony or other submission to any Governmental Authority or (ii) in order to comply with any Requirement of Law, or in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to Pluto or Newquay or any of their respective Affiliates, as the case may be, in the course of any litigation, investigation or administrative proceeding; *provided, further*, that if either Party or its Affiliates is, based on the advice of counsel to such Party, required by Requirements of Law to disclose any Confidential Information, such Party shall (A) to the extent such action would not violate or conflict with Requirements of Law, promptly notify the other Party of such Requirement of Law so that the non-disclosing Party may, at its sole expense, seek an appropriate protective order and/or waive in writing the disclosing Party's compliance with the provisions of this Agreement and (B) if, in the absence of a protective order or the receipt of a waiver hereunder, such Party or any of its Affiliates is nonetheless, in the opinion of counsel to such Party, compelled to disclose such Confidential Information, such Party, after notice to the non-disclosing Party (unless such notice would violate or conflict with Requirements of Law), may disclose such Confidential Information to the extent so required, in the opinion of counsel, by Requirements of Law. If requested by the other Party, the Party disclosing such information shall (x) exercise reasonable best efforts, at the non-disclosing Party's sole expense, to obtain reliable assurances that the Confidential Information so disclosed will be accorded confidential treatment or (y) cooperate with any attempt by the non-disclosing Party to obtain reliable assurances that the Confidential Information so disclosed will be accorded confidential treatment. Each Party agrees, and shall cause its Affiliates, to protect the Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure of such as each Party uses to protect its own confidential information of a like nature. Neither Party, any of its Affiliates or their respective personnel (including each of its respective Affiliates' accountants, legal advisers and other professional advisers) shall be liable for the disclosure of Confidential Information as expressly permitted by this Section 6.2(b).

(c) All Confidential Information provided or obtained in connection with the Transactions (including pursuant to Section 6.2(a)) will be held in accordance with the letter agreements between Newquay Topco and Pluto, dated December 1, 2020 and January 12, 2021, respectively (together, the "Confidentiality Agreement"); *provided* that, in the event of a conflict or inconsistency between the terms of this Agreement and the Confidentiality Agreement, the terms of this Agreement will govern.

(d) From and after the Closing, until the date that is twelve months following the Closing Date, upon Pluto's request with respect to specified pre-Closing books and records reasonably necessary for the operation of the Rover Business by Pluto following the Closing the delivery of which is not otherwise provided for in the Transition Services Agreement, Newquay shall use reasonable best efforts to deliver the requested books and records of Rover to Pluto as promptly as reasonably practicable following any such request; provided that any books and records at any Rover Real Property as of the Closing (and not removed from such property by

Newquay or its Affiliates) shall be deemed to have been delivered as of the Closing (it being agreed that Newquay may retain a copy thereof, at its own expense, subject to its confidentiality obligations in accordance with this Section 6.2). From and after the Closing until the date that is seven years following the Closing Date, subject to any Requirement of Law, Newquay will allow Pluto and its representatives to have reasonable access, during regular business hours and upon reasonable advance notice, to examine and make copies, at Pluto's own expense, of any relevant books and records that were retained by Newquay or its Affiliates for any purpose reasonably related to the Rover Business, including in connection with (i) the preparation of Pluto's accounting records, or with any audits conducted by Pluto, (ii) any third party suit, claim, action, proceeding or investigation relating to the Rover Business or (iii) any regulatory filing or matter; *provided* that (A) Pluto shall reimburse Newquay promptly for all reasonable and necessary out-of-pocket costs and expenses incurred by Newquay, in connection with any such request and (B) Newquay shall not be required to permit the foregoing activities that would (w) result in the disclosure of any trade secrets of third parties, or any trade secrets of Newquay or of any of its Affiliates unrelated to the Transactions or (x) violate any obligations of Newquay or its Affiliates to any third party with respect to confidentiality or (y) reasonably be expected to have the effect of causing the waiver of any attorney-client privilege based upon the advice of counsel or (z) violate or cause a default under, or give a third party the right to terminate or accelerate the rights under, any Contract to which Newquay or any of its Affiliates is a Party or otherwise bound; *provided, further*, that Newquay may limit such access to the extent Newquay reasonably determines, in light of the COVID-19 virus or any COVID-19 Measures, that such access would jeopardize the health and safety of any employee or representative of Newquay or its Affiliates.

(e) From and after the Closing until the date that is seven years following the Closing Date, subject to any Requirement of Law, Pluto will allow Newquay and its representatives to have reasonable access, during regular business hours and upon reasonable advance notice, to examine and make copies, at Newquay's own expense, of any relevant books and records held by Pluto or its Affiliates for any purpose reasonably related to the Rover Business, including in connection with (i) the preparation of Newquay's accounting records, or with any audits conducted by Newquay, (ii) any third party suit, claim, action, proceeding or investigation relating to the Rover Business or (iii) any regulatory filing or matter; *provided* that (A) Newquay shall reimburse Pluto promptly for all reasonable and necessary out-of-pocket costs and expenses incurred by Pluto, in connection with any such request and (B) Pluto shall not be required to permit the foregoing activities that would (w) result in the disclosure of any trade secrets of third parties, or any trade secrets of Pluto or of any of its Affiliates unrelated to the Transactions or (x) violate any obligations of Pluto or its Affiliates to any third party with respect to confidentiality or (y) reasonably be expected to have the effect of causing the waiver of any attorney-client privilege based upon the advice of counsel or (z) violate or cause a default under, or give a third party the right to terminate or accelerate the rights under, any Contract to which Pluto or any of its Affiliates is a Party or otherwise bound; *provided, further*, that Pluto may limit such access to the extent Pluto reasonably determines, in light of the COVID-19 virus or any COVID-19 Measures, that such access would jeopardize the health and safety of any employee or representative of Pluto or its Affiliates.

(f) Notwithstanding the foregoing provisions of Section 6.2(d) and Section 6.2(e), the provisions of Article VIII shall govern the preservation, retention and sharing of Tax Returns and Tax work papers.

Section 6.3 Regulatory Approvals; Efforts; Consents.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each Party shall cooperate and promptly prepare and file all necessary documentation to effect all necessary applications, notices, petitions and filings, and shall use reasonable best efforts to take or cause to be taken all actions, and do or cause to be done all things in order to, (i) obtain all approvals and authorizations of all Governmental Authorities necessary or advisable to consummate and make effective, in the most expeditious manner reasonably practicable, the Transactions, including the Required Statutory Approvals, (ii) make all registrations, filings and submissions, and thereafter, make any other required registrations, filings or submissions, and pay any fees due in connection therewith, with any Governmental Authority necessary in connection with the consummation of the Transactions, (iii) defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the Transactions, (iv) seek to have lifted or rescinded any injunction or restraining order which may adversely affect the ability of the Parties to consummate the Transactions, in each case until the issuance of a final, non-appealable order with respect thereto, and (v) execute and deliver any additional agreements or instruments reasonably necessary to consummate the Transactions.

(b) In furtherance of the obligations set forth in Section 6.3(a) and otherwise subject to the terms of this Section 6.3, each of the Parties shall make or cause to be made, as promptly as reasonably practicable after the date of this Agreement and in any event within sixty (60) days after the date of this Agreement, which may be extended by mutual agreement of the Parties, all necessary filings with Governmental Authorities related to the Transactions, including (i) an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the Transactions to be made by Pluto, (ii) an appropriate joint filing of a Petition pursuant to R.I.G.L. Section 39-3-24 and Section 39-3-25 with respect to the Transactions to be made by the Parties, (iii) an appropriate filing of a Petition for Waiver of Jurisdiction pursuant to G.L. c. 164, §96 (c) with respect to the Transactions to be made by Newquay, (iv) a joint application for FERC authorization under section 203 of the Federal Power Act consistent with the requirements of 18 C.F.R. Part 33 to be made by the Parties and (v) to the extent required, filings with the Federal Communications Commission (the “FCC”) under the Communications Laws; *provided* that any such filings required under the Communications Laws shall be made on a date to be mutually agreed by the Parties reasonably selected to obtain any required approvals under the Communications Laws prior to Closing. Each of the Parties shall supply as promptly as reasonably practicable (and in any case within any applicable time period set by the applicable Governmental Authority) any additional information and documentary material that may be requested by the Federal Trade Commission (the “FTC”), the Department of Justice Antitrust Division (the “DOJ”), the Rhode Island Division, the MDPU, FERC or the applicable Governmental Authority with respect to any other approval or authorization necessary or advisable to consummate and make effective the Transactions.

(c) In furtherance of the obligations set forth in Section 6.3(a) and Section 6.3(b) and otherwise subject to the terms of this Section 6.3, (i) Pluto will use its reasonable best efforts to take (and to cause its Subsidiaries and Affiliates to take) promptly any and all steps reasonably necessary, proper or advisable to obtain all approvals and authorizations of all Governmental Authorities necessary or advisable to consummate and make effective the

Transactions, including the Pluto Required Statutory Approvals, so as to enable the Parties to close the Transactions as promptly as reasonably practicable, including, if necessary, by proposing, negotiating, committing to and implementing, by way of settlement, stipulation, operational restriction, consent decree, hold separate order, divestiture, undertaking or otherwise, all terms, conditions, Liabilities, commitments, sanctions or undertakings required by applicable Governmental Authorities in respect of Pluto or any of its Affiliates and (ii) Newquay will use reasonable best efforts to take (and to cause its Subsidiaries and Affiliates to take) promptly any and all steps reasonably necessary, proper or advisable to obtain the Massachusetts Approval so as to enable the Parties to close the Transactions as promptly as reasonably practicable, including, if necessary, by proposing, negotiating, committing to and implementing, by way of settlement, stipulation, operational restriction, consent decree, hold separate order, divestiture, undertaking or otherwise, all terms, conditions, Liabilities, commitments, sanctions or undertakings required by applicable Governmental Authorities in respect of Newquay or any of its Affiliates.

(d) Notwithstanding anything contained in this Agreement (including the obligations set forth in Section 6.3(a), Section 6.3(b) and Section 6.3(c)), (i) neither Pluto nor any of its Affiliates shall be required to, and Newquay and its Affiliates shall not be permitted to without Pluto's prior written approval, in connection with obtaining any Pluto Required Statutory Approvals, agree or consent to or accept any terms, conditions, liabilities, obligations, commitments, sanctions or undertakings (including settlements, stipulations, operational restrictions, hold separate orders, divestitures or otherwise) as a condition to obtaining the Pluto Required Statutory Approvals that would, individually or in the aggregate, have or reasonably be expected to have a Rover Burdensome Effect and (ii) neither Newquay nor any of its Affiliates shall be required to, and Pluto and its Affiliates shall not be permitted to without Newquay's prior written approval, in connection with obtaining the Massachusetts Approval, agree or consent to or accept any terms, conditions, liabilities, obligations, commitments, sanctions or undertakings (including settlements, stipulations, operational restrictions, hold separate orders, divestitures or otherwise) as a condition to obtaining the Massachusetts Approval that would, individually or in the aggregate, have or reasonably be expected to have a Newquay Burdensome Effect. Nothing contained in this Agreement (including the obligations set forth in Section 6.3(a), Section 6.3(b) and Section 6.3(c)) shall require (x) Pluto or any of its Affiliates to agree or consent to or accept any terms, conditions, liabilities, obligations, commitments, sanctions or undertakings (including settlements, stipulations, operational restrictions, hold separate orders, divestitures or otherwise) in connection with obtaining the Pluto Required Statutory Approvals to take any action or agree to any commitment that is not conditioned on the Closing or (y) Newquay or any of its Affiliates to agree or consent to or accept any terms, conditions, liabilities, obligations, commitments, sanctions or undertakings (including settlements, stipulations, operational restrictions, hold separate orders, divestitures or otherwise) in connection with obtaining the Massachusetts Approval to take any action or agree to any commitment that is not conditioned on the Closing. Newquay shall consult in good faith with Pluto and consider in good faith the views of Pluto with respect to the Massachusetts Approval, and Newquay shall not be permitted to without Pluto's prior written approval, in connection with obtaining the Massachusetts Approval, agree or consent to or accept any terms, conditions, liabilities, obligations, commitments, sanctions or undertakings (including settlements, stipulations, operational restrictions, hold separate orders, divestitures or otherwise) as a condition to obtaining the Massachusetts Approval that would, individually or in the aggregate, have or reasonably be expected to have an adverse effect on Rover in any material respect.

(e) Notwithstanding anything to the contrary in this Agreement, neither Party shall, nor shall it agree to, directly or indirectly through one or more of its Affiliates, (i) acquire or make any investment in any Person or any division or assets thereof, or enter into any other business combination or similar transaction that would reasonably be expected to prevent, materially impair or materially delay the ability of the Parties to consummate the Transactions or (ii) take any other action with the intent to prevent, materially impair or materially delay the ability of the Parties to consummate the Transactions. Any act by an Affiliate of a Party that would be a violation of this Section 6.3(e) if taken by such Party shall be a breach of this Section 6.3(e) by such Party.

(f) Unless prohibited by Requirements of Law or by the applicable Governmental Authority, (i) to the extent reasonably practicable, neither Newquay nor Pluto (nor their respective Representatives on their behalf) shall participate in or attend any meeting, or engage in any substantive discussion with any Governmental Authority (including any member of any Governmental Authority's staff) in respect of this Agreement or the Transactions (including with respect to any of the actions referred to in Section 6.3(a) or Section 6.3(b)) without providing prior notice of any such meeting or discussion to the other and allowing the other Party to attend such a meeting or discussion (subject to appropriate confidentiality restrictions), (ii) in the event a Party is prohibited by Requirements of Law or by the applicable Governmental Authority from participating in or attending any such meeting or engaging in any such discussion, the other Party shall keep such Party reasonably and promptly apprised with respect thereto, (iii) the Parties shall cooperate in the filing of any substantive memoranda, white papers, filings, correspondence or other written communications explaining or defending this Agreement or the Transactions, articulating any regulatory or competitive argument or responding to requests or objections made by any Governmental Authority or intervenor and allow the other Party a reasonable opportunity to comment thereon prior to submission and take account in good faith any such comments, and (iv) to the extent reasonably practicable, each Party shall promptly provide the other Party copies of all correspondence, filings and communications between it and its Subsidiaries and Affiliates and their respective representatives, on the one hand, and any Governmental Authority (including any member of any Governmental Authority's staff), on the other hand, with respect to this Agreement or the Transactions; *provided* that (x) neither Party shall be under an obligation to disclose confidential information with respect to the Party or its Affiliates to the other Party and (y) the obligations in this sentence do not extend to meetings or discussions by the Parties with applicable Governmental Authorities that are not arranged or held in connection with the Transactions, notwithstanding the fact that the Transactions or the Required Statutory Approvals may be discussed in such meetings or discussions. Newquay and Pluto shall jointly (A) control the strategy for obtaining any Required Statutory Approvals and (B) coordinate the overall development of the positions to be taken and the regulatory actions to be requested in any filing with a Governmental Authority in connection with the Transactions and the Required Statutory Approvals and in connection with any investigation or other inquiry or litigation by or before, or any negotiations with, a Governmental Authority relating to the Transactions and the Required Statutory Approvals; *provided* that if the Parties are unable to agree with respect to strategy, positions or other regulatory actions for obtaining the Required Statutory Approvals or other

regulatory matters incidental to the Transactions, (1) Pluto shall, acting reasonably and in good faith, direct and control all aspects of the Parties' efforts to obtain the Pluto Required Statutory Approvals with respect to the matter in dispute and (2) Newquay shall, acting reasonably and in good faith, direct and control all aspects of the Parties' efforts to obtain the Massachusetts Approval with respect to the matter in dispute. For the avoidance of doubt, this Section 6.3(f) shall not apply to Tax matters except for those Tax matters reasonably anticipated to affect the receipt of any Required Statutory Approvals.

(g) Newquay shall, and shall cause Rover to, reasonably cooperate with Pluto to obtain any consents required from third parties in connection with the consummation of the transactions contemplated by this Agreement under Rover Material Contracts or Permits of Rover at or prior to the Closing. Unless prohibited by Requirements of Law or by the applicable Governmental Authority, each Party shall promptly notify the other Party of any notice or other communication from any Person alleging that such Person's approval, authorization, consent or Permit is or may be required in connection with the Transactions. Notwithstanding anything to the contrary contained herein, neither Newquay nor Pluto, nor any of their respective Affiliates, shall have any obligation to make any payments or incur any Liability to obtain any consents of third parties contemplated by this Section 6.3(g).

Section 6.4 Further Assurances. After the Closing Date, each of Pluto and Newquay shall (a) execute and deliver at the reasonable request of the other Party such additional documents and instruments as may be reasonably required to give effect to this Agreement and the Transactions and (b) provide whatever documents or other evidence of ownership as may be reasonably requested by Pluto to confirm its ownership of the Rover Equity Interest. The Parties agree that each of them shall cause each of their respective Affiliates to comply with any such Affiliate's obligations under this Agreement.

Section 6.5 Delivery of Certain Information. Between the date hereof and the Closing Date, Newquay shall provide, or cause to be provided, to Pluto, (a) promptly following the end of each calendar month after the date hereof (but in no event later than three (3) Business Days after the date available to Newquay or one of its Affiliates), copies of the monthly financial information for the Rover Business in the form customarily prepared by management for internal use and (b) promptly following the end of each calendar quarter after the date hereof (but in no event later than three (3) Business Days after the date available to Newquay or one of its Affiliates), true and complete copies of quarterly unaudited financial statements for the Rover Business.

Section 6.6 Guaranties; Letters of Credit; Affiliate Contracts; Intercompany Receivables and Payables.

(a) Except as provided otherwise in this Agreement, Pluto shall use its reasonable best efforts to cause one or more of its Affiliates to be substituted in all respects for Newquay or any of its Affiliates (other than Rover), effective as of the Closing, in respect of all obligations of Newquay or its Affiliates (other than Rover) under each of the guaranties, bonding arrangements, "keep wells," net worth maintenance agreements, letters of credit and letters of comfort furnished by Newquay or its Affiliates (other than Rover) for the benefit of Rover (the "Newquay Guaranties"). The Newquay Guaranties as of the date of this Agreement are set forth

in Schedule 6.6(a) of the Newquay Disclosure Schedule. Newquay shall give Pluto prompt notice of any material additional Newquay Guaranties executed after the date of this Agreement, which such Newquay Guaranties shall not, without Pluto's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned), be entered into outside of the ordinary course of business or be materially inconsistent in nature and scope with the Newquay Guaranties set forth on Schedule 6.6(a) of the Newquay Disclosure Schedule. To the extent Pluto is unable to effect such a substitution with respect to any Newquay Guaranty after using its reasonable best efforts to do so (including continuing such reasonable best efforts after the Closing), Pluto shall reimburse and hold harmless Newquay and its Affiliates (other than Rover) with respect to the obligations covered by each of Newquay Guaranties for which Pluto does not effect such substitution and shall pay, or cause to be paid, any amounts due thereunder on demand, such that neither Newquay nor its Affiliates (other than Rover) shall from and after the Closing incur any cost, liability or expense whatsoever arising from or in connection with Newquay Guaranties.

(b) Except as set forth in Schedule 6.6(b) of the Newquay Disclosure Schedule or as otherwise contemplated by this Agreement, Newquay shall, and shall cause its Affiliates to, immediately prior to the Closing, execute and deliver such releases, termination agreements and discharges as are necessary to, and shall, to the extent applicable, use reasonable best efforts to obtain FERC authorization to, terminate all Contracts (including any "service level agreements") between Newquay or any Affiliate (other than Rover), on the one hand, and Rover, on the other hand, such that from and after the Closing, except with respect to any such Contract where FERC authorization for termination has not yet been obtained, neither Newquay or such Affiliate, on the one hand, nor Rover, on the other hand, shall have any further rights or liabilities under such Contracts.

(c) Except as otherwise contemplated by this Agreement, Newquay shall, and shall cause its Affiliates to, enter into one or more arrangements between Rover, on the one hand, and Newquay and its Affiliates (other than Rover), on the other hand, to apply, effective as of the Closing, reasonable arms' length third-party terms (including payment terms) as mutually agreed between Newquay and Pluto (such terms, the "Third-Party Terms") to (i) any amounts owing from Newquay or any of its Affiliates (other than Rover) to Rover as of the Effective Time ("Rover Intercompany Receivables") and (ii) any amounts owing from Rover to Newquay or any of its Affiliates (other than Rover) as of the Effective Time ("Rover Intercompany Payables"), including, for the avoidance of doubt, any Rover Intercompany Receivables or any Rover Intercompany Payables under the Intercompany Money Pool. The Parties hereby acknowledge and agree that (x) Newquay and its Affiliates shall not be required to terminate, cancel, settle or otherwise eliminate any Rover Intercompany Receivables or Rover Intercompany Payables as of the Closing, (y) all Rover Intercompany Receivables and Rover Intercompany Payables shall be settled following the Closing in the ordinary course of business between Rover and Newquay or the applicable Affiliate of Newquay (other than Rover) in accordance with the Third-Party Terms and (z) all Rover Intercompany Receivables and Rover Intercompany Payables shall be reflected in the calculation of Rover Closing Cash, Rover Closing Indebtedness or Rover Closing Net Working Capital, as applicable, prepared in accordance with Schedule 2.2.

Section 6.7 Use of Certain Names.

(a) As soon as reasonably practicable, but in any event within sixty (60) days following the Closing, Pluto shall, and shall cause Rover to, cease using as company or business names, trademarks, brand names or branding, the words, marks, brand names and branding set forth in Schedule 6.7(a) of the Newquay Disclosure Schedule (collectively, the “Newquay Marks”), and any words or expressions similar thereto or constituting an abbreviation or extension thereof or that would, in each case, raise a reasonable likelihood of confusion with Newquay Marks, including eliminating Newquay Marks from the material Rover Real Property and the material assets of Rover, and disposing of any unused stationery and literature in the possession or control of Rover bearing Newquay Marks. Pluto acknowledges that Newquay Marks are owned exclusively by Newquay, and, except to the extent expressly permitted by this Section 6.7(a), from and after the Closing Date, Pluto shall not, and shall cause Rover and its Affiliates not to, use Newquay Marks or other Intellectual Property belonging to Newquay that have not been expressly transferred or licensed to Rover, and Pluto acknowledges that it, its Affiliates and Rover have no rights whatsoever to use or apply to register Newquay Marks.

(b) Notwithstanding the foregoing, Newquay and its Affiliates shall have the perpetual right to use the transferred Trademarks or Rover solely (i) in a non-trademark manner to describe the fact that Newquay previously owned Rover, (ii) as required by applicable Requirements of Law, and (iii) in a manner consistent with “fair use”.

Section 6.8 Transition Services Agreement. Each of Pluto and Newquay shall negotiate and cooperate in good faith and use its reasonable best efforts to identify and agree to the Services (as defined in the Transition Services Agreement) to be provided under the Transition Services Agreement by the date that is 60 days after the date hereof, in order to permit the operation of the Rover Business by Pluto following the Closing in a manner substantially consistent with the operation of the Rover Business by Newquay prior to the Closing. Any such Services identified and agreed by Pluto and Newquay shall be incorporated into the schedules to the Transition Services Agreement attached as Exhibit A hereto prior to the execution thereof.

Section 6.9 Rover Employee Matters.

(a) (i) Following the date of this Agreement, Newquay and Pluto shall cooperate to identify the “Additional Rover Service Employees” in accordance with the terms set forth on Schedule 6.9(a)(iii) of the Newquay Disclosure Schedule, with the number of such employees equal to the Additional Rover Service Employee Limit (as defined and set forth on Schedule 6.9(a)(iii) of the Newquay Disclosure Schedule). For the avoidance of doubt, no individual who is identified as an Additional Rover Service Employee shall be considered as such or as a Rover Business Employee for purposes of this Agreement until Newquay and Pluto have agreed in writing to such identification in accordance with Schedule 6.9(a)(iii) of the Newquay Disclosure Schedule.

(ii) On or prior to the Closing, Newquay shall, and shall cause Rover to, take such steps as are required to transfer the employment of each Newquay Retained Employee and each Rover Direct Employee who is a Long-Term Disability Rover Employee from Rover to Newquay or one of its Affiliates (other than Rover).

(iii) Sixty (60) days prior to the anticipated Closing Date, Pluto shall provide a list (the “Offer List”) to Newquay of the Additional Rover Service Employees to whom Pluto intends to make an offer of employment pursuant to this Section 6.9(a)(iii), which Offer List shall consist of a number of Additional Rover Service Employees equal to the Offer Threshold (as defined and set forth on Schedule 6.9(a)(iii) of the Newquay Disclosure Schedule). If Newquay objects to the inclusion of any Additional Rover Service Employee on the Offer List, then Newquay and Pluto shall cooperate to determine an appropriate course of action with respect to such Additional Rover Service Employee that takes into account the needs of the Rover Business, Newquay’s retained businesses, the services to be provided under the Transition Services Agreement and any Requirements of Law, which course of action may consist of, among other things, selecting a mutually agreeable alternative employee, treating such Additional Rover Service Employee as a Delayed Transfer Employee or amending the Transition Services Agreement and the services to be provided thereunder, and the Offer List shall be appropriately updated. Thirty (30) days prior to the anticipated Closing Date, subject to the provisions of Section 6.9(a)(iv), Pluto or one of its Affiliates shall offer employment, effective at 12:01 A.M., local time, on the Closing Date, to (A) the Rover Dedicated Employees (other than any Long-Term Disability Rover Employees) and (B) the Additional Rover Service Employees on the Offer List, in each case, on terms and conditions consistent with this Section 6.9. Each such offer shall (x) be for a comparable position, (y) be sufficient to avoid common law severance obligations or any severance obligations under any Rover Benefit Plan or Rover Labor Agreement, provided that the relevant Rover Benefit Plan or Rover Labor Agreement has been disclosed to Pluto, and (z) otherwise comply in all respects with applicable Requirements of Law (including with respect to compensation and benefits). Solely for purposes of making offers pursuant to this Section 6.9(a)(iii), Pluto shall have access to Rover Dedicated Employees and Additional Rover Service Employees or, if more practicable, the relevant management personnel to such Rover Dedicated Employee and Additional Rover Service Employee, at times and in a manner reasonably agreed between Pluto and Newquay. Newquay shall not, and shall cause its Affiliates not to, make a competing offer of employment to any Rover Business Employee who receive an offer of employment from Pluto or one of its Affiliates in accordance with this Section 6.9(a)(iii).

(iv) Notwithstanding the foregoing to the contrary, Pluto may delay the transfer of any Rover Dedicated Employees and Additional Rover Service Employees (such employees, “Delayed Transfer Employees”) with the mutual agreement of Newquay, such agreement not to be unreasonably withheld, to a date that is no later than the TSA End Date (such date, a “Delayed Transfer Date”), and in such case, Pluto and its Affiliates shall offer employment to each Delayed Transfer Employee no later than thirty (30) days prior to the applicable Delayed Transfer Date and otherwise on terms and conditions consistent with Section 6.9(a)(iii). In the event any Delayed Transfer Employee terminates employment prior to the Delayed Transfer Date, Newquay and Pluto shall cooperate and use reasonable best efforts to identify a suitable internal replacement. Newquay and Pluto shall reasonably cooperate to the extent necessary to give proper effect to the other provisions of this Agreement in connection with any Delayed Transfer Employee.

(v) Subject to Requirements of Law, with respect to any Long-Term Disability Rover Employee who returns to active employment with Newquay and its Affiliates within one hundred and eighty (180) days following the Closing Date or such later time as required by the terms of any applicable Rover Labor Agreement, Pluto or its applicable Affiliate shall offer employment to such Long-Term Disability Rover Employee on the earliest practicable date following the return of such individual to active employment with Newquay and its Affiliates and otherwise on terms and conditions consistent with Section 6.9(a)(iii). Newquay shall promptly notify Pluto of any Rover Business Employee becoming a Long-Term Disability Rover Employee and his or her return to active status.

(vi) In addition, during the Transition Period of the Transition Services Agreement, and subject to Newquay or its Affiliates' consent, which shall not be unreasonably withheld, taking into account the needs of the Rover Business, Newquay's retained businesses, the services to be provided under the Transition Services Agreement and any Requirements of Law, Pluto or one of its Affiliates may (but shall not be required to) offer employment to one or more of the TSA Employees on terms and conditions consistent with Section 6.9(a)(iii).

(vii) To the extent reasonably determined to be necessary, Newquay and Pluto shall cooperate to amend the Transition Services Agreement and modify the scope of services or service period of any Transition Services (as defined in the Transition Services Agreement) set forth on Exhibit A thereto to reflect (A) the transfer of Additional Rover Service Employees or TSA Employees, as applicable, and (B) the agreement to treat any Rover Business Employee as a Delayed Transfer Employee and the ultimate transfer of such Delayed Transfer Employee.

(viii) In the case of any Delayed Transfer Employee, Long-Term Disability Rover Employee or TSA Employee who becomes a Transferred Employee on or after the day following the Closing Date, all references in this Section 6.9 (except where explicitly stated to the contrary and except with respect to Sections 6.9(c), 6.9(i) and 6.9(j)) to the "Closing" or the "Closing Date" shall be deemed to be references to the day on which such individual becomes a Transferred Employee. Notwithstanding the foregoing, for purposes of Sections 6.9(i) and (j), for Delayed Transfer Employees, Long-Term Disability Rover Employees and TSA Employees, all references to the "Closing" or the "Closing Date" shall be deemed to be references to the next January 1 following the date that a Delayed Transfer Employee, Long-Term Disability Rover Employee or TSA Employee becomes a Transferred Employee; *provided, however* that each Retiree Benefit Transfer Employee shall become eligible to participate in the applicable Rover pension plan under the Rover Pension Plan Trust or Rover RW Plan as of the date such Retiree Benefit Transfer Employee becomes a Transferred Employee; and *provided further* that each Retiree Benefit Transfer Employee shall not accrue benefits under the applicable Newquay Pension Plan following the Delayed Transfer Date.

(b) (i) With respect to each Rover Dedicated Employee, Pluto or its Affiliates shall bear all the Liabilities relating to, and shall indemnify and hold harmless Newquay and its Affiliates from and against, all Severance Obligations with respect to such Rover Dedicated Employee directly or indirectly arising out of or in connection with Newquay and its Affiliates terminating the employment of such Rover Dedicated Employee following the failure of Pluto or its Affiliates to make an offer of employment that complies with the terms and conditions of this Agreement to such Rover Dedicated Employee. “Severance Obligations” means all statutory or contractual severance or other severance payments or benefits pursuant to a Rover Benefit Plan previously disclosed to Pluto, including any such payments or benefits payable pursuant to a Rover Benefit Plan or Rover Labor Agreement, including any pro-rata bonus (but excluding long-term incentive award vesting and any other legally mandated payment obligations) and any compensation payable during a mandatory termination notice period in connection with the termination of employment of the applicable Rover Business Employee.

(ii) With respect to each Additional Rover Service Employee, Pluto or its Affiliates shall bear solely those Liabilities relating to, and shall indemnify and hold harmless Newquay and its Affiliates from and against, a portion, which portion shall be equal to the Weighted-Average Severance Percentage, of all Severance Obligations with respect to such Additional Rover Service Employee directly or indirectly arising out of or in connection with Newquay and its Affiliates terminating the employment of such Additional Rover Service Employee following the failure of Pluto or its Affiliates to make an offer of employment that complies with the terms and conditions of this Agreement to such Additional Rover Service Employee. Newquay and its Affiliates shall bear all the Liabilities relating to, and shall indemnify and hold harmless Pluto and its Affiliates from and against all Severance Obligations with respect to such Additional Rover Service Employee in excess of such portion. Schedule 6.9(b)(ii) of the Newquay Disclosure Schedule provides an example that illustrates the intended operation of this Section 6.9(b)(ii).

(iii) The “Weighted-Average Severance Percentage” shall mean a percentage equal to (A) one-hundred (100) *multiplied* by (B) a fraction, the numerator of which is the Weighted-Average Numerator and the denominator of which is the total number of Additional Rover Service Employees for whom Pluto or its Affiliates failed to make an offer of employment that complies with the terms and conditions of this Agreement.

(iv) The “Weighted-Average Numerator” shall equal the sum of (A) the Offer Threshold *minus* the total number of Additional Rover Service Employees for whom Pluto or its Affiliates made an offer of employment that complies with the terms and conditions of this Agreement (provided that the amount in this clause (A) shall not be less than zero) and (B) the product of (x) one-half and (y) (I) the Additional Rover Service Employee Limit *minus* (II) the greater of (1) the Offer Threshold and (2) the total number of Additional Rover Service Employees for whom Pluto or its Affiliates made an offer of employment that complies with the terms and conditions of this Agreement.

(v) Notwithstanding anything else in this Agreement to the contrary, for purposes of calculating the Weighted-Average Severance Percentage, any Additional Rover Service Employee who is a Delayed Transfer Employee shall be considered an Additional Rover Service Employee for whom Pluto or its Affiliates made an offer of employment that complies with the terms and conditions of this Agreement. In the event that Pluto or its Affiliates fails to make an offer of employment that complies with the

terms and conditions of this Agreement to such Delayed Transfer Employee (or his or her replacement, if applicable), then the Weighted-Average Severance Percentage shall be recalculated treating such Delayed Transfer Employee as an Additional Rover Service Employees for whom Pluto or its Affiliates failed to make an offer of employment that complies with the terms and conditions of this Agreement, and Pluto or its applicable Affiliate shall promptly reimburse Newquay or its applicable Affiliate for any Severance Obligations that are the responsibility of Pluto based on such recalculated Weighted-Average Severance Percentage that were previously borne by Newquay and its Affiliates.

(c) Except as otherwise required by Requirement of Law or the terms of any Rover Labor Agreement, for the period commencing on the Closing Date and ending twelve (12) months thereafter, Pluto shall provide or cause to be provided to each Transferred Employee (i) a base salary or wage rate that is no less favorable than the base salary or wage rate provided by Newquay or any of its Affiliates (including Rover) to such Transferred Employee immediately prior to the Closing, (ii) annual cash incentive opportunities that are no less favorable than those provided by Newquay or any of its Affiliates (including Rover) to such Transferred Employee immediately prior to the Closing, (iii) employee benefits (excluding long-term incentives and benefits under equity-based plans) that are substantially comparable in the aggregate to those provided by Newquay or any of its Affiliates (including Rover) to such Transferred Employee immediately prior to the Closing (which employee benefits may be provided under the Continuing Pluto Plans and/or pursuant to the Transition Services Agreement as mutually agreed between Pluto and Newquay) and (iv) without limiting the foregoing clause (iii), severance benefits that are no less favorable than those provided by Newquay or any of its Affiliates (including Rover) to such Transferred Employee immediately prior to the Closing, as previously disclosed to Pluto. Notwithstanding the foregoing, Transferred Employees who are subject to a Rover Labor Agreement shall be governed by the terms of the applicable Rover Labor Agreement and Pluto shall provide or cause to be provided to each such Transferred Employee the compensation and benefits required under the terms of the applicable Rover Labor Agreement, subject to effects bargaining as contemplated by Section 6.9(f).

(d) Except as otherwise required by Requirement of Law, for all purposes, including eligibility, vesting and (other than with respect to defined benefit pension plans or subsidized retirement benefit arrangements) benefit accrual purposes, under the employee benefit plans of Pluto and its Affiliates, if any, that are offered and provide benefits to Transferred Employees after the Closing Date (the "Continuing Pluto Plans"), each Transferred Employee shall be credited with his or her years of service with Newquay and its Affiliates (including Rover) and any of their respective predecessors prior to the Closing Date to the same extent as such employee was entitled prior to the Closing Date to credit for such service under any similar Rover Benefit Plan, except to the extent such credit would result in a duplication of benefits. For purposes of each Continuing Pluto Plan, if any, providing medical, dental, pharmaceutical or vision benefits to any Transferred Employee, Pluto shall use its commercially reasonable efforts to (i) waive any pre-existing condition exclusion, actively-at-work requirement and waiting period under such Continuing Pluto Plan, to the extent such pre-existing condition exclusion, actively-at-work requirement or waiting period was satisfied or did not apply to such employee under the comparable Rover Benefit Plan prior to the Closing Date and (ii) provide such Transferred Employee and his or her covered dependents with credit for all eligible expenses incurred by such Transferred Employee and his or her covered dependents under the comparable

Rover Benefit Plans during the portion of the plan year ending on the date such Transferred Employee's participation in the corresponding Continuing Pluto Plan begins for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such Transferred Employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such Continuing Pluto Plan subject to all applicable terms and conditions relating to such benefits or amounts.

(e) As of the Closing Date, the Transferred Employees shall cease active participation in all Rover Benefit Plans other than any Assumed Benefit Plan, which shall be treated in accordance with the provisions set forth in Sections 6.9(g), 6.9(h), 6.9(i), 6.9(j) and 6.9(k). As of the Closing Date, Pluto shall assume and honor, or shall cause a Subsidiary of Pluto (including Rover) to assume or retain and honor, in accordance with their terms (including terms related to amendment and termination), each Assumed Benefit Plan, and Pluto shall assume and honor, or shall cause a Subsidiary of Pluto (including Rover) to assume or retain and honor all Liabilities attributable to the Rover Business in respect of each Assumed Benefit Plan.

(f) Effective as of the Closing Date, Pluto shall cause Rover to take any actions necessary to adopt and assume the Rover Labor Agreements so that, effective immediately following the Closing, Rover shall assume and be liable for all obligations of Newquay and its Affiliates under the Rover Labor Agreements with respect to the Rover Business Employees and Rover Business Former Employees, *provided, however*, that with respect to the Rover Labor Agreements, Newquay and Pluto shall, and shall cause their Affiliates to take the actions set forth on Schedule 6.9(f)(i) of the Newquay Disclosure Schedule within the timeframes set forth on such schedule and Newquay shall, and shall cause its Affiliates to, undertake any and all such bargaining obligations (including "effects" bargaining obligations) in compliance with Schedule 6.9(f)(ii) of the Newquay Disclosure Schedule, (ii) reasonably cooperate with Pluto with respect to any such bargaining, including by notifying Pluto in advance of the dates, times and locations of any bargaining sessions or other meetings with collective bargaining representatives and promptly sharing with Pluto all material information, developments, notices and filings with respect to the bargaining sessions and (iii) use commercially reasonable efforts to complete such bargaining as promptly as reasonably practicable prior to the Closing Date, including by committing labor personnel and resources as reasonably necessary to do so; *provided, however*, that if Newquay or its Affiliates and the relevant collective bargaining representative(s) reach a legal impasse after negotiating in good faith in accordance with any applicable Requirement of Law with respect to the Rover Labor Agreements, upon Pluto's request, Newquay and its Affiliates shall use their commercially reasonable efforts to engage a mediator to resolve, prior to the Closing Date, any outstanding bargaining issues causing such impasse with the relevant collective bargaining representative(s); *provided further* that (x) neither Newquay nor any of its Affiliates shall have any obligation to amend, modify or otherwise relinquish any rights under any collective bargaining agreement of Newquay or any of its Affiliates other than the Rover Labor Agreements or to make any payment or grant any other concession in connection with any collective bargaining agreement of Newquay or any of its Affiliates other than the Rover Labor Agreements and (y) any obligation of Newquay or any of its Affiliates pursuant to this Section 6.9(f) to reasonably cooperate or use commercially reasonable efforts shall not require Newquay and its Affiliates to take any action, or refrain from taking any action, that would materially and adversely impact its relations with any of its other collective bargaining units. Pluto shall, and shall cause its Affiliates to, agree to

engage in any type of bargaining required under any applicable Requirement of Law (including “effects” bargaining) with any collective bargaining representative, from and after the Closing Date until such obligation is no longer required under any applicable Requirement of Law. Notwithstanding the foregoing, the provisions of this Section 6.9(f) and Schedules 6.9(f)(i) and (ii) of the Newquay Disclosure Schedule shall be subject to Schedule 6.9(f)(iii) of the Newquay Disclosure Schedule.

(g) Effective as of the Closing, Pluto shall, or shall cause a Subsidiary of Pluto, to assume Liability for all vacation days (regular, supplemental or banked) accrued or earned but not yet taken by each Transferred Employee as of immediately prior to the Closing (the “Rover Accrued Vacation Days”). In the event that a Transferred Employee is entitled under applicable Requirements of Law or any policy of Newquay and its Affiliates to be paid for any Rover Accrued Vacation Days in connection with the Closing, (i) Rover or, solely to the extent required by applicable Requirements of Law, Newquay or its applicable Affiliate (other than Rover), shall pay and be responsible for any required amounts to such employee and (ii) to the extent any such amounts are paid by Newquay or any of its Affiliates (other than Rover), Pluto shall promptly reimburse Newquay or its applicable Affiliate for such amounts. Effective as of the Closing, Pluto shall, and shall cause its Affiliates to, honor all the Rover Accrued Vacation Days for which payout is not made pursuant to the immediately preceding sentence; *provided* that, in the event Pluto is required to honor any Rover Accrued Vacation Days pursuant to the foregoing that are “purchased vacation days”, to the extent that Newquay or one of its Affiliates (other than Rover) has received payment in respect of such purchased vacation days (the aggregate of all such amounts received by Newquay and its Affiliates, the “Purchased Vacation True-Up”), then Newquay or one of its Affiliates shall make a cash payment to Pluto or its designated Affiliate equal to the Purchased Vacation True-Up.

(h) If any Rover Business Employee requires a work permit or employment pass or other legal or regulatory approval for his or her employment with Pluto or its Affiliates, Pluto shall, and shall cause its Affiliates to, use their commercially reasonable efforts to cause any such permit, pass or other approval to be obtained and in effect prior to the Closing Date. Notwithstanding the foregoing, to the extent permitted by applicable Requirements of Law and any applicable Rover Labor Agreement, in the event an applicable permit, pass or approval for a Rover Business Employee is not in place with Pluto or its applicable Affiliate as of the Closing Date, such Rover Business Employee shall be treated as a Long-Term Disability Rover Employee, except that such Rover Business Employee’s employment shall become effective as soon as practicable following Pluto’s obtainment of the applicable permit, pass or approval, and the Parties shall reasonably cooperate to provide for the services of such Rover Business Employee to be made available exclusively to Pluto through an employee secondment, services or similar arrangement (in each case to the extent permissible under the Requirements of Law) under which Pluto shall be responsible for all the economic costs of such individual’s compensation and benefits including any increased compensation payable under any Rover Benefit Plan as a result of such individual’s continued service with Newquay and its Affiliates for such service period until the applicable work permit can be obtained; *provided, however*, that Pluto shall, and shall cause its Affiliates to, continue to use their commercially reasonable efforts to obtain the applicable work permit. In addition to the foregoing, with respect to each Rover Business Employee who is a foreign national working in the United States in non-immigrant visa status, to the extent permitted under applicable Requirements of Law, Pluto shall employ such

Rover Business Employee under terms and conditions such that Pluto qualifies as a “successor employer” under applicable United States immigration laws effective as of the Closing for immigration-related purposes only, and Pluto shall not by reason of any such election be deemed to have otherwise assumed any Liabilities (other than with respect to the immigration-related liabilities and responsibilities associated with the applicable visa petitions) or to be a successor for any other purpose except to the extent otherwise set forth in this Agreement.

(i) (i) With respect to each defined benefit pension plan, program, agreement or arrangement listed as an Assumed Benefit Plan in Schedule 5.13 of the Newquay Disclosure Schedule that is intended to be qualified under Section 401(a) of the Code and that is sponsored or maintained by Newquay or any of its Affiliates and in which any Rover Direct Employee, Rover Dedicated Employee, Additional Rover Service Employee who is on the Offer List, TSA Employee, in each case, who becomes a Transferred Employee, and Rover Business Former Employee (collectively, the “Retiree Benefit Transfer Employees”) participates as of immediately prior to the Closing, whether on an active or inactive basis (each, a “Newquay Pension Plan”), Pluto shall use commercially reasonable efforts to have in effect or shall cause to be in effect on, or as soon as administratively practicable following, the Closing Date a defined benefit pension plan that is intended to be qualified under Section 401(a) of the Code (each, a “Rover Pension Plan”) and a related trust that is intended to be exempt from tax under Section 501(a) of the Code (each, a “Rover Pension Plan Trust”). Pluto shall establish and maintain each Rover Pension Plan for the benefit of the Retiree Benefit Transfer Employees who participated in the corresponding Newquay Pension Plan as of immediately prior to the Closing, and shall cause each such individual to become a participant in such Rover Pension Plan as of the Closing Date.

(ii) As of the Closing Date, Pluto shall cause each Rover Pension Plan to assume all Liabilities and obligations of Newquay and its Affiliates for the benefits accrued by the Retiree Benefit Transfer Employees under the applicable Newquay Pension Plan as of immediately prior to the Closing (such benefits, collectively, the “Accrued Rover DB Benefits”); *provided* that, for the period between the Closing and the applicable Pension Transfer Date (as defined below), Newquay and its Affiliates shall, to the extent permitted by Requirements of Law, continue to make all required employer contributions to such Newquay Pension Plan and all scheduled benefit payments to such individuals and their applicable beneficiaries in respect of the Accrued Rover DB Benefits in accordance with the terms of such Newquay Pension Plan, as in effect immediately prior to the Closing, and the Requirements of Law.

(iii) Pluto shall cause each Rover Pension Plan and each Rover Pension Plan Trust (and any successors to such plan and/or trust) to (A) provide that, with respect to assets transferred to such Rover Pension Plan from the applicable Newquay Pension Plan in accordance with this Section 6.9(i), such assets shall be held by the applicable Rover Pension Plan Trust for the exclusive benefit of the participants in such Rover Pension Plan; (B) provide that the Accrued Rover DB Benefits may not be decreased by amendment or otherwise and (C) have terms and features (including employer contribution provisions and elections in respect of form of payment of Accrued Rover DB Benefits, but excluding benefit accrual provisions) that are substantially identical to the applicable Newquay Pension Plan, such that each Newquay Pension Plan is substantially replaced by a corresponding Rover Pension Plan.

(iv) As soon as practicable following the Closing, Newquay and its Affiliates shall procure that the trustee of a Newquay Pension Plan shall transfer to the trustee of the corresponding Rover Pension Plan assets equal to (A) the amount required to be transferred pursuant to Section 414(l) of the Code and Section 4044 of ERISA, determined as if the Newquay Pension Plan were terminated immediately prior to the Closing (which, for the avoidance of doubt, may be, if applicable, the “de minimis” amount pursuant to Treasury Regulation Section 1.414(l)-1(h)) using the same actuarial assumptions and methodology used by Newquay to prepare the most recent financial statements relating to such Newquay Pension Plan, as they may be updated from time to time in Newquay’s reasonable discretion, (for the avoidance of doubt, such actuarial assumptions and methodology need not include the safe harbor assumptions specified in Section 414(l) of the Code or Section 4044 of ERISA), subject to any requirements under such Sections of the Code and ERISA (each such required amount, a “Section 4044 Amount”); *adjusted* by (B) for the period between the Closing and the date such assets are transferred (each, a “Pension Transfer Date”), an interest increment or debit on the applicable Section 4044 Amount at the rate equal to the actual rate of return earned by the related trust or segregated subaccount, as applicable, holding such assets to be transferred as part of the applicable Section 4044 Amount, as determined by the applicable trustee, through the end of the calendar month preceding the Pension Transfer Date; *minus* (C) any benefit payments that are made from the applicable Newquay Pension Plan to the Retiree Benefit Transfer Employees in respect of the applicable Accrued Rover DB Benefits for the period between the Closing and the applicable Pension Transfer Date; *minus* (D) any reasonable costs or expenses incurred by Newquay and its Affiliates in respect of the applicable Accrued Rover DB Benefits for the period between the Closing and the applicable Pension Transfer Date. If requested by Pluto, such assets shall be transferred in the form of cash or, to the extent that Newquay is unable to effect such transfer entirely in cash after using commercially reasonable efforts (consistent with ERISA fiduciary obligations) to do so, other assets that are reasonably representative of such Newquay Pension Plan’s investment portfolio as a whole as of the Pension Transfer Date; *provided, however*, Newquay shall not be obligated to convert assets into cash to the extent that such conversion would result in a significant reduction in the value of such assets or the remaining assets with respect to such Newquay Pension Plan. Notwithstanding the foregoing, Newquay shall have no obligation to cause any such transfer until such time as Newquay has been provided evidence reasonably satisfactory to Newquay that the applicable Rover Pension Plan satisfies the requirements for a U.S. tax qualified plan under Section 401(a) of the Code and that the applicable Rover Pension Plan Trust is exempt from Tax under Section 501(a) of the Code, and the Parties have received all other applicable approvals from all applicable Governmental Authorities. For purposes of this Section 6.9(i)(iv), to the extent permitted by Requirements of Law, the fair market value of the assets of the Newquay Pension Plans shall be based on actual market values as of the Closing.

(v) In connection with each Pension Transfer Date, Newquay shall calculate (A) the applicable amount required to be transferred under clause (iv) above on such Pension Transfer Date minus (B) the amount that would have transferred under clause (iv) above on such Pension Transfer Date if the Section 4044 Amount was equal to (x) the aggregate value of the assets held in the trust related to the applicable Newquay Pension Plan as of immediately prior to the Closing multiplied by (y) a fraction, the numerator of which is the aggregate projected benefit obligation of the applicable Accrued Rover DB Benefits and the denominator of which is the aggregate projected benefit obligation of all Liabilities and obligations for the benefits accrued under the applicable Newquay Pension Plan as of immediately prior to the Closing, in each case, calculated in accordance with GAAP and using the same actuarial assumptions and methodology used by Newquay to prepare its most recent audited financial statements prior to the Closing Date, as such assumptions and methodologies may be updated by Newquay as reasonably necessary solely to the extent such updates are consistent with updates made by Newquay with respect to the pension plans maintained by Newquay or its Affiliates and with the prior written consent of Pluto (which consent shall not be unreasonably withheld, delayed or conditioned) (each such amount, a “Pension True-Up Amount”). If the applicable Pension True-Up Amount is positive, Pluto shall pay such amount to Newquay or its designee, and if the applicable Pension True-Up Amount is negative, Newquay shall pay the absolute value of such amount to Pluto or its designee, in each case, no later than the applicable Pension Transfer Date.

(vi) All Section 4044 Amounts and Pension True-Up Amounts shall be determined by an enrolled actuary designated by Newquay, and Newquay shall provide an actuary designated by Pluto with information reasonably necessary to also calculate such Section 4044 Amounts and Pension True-Up Amounts and to verify that such calculations with respect to the Section 4044 Amounts have been performed in a manner consistent with Section 414(l) of the Code and Section 4044 of ERISA. Within thirty (30) calendar days following receipt by Pluto’s actuary of Newquay’s actuary’s calculation of a Section 4044 Amount and Pension True-Up Amount and the information described in the preceding sentence, Pluto shall notify Newquay in writing if there is a good faith dispute between Newquay’s actuary and Pluto’s actuary as to whether Newquay’s calculation of such Section 4044 Amount or Pension True-Up Amount is in violation of applicable Requirements of Law or contains errors of a mathematical nature. If Pluto does not notify Newquay of any such good faith dispute within such thirty (30) calendar day period, the determination of Newquay’s actuary shall become conclusive, final and binding. If any such dispute remains unresolved for thirty (30) calendar days following Newquay’s receipt of such written notification from Pluto (or within such longer period as Newquay and Pluto shall mutually agree), Newquay and Pluto shall (in writing) select and appoint a third independent actuary mutually acceptable to Newquay and Pluto (the cost of which shall be borne equally by Newquay and Pluto), who shall make a conclusive, final and binding determination of the applicable Section 4044 Amount and Pension True-Up Amount in accordance with applicable Requirements of Law. Each of Newquay and Pluto shall be responsible for the cost of its own actuary. Newquay’s actuary shall be responsible for any required actuarial certification under Section 414(l) of the Code.

(vii) Newquay and Pluto shall reasonably cooperate to make any and all filings and submissions to the appropriate Governmental Authorities required to be made by Newquay or Pluto in effectuating the provisions of this Section 6.9(i), including (A) IRS Forms 5310-A in respect of the transfers of assets and (B) in the event that the Transactions constitute a “reportable event” (within the meaning of Section 4043 of ERISA) for which the thirty (30)-day notice has not been waived, timely notification of the Pension Benefit Guaranty Corporation and filing of all reports required in connection therewith.

(viii) Provided that Newquay has provided to Pluto the information described in the last sentence of this clause (viii) regarding elections made by the Retiree Benefit Transfer Employees under the Newquay Pension Plan, Pluto shall cause each Rover Pension Plan to recognize and maintain all existing elections, including, but not limited to, beneficiary designations, payment forms and other rights of alternate payees under qualified domestic relation orders as were in effect under the corresponding Newquay Pension Plan, unless and until changed or modified in accordance with the terms of the applicable plan or otherwise in accordance with applicable Requirements of Law. To the extent applicable, the provisions of this Section 6.9(i) shall apply to the eligible dependents of the Retiree Benefit Transfer Employees. As soon as administratively practicable following the Closing, Newquay shall provide to Pluto copies of all such beneficiary designations, payment forms and all other documents, files and other information that Pluto may need to administer each Rover Pension Plan in accordance with the terms of this Agreement, and, once provided, Newquay shall update any such information as reasonably appropriate.

(ix) With respect to the Rover Business Employees and TSA Employees who are anticipated to be Transferred Employees and who participate in a defined benefit pension plan maintained by Newquay and its Affiliates that is not a Newquay Pension Plan (an “Additional Pension Plan”), Newquay and Pluto shall cooperate to determine the appropriate treatment of such plans, including whether or not they should be treated as Assumed Benefit Plans for purposes of this Section 6.9(i). If Newquay and Pluto cannot reach a mutually acceptable agreement regarding such treatment, then Newquay may, acting reasonably, replace the Rover Business Employees and TSA Employees who participate in Additional Pension Plans with alternative employees of Newquay and its Affiliates who do not participate in such plans. For the avoidance of doubt, Pluto and its Affiliates are not required pursuant to the terms of this Agreement to make offers of employment to any employee who participates in an Additional Pension Plan, subject to the severance obligations in Section 6.9(b).

(j) (i) With respect to each retiree health or welfare plan that is sponsored or maintained by Newquay or its Affiliates and in which any Retiree Benefit Transfer Employee participates as of immediately prior to the Closing, whether on an active or inactive basis (each, a “Newquay RW Plan”), Pluto shall use commercially reasonable efforts to have in effect or shall cause to be in effect on, or as soon as administratively practicable following, the Closing Date one or more retiree health or welfare plans (each, a “Rover RW Plan”) that have material terms and features that are substantially identical to the corresponding Newquay RW Plan, such that the benefits provided under the Newquay RW Plan are substantially replicated. As of the Closing Date, Pluto shall cause each Rover RW Plan to assume all Liabilities and obligations of Newquay and its Affiliates for the benefits accrued by the Retiree Benefit Transfer Employees

under the applicable Newquay RW Plan as of immediately prior to the Closing (the “Rover Business RW Benefits”); *provided* that, for the period between the Closing and the applicable RW Transfer Date (as defined below), Newquay or its Affiliates shall, to the extent permitted by Requirements of Law, continue to make and credit all required participant and employer contributions to the Newquay RW Plans and make all benefit payments in respect of the Rover Business RW Benefits in accordance with the terms of the Newquay RW Plans, as in effect immediately prior to the Closing, and the Requirements of Law.

(ii) As soon as practicable following the Closing, with respect to each subaccount within a trust holding assets that are intended, in whole or in part, to satisfy the Rover Business RW Benefits (or with respect to the entire trust if such trust is not divided into subaccounts), Newquay and its Affiliates shall procure that the applicable trustee shall transfer to the trustee of the corresponding Rover RW Plan the following assets (each, an “RW Transfer Amount”): (A) the applicable Closing Date RW Amount (as defined below); adjusted by (B) for the period between the Closing and the date such assets are transferred (each, a “RW Transfer Date”), an interest increment or debit on the applicable Closing Date RW Amount at the rate of return earned by the applicable subaccount or trust, as applicable, holding such Closing Date RW Amount, as determined by the applicable trustee, through the end of the calendar month preceding the applicable RW Transfer Date; plus (C) an amount equal to any contributions made to such subaccount or trust by or on behalf of Retiree Benefit Transfer Employees during the period between the Closing and the applicable RW Transfer Date; minus (D) any payments that are made from such subaccount or trust, as applicable, in respect of the applicable Rover Business RW Benefits for the period between the Closing and the applicable RW Transfer Date; minus (E) any reasonable costs or expenses incurred by Newquay and its Affiliates in respect of the applicable Rover Business RW Benefits for the period between the Closing and the applicable RW Transfer Date. If requested, such assets shall be transferred in the form of cash or, to the extent that Newquay is unable to effect such transfer entirely in cash after using commercially reasonable efforts (consistent with ERISA fiduciary obligations) to do so, other assets that are reasonably representative of the investment portfolio of the applicable subaccount (or the entire trust as a whole if such trust is not divided into subaccounts) as of the RW Transfer Date; *provided, however*, Newquay shall not be obligated to convert assets into cash to the extent that such conversion would result in a significant reduction in the value of such assets or the remaining assets with respect to such subaccount (or the entire trust as a whole if such trust is not divided into subaccounts).

(iii) With respect to each subaccount within a trust holding assets that are intended, in whole or in part, to satisfy the Rover Business RW Benefits (or with respect to the entire trust if such trust is not divided into subaccounts), the applicable “Closing Date RW Amount” shall mean an amount equal to (A) the aggregate value of the assets held in such subaccount or trust, as applicable, multiplied by (B) a fraction, the numerator of which is (x) the aggregate projected benefit obligation of the applicable Rover Business RW Benefits and the denominator of which is (y) the aggregate projected benefit obligation of all postretirement benefits that are intended to be satisfied by assets held in such subaccount or trust, as applicable, in the case of each of (x) and (y), calculated in accordance with GAAP and determined as of the Closing Date.

(iv) All Closing Date RW Amounts shall be determined by an enrolled actuary designated by Newquay, and Newquay shall provide an actuary designated by Pluto with information reasonably necessary to also calculate such Closing Date RW Amounts and to verify that such calculations with respect to the Closing Date RW Amounts have been performed in a manner consistent with GAAP. Within thirty (30) calendar days following receipt by Pluto's actuary of Newquay's actuary's calculation of a Closing Date RW Amount and the information described in the preceding sentence, Pluto shall notify Newquay in writing if there is a good faith dispute between Newquay's actuary and Pluto's actuary as to whether Newquay's calculation of such Closing Date RW Amount is in violation of applicable Requirements of Law or contains errors of a mathematical nature. If Pluto does not notify Newquay of any such good faith dispute within such thirty (30) calendar day period, the determination of Newquay's actuary shall become conclusive, final and binding. If any such dispute remains unresolved for thirty (30) calendar days following Newquay's receipt of such written notification from Pluto (or within such longer period as Newquay and Pluto shall mutually agree), Newquay and Pluto shall (in writing) select and appoint a third independent actuary mutually acceptable to Newquay and Pluto (the cost of which shall be borne equally by Newquay and Pluto), who shall make a conclusive, final and binding determination of the applicable Closing Date RW Amount in accordance with applicable Requirements of Law. Each of Newquay and Pluto shall be responsible for the cost of its own actuary.

(v) Notwithstanding anything herein to the contrary, if an RW Transfer Amount is negative, then, within five (5) Business Days after the applicable Closing Date RW Amount becomes final and binding, Pluto shall pay to Newquay the absolute value of such RW Transfer Amount. If, following an RW Transfer Date, Newquay or any of its Affiliates is required to pay any amounts in respect of the applicable Rover Business RW Benefits, Pluto or its applicable Affiliate shall reimburse Newquay or its applicable Affiliate for such amounts within five (5) Business Days of Newquay notifying Pluto of such payment; *provided* that reasonably acceptable documentation of such payment is provided by Newquay to Pluto.

(vi) As soon as administratively practicable following the Closing, Newquay shall provide to Pluto copies of all participant elections, payment forms and all other documents, files and other information that Pluto may need to administer each Rover RW Plan in accordance with the terms of this Agreement, and, once provided, Newquay shall update any such information as reasonably appropriate.

(k) As soon as practicable after the Closing, Pluto shall cause a tax-qualified qualified defined contribution retirement plan of Pluto with a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code (the "Pluto 401(k) Plan") to accept "direct rollovers" (as described in Section 401(a)(31) of the Code and including the in-kind rollover of notes evidencing participant loans) of the account balances of each Transferred Employee from the applicable Rover Benefit Plan that is a tax-qualified defined contribution retirement plan with a qualified cash or deferred arrangement within the meaning of Section 401(k) of the Code (the "Newquay 401(k) Plan") if such direct rollover is elected in accordance with applicable Requirements of Law and the terms of the Newquay 401(k) Plan by such Transferred Employee. Newquay and Pluto shall cooperate in good faith to take commercially

reasonable actions needed to permit each Transferred Employee with an outstanding loan balance under the Newquay 401(k) Plan as of the Closing Date to continue to make scheduled loan payments to the Newquay 401(k) Plan after the Closing Date, pending the distribution and in-kind rollover of the notes evidencing such loans from the Newquay 401(k) Plan to the Pluto 401(k) Plan so as to prevent, to the extent reasonably possible, a deemed distribution or loan offset with respect to such outstanding loans.

(l) Nothing in this Section 6.9 shall be treated as an amendment of, an undertaking to amend or terminate, or a limitation on the ability of Pluto or its Affiliates to amend or terminate any employee benefit plan (including Assumed Benefit Plans). Nothing herein shall require Pluto or its Affiliates to continue to employ the services of any particular individual after the Closing Date. Without limiting the generality of Section 11.9, the provisions of this Section 6.9 are for the sole benefit of the Parties and nothing herein, express or implied, is intended or shall be construed to confer upon or give any Person (including for the avoidance of doubt, any Rover Business Employee or Rover Business Former Employee), other than the Parties and their respective permitted successors and assigns, any legal or equitable or other rights or remedies (including with respect to the matters provided for in this Section 6.9) under or by reason of any provision of this Agreement.

Section 6.10 Public Announcements. The mutual announcement of the Agreement and the Transactions immediately following the execution of this Agreement shall be as agreed by Pluto and Newquay. Newquay and Pluto will consult with each other before issuing, and will provide each other reasonable opportunity to review, comment upon and concur with, any other press release or otherwise making any public statements with respect to this Agreement or the Transactions, and shall not issue any such press release or make any such written public statement prior to obtaining the other Party's written approval (which approval shall not be unreasonably withheld, conditioned or delayed), except (a) as the Parties or their respective Affiliates may be required, at the advice of counsel, to do by Requirement of Law, court order or by obligations pursuant to any listing agreement with any applicable securities exchange (in which case such Party will, to the extent practicable, promptly inform the other Party in writing in advance of such compelled disclosure), and (b) as is consistent with previous press releases, public disclosures or public statements made jointly by the Parties or otherwise in a manner consistent with this Section 6.10; *provided* that, in each such case, to the extent practicable, the Party intending to make such release shall use its reasonable best efforts consistent with Requirement of Law to consult with the other Party in advance of such release with respect to the text thereof.

Section 6.11 Alternative Transactions.

(a) From and after the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement, Newquay shall not, directly or indirectly, solicit, negotiate with, provide any nonpublic information regarding Rover to, enter into any Contract with, or in any manner encourage, any proposal of, any Person (other than Pluto and its Affiliates) relating to a potential acquisition of all or a material portion of the equity interests of Rover or all or a material portion of the assets of the Rover Business, whether by merger, sale of stock, sale of assets or otherwise (collectively, "Rover Acquisition Proposals"). Notwithstanding the foregoing, nothing in this Section 6.11(a) is intended to restrict or limit Newquay or any of

Newquay's Affiliates from entering into, engaging in or consummating any transaction not involving Rover or its business or assets. Newquay shall immediately cease all communications with any such Person that may be ongoing with respect to a Rover Acquisition Proposal as of the date hereof and request that each such Person promptly return or destroy all confidential information furnished to such Person by or on behalf of Newquay in connection with any such Rover Acquisition Proposal.

(b) Notwithstanding any provision of this Agreement to the contrary, including this Section 6.11, nothing in this Agreement is intended to restrict or limit Newquay from entering into, engaging in or consummating any transaction involving the acquisition or transfer (including by scheme of arrangement) of all or any portion of the equity interests of Newquay Topco or all or any portion of the assets of Newquay, provided, that any asset transaction transferring only a portion of Newquay's assets shall not include the Rover Equity Interest.

Section 6.12 Insurance. Pluto and Rover acknowledge that, except as provided in this Section 6.12, (a) all insurance policies maintained by Newquay or any of its Affiliates (other than Rover) for the benefit of Rover or the Rover Business, including, for the avoidance of doubt, any self-insurance or captive insurance or reinsurance policy or program (the "Insurance Policies") are part of the corporate insurance program maintained by Newquay, and such coverage shall not be available or transferred to Rover or Pluto, (b) from and after the Closing, Rover and the Rover Business shall cease to be insured by the Insurance Policies, and (c) from and after the Closing, Pluto shall be responsible for securing all insurance it deems appropriate for its operation of Rover and the Rover Business. From and after the Closing, Newquay and its Affiliates shall have no obligation to Pluto or Rover with respect to or under any of the Insurance Policies; *provided* that, from and after the Closing, Newquay and its Affiliates shall not take any measure or fail to take any measure to eliminate or reduce coverage available to Rover or the Rover Business under the Insurance Policies other than the reduction of policy limits due to claims paid in the ordinary course, and Newquay and its Affiliates shall use reasonable best efforts to (i) direct any carriers under the occurrence-based Insurance Policies (other than any occurrence-based Insurance Policy that is a self-insurance or captive insurance or reinsurance policy or program) ("Occurrence Based Policies") to make any applicable or potentially applicable insurance coverage under the Occurrence Based Policies available to Rover or the Rover Business for claims arising out of any actual or alleged occurrences occurring at or prior to the Closing relating to Rover or the Rover Business and (ii) direct any carriers under any claims-made Insurance Policies (other than any claims-made Insurance Policy that is a self-insurance or captive insurance or reinsurance policy or program) ("Claims Made Policies") to make any applicable or potentially applicable insurance coverage under the Claims Made Policies available to Rover and the Rover Business for claims made prior to or after the Closing that arise out of any actual or alleged act, omission, circumstance, event or incident occurring at or prior to the Closing relating to Rover or the Rover Business, in each case, to the extent permitted under such Claims Made Policies; *provided, further*, that (x) all deductibles, claims handling fees or any other amounts payable under any such Occurrence Based Policies or Claims Made Policies shall be shared equitably between Pluto and Rover, on the one hand, and Newquay, on the other hand, in respect of claims made by or on behalf of Pluto or Rover against the Insurance Policies pursuant to this Section 6.12, in the same proportion as the coverage they receive under such Occurrence Based Policies or Claims Made Policies, and (y) Pluto shall, or

shall cause Rover to, reimburse Newquay in respect of any documented reasonable costs or expenses associated with any deductibles, claims handling fees or other amounts incurred by Newquay or any Affiliate of Newquay and attributable to Pluto or Rover pursuant to the foregoing clause (x). Following the Closing Date, upon Pluto's or Rover's reasonable request, and at Pluto's cost and expense, Newquay and its Affiliates shall reasonably cooperate with and assist Pluto and Rover in issuing notices of such claims under the Occurrence Based Policies or Claims Made Policies, presenting such claims for payment and collecting insurance proceeds under the Insurance Policies. For the avoidance of doubt, neither Pluto nor any of its Affiliates (including, from and after the Closing, Rover) shall be entitled to receive any amounts under this Section 6.12 that would constitute a duplicative payment of amounts recovered as a purchase price adjustment pursuant to Article I or Article III.

Section 6.13 Designated Regulatory Proceedings. Notwithstanding any provision of this Agreement to the contrary, Newquay shall, and shall cause Rover and National Grid USA Service Company, Inc. to, consult in good faith with Pluto and consider in good faith the views of Pluto with respect to each of the regulatory proceedings set forth in Schedule 6.13 of the Newquay Disclosure Schedule and any subsequent regulatory proceedings regarding the regulatory proceedings set forth in Schedule 6.13 of the Newquay Disclosure Schedule (collectively, the "Designated Regulatory Proceedings"), including in connection with (a) the scheduling and conducting of all formal meetings with any Rover Utility Regulator on any Designated Regulatory Proceeding, (b) the making of all applications and filings with, and obtaining any consents, approvals or authorizations from, any Rover Utility Regulator for any Designated Regulatory Proceeding and (c) the resolution of any investigation or other inquiry by any Rover Utility Regulator in respect of any Designated Regulatory Proceeding.

Section 6.14 Pluto Topco Guarantee. Pluto Topco shall cause Pluto to comply with all of Pluto's agreements, covenants and obligations under this Agreement and hereby unconditionally and irrevocably guarantees to Newquay the full and complete performance of all of Pluto's agreements, covenants and obligations under this Agreement on a timely basis, including the due and punctual payment by Pluto of Pluto's payment obligations and liabilities under this Agreement (the "Guaranteed Obligations"). The foregoing sentence is an absolute, unconditional and continuing guarantee of the full and punctual discharge and performance of the Guaranteed Obligations. If Pluto defaults in the discharge and performance of all or any portion of its payment obligations under this Agreement, the obligations of Pluto Topco hereunder shall become immediately due and payable. Parent hereby waives diligence, presentment, demand of performance, filing of any claim, any right to require any proceeding first against Pluto, protest, notice and all demands whatsoever in connection with the performance of its obligations set forth in this Section 6.14 or elsewhere in this Agreement.

Section 6.15 FCC Licenses. Prior to the Closing, Newquay shall use its reasonable best efforts to, or to cause its Affiliates to, transfer or assign, in whole or in part, to Rover each license, permit or other authorization issued or granted by the Federal Communications Commission (or any successor thereto) to Newquay or an Affiliate of Newquay that is necessary to conduct the Rover Business in all material respects in the manner in which it is currently conducted (each, an "FCC License"), effective as of the Closing. In the event that any FCC License has not been transferred or assigned, in whole or in part, to Rover as of the Closing, the Parties hereby acknowledge and agree that access to the applicable spectrum licensed under any such FCC License that is not so transferred or assigned shall be provided under the Transition Services Agreement in accordance with the terms thereof.

ARTICLE VII
CONDITIONS PRECEDENT

Section 7.1 Conditions of Both Parties to Closing. The respective obligation of each Party to effect the transactions contemplated hereby is subject to the satisfaction or, to the extent permitted by Requirement of Law, waiver, in whole or in part, by Newquay and Pluto at or prior to the Closing of the following conditions:

(a) No (i) temporary restraining order or preliminary or permanent injunction or other order by any Governmental Authority of competent jurisdiction preventing consummation of the Transactions, or (ii) Requirement of Law prohibiting, materially restraining or making illegal the consummation of the Transactions (collectively, “Transaction Restraints”) shall be in effect.

(b) (i) the Required Statutory Approvals shall have been obtained, and such approvals shall have become Final Orders, and (ii) the waiting periods (and any extensions thereof) under the HSR Act applicable to the Transactions shall have expired or been terminated or the necessary clearance or approval thereunder shall have been received.

(c) The “Closing” (as defined in the Island Sale Purchase Agreement) shall have occurred or shall be occurring concurrently with the Closing.

Section 7.2 Conditions to Obligations of Newquay to Close. Newquay’s obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, prior to or at the Closing, of each of the following conditions:

(a) (i) Each of the representations and warranties of Pluto set forth in this Agreement (other than the representations and warranties contained in Section 4.1, Section 4.2, Section 4.5 and Section 4.6 (the “Pluto Designated Representations”)) shall be true and correct as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except that, in each case, representations and warranties that speak as of a specified date shall have been true and correct only on such date) except for such failures to be true and correct (when taken together and disregarding all qualifications and exceptions contained therein as to “materiality”) that has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Pluto’s ability to perform its obligations under this Agreement or to consummate the Transactions.

(ii) Each of the Pluto Designated Representations qualified by “materiality” shall be true and correct and each of the Pluto Designated Representations not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except that, in each case, representations and warranties that speak as of a specified date shall have been true and correct only on such date).

(b) Pluto shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing.

(c) Newquay shall have received at the Closing a certificate dated the Closing Date, which certificate shall be validly executed on behalf of Pluto by an appropriate executive officer of Pluto, certifying that the conditions specified in Section 7.2(a) and Section 7.2(b) have been satisfied.

(d) The Final Orders granting the Massachusetts Approval shall not impose terms or conditions that, individually or in the aggregate, would reasonably be expected to have a Newquay Burdensome Effect.

Section 7.3 Conditions to Obligations of Pluto to Close. Pluto's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, prior to or at the Closing, of each of the following conditions:

(a) (i) Each of the representations and warranties of Newquay set forth in this Agreement (other than the representations and warranties contained in Section 5.1, Section 5.2, Section 5.5 and Section 5.22 (the "Newquay Designated Representations")) shall be true and correct as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except that, in each case, representations and warranties that speak as of a specified date shall have been true and correct only on such date) except for such failures to be true and correct (when taken together and disregarding all qualifications and exceptions contained therein as to "materiality" or "Rover Material Adverse Effect") that have not had or would not reasonably be expected to have, individually or in the aggregate, a Rover Material Adverse Effect.

(ii) The representations and warranties of Newquay set forth in the Newquay Designated Representations qualified by "materiality" or "Rover Material Adverse Effect" shall be true and correct and each of the Newquay Designated Representations not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except that, in each case, representations and warranties that speak as of a specified date shall have been true and correct only on such date).

(b) Newquay shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing.

(c) After the date of this Agreement no Change that, individually or in the aggregate, has had or would reasonably be expected to have a Rover Material Adverse Effect shall have occurred and be continuing.

(d) Pluto shall have received at the Closing a certificate dated the Closing Date, which certificate shall be validly executed on behalf of Newquay by an appropriate executive officer of Newquay, certifying that the conditions specified in Section 7.3(a), Section 7.3(b) and Section 7.3(c) have been satisfied.

(e) The Final Orders granting the Required Statutory Approvals shall not impose terms or conditions that, individually or in the aggregate, would reasonably be expected to have a Rover Burdensome Effect.

ARTICLE VIII TAX MATTERS

Section 8.1 Allocation of Taxes and Indemnification.

(a) From and after the Closing Date, Pluto shall pay to Newquay the amount required to indemnify, defend, save and hold harmless Newquay Indemnified Parties from and against any and all (i) Taxes that are attributable to Rover with respect to any taxable period ending after the Closing Date, and for the portion of any Straddle Period beginning after the Closing Date (as determined under Section 8.1(c)); (ii) Taxes based upon, attributable to or resulting from any failure or failures to be true of, or inaccuracy in, any representation or warranty made in this Agreement; (iii) Taxes arising from or attributable to any breach or non-fulfillment of any covenant or agreement made by Pluto or any of their Affiliates in this Agreement; (iv) any Transfer Taxes payable by Pluto under Section 8.4; and (v) any costs and expenses, including reasonable out-of-pocket legal or accounting fees and expenses, attributable to any item described in (i) to (iv) (including, subject to Section 8.1(e), the contest of any Tax liability in connection therewith); *provided, however*, that Pluto shall not be liable, and Newquay Indemnified Parties shall not seek indemnification, for any Taxes or Losses to the extent recovery for such Taxes or Losses would constitute a duplicative payment of amounts recovered as a purchase price adjustment pursuant to Article I or Article III.

(b) From and after the Closing Date, Newquay shall pay to Pluto the amount required to indemnify, defend, save and hold harmless the Pluto Indemnified Parties from and against any and all (i) Taxes imposed on Rover that are attributable to any taxable period ending on or before the Closing Date, and for the portion of any Straddle Period ending on (and including) the Closing Date (as determined under Section 8.1(c)); (ii) Losses based upon, attributable to or resulting from any failure or failures to be true of, or inaccuracy in, any representation or warranty made in Section 5.11; (iii) Taxes based upon, attributable to or resulting from any failure or failures to be true of, or inaccuracy in, any representation or warranty made in this Agreement, other than representations or warranties made in Section 5.11 (which, for the avoidance of doubt, is addressed in clause (ii) above); (iv) Taxes arising from or attributable to any breach or non-fulfillment of any covenant or agreement made by Newquay or any of their Affiliates in this Agreement; (v) Taxes imposed on Rover as a result of Rover being a transferee or successor pursuant to applicable Requirement of Law, in either case where the liability of Rover is attributable to an event or transaction occurring before the Closing; (vi) amounts required to be paid by or imposed on Rover pursuant to any Tax allocation, Tax sharing, Tax indemnification or similar agreement or arrangement (other than indemnification or reimbursement provisions in any such agreement or arrangement entered into in the ordinary course of business, the principal subject of which does not relate to Taxes) to which Rover is a party or is otherwise subject, in either case, on or prior to the Closing Date; (vii) any Taxes imposed pursuant to U.S. Treasury Regulation Section 1.1502-6 (or any comparable provision under state, local or non-U.S. Requirements of Law or regulation imposing joint or several liability upon members of a consolidated, combined, affiliated, unitary or other group for Tax

purposes) for which Rover may be liable because of membership in the affiliated group, within the meaning of Section 1504(a) of the Code, of which Newquay is the common parent (the “Newquay Affiliated Group”) or any consolidated group, combined, affiliated or unitary group (other than the Newquay Affiliated Group) at any time on or prior to the Closing Date; (viii) any Losses in connection with an over-accrual or over-statement of any Tax asset to the extent such Tax asset was specifically reserved for, clearly set forth and verifiable as an asset on the Rover Final Closing Statement; and (ix) any costs and expenses, including reasonable, out-of-pocket legal or accounting fees and expenses, attributable to any item described in clauses (i) to (viii) (including, subject to Section 8.1(e), the contest of any Tax liability in connection therewith); *provided, however*, that Newquay shall not be liable, and the Pluto Indemnified Parties shall not seek indemnification, for any Taxes or Losses to the extent (A) such Taxes or Losses were specifically reserved for, clearly set forth and verifiable as a liability on the Rover Final Closing Statement, or (B) such Taxes or Losses are attributable to any transaction or action of Pluto or any of its Affiliates that occurs after the Closing on the Closing Date (other than an ordinary course transaction or an action contemplated by this Agreement or taken at the written request of Newquay, including any transactions resulting from any Rover Election, the Taxes resulting from which shall be borne solely by Newquay).

(c) Straddle Period Tax Allocation. For purposes of this Article VIII, in the case of Taxes that are payable with respect to a taxable period that begins on or before the Closing Date and ends after the Closing Date (a “Straddle Period”), the portion of any such Tax that is allocable to the portion of the period ending on and including the Closing Date shall be:

(i) in the case of Taxes that are either (x) based upon or related to income, profits, gains or receipts, or (y) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), deemed equal to the amount that would be payable if the taxable year ended with (and included) the Closing Date;

(ii) in the case of Taxes imposed on a periodic basis with respect to the assets of Rover or otherwise measured by the level of any item not described in clause (i), deemed to be the amount of such Taxes for the entire period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), *multiplied by* a fraction the numerator of which is the number of calendar days in the period ending on and including the Closing Date and the denominator of which is the number of calendar days in the entire period; and

(iii) in the case of Taxes in the form of interest or penalties, all such Taxes to the extent relating to a Tax for a taxable period ending on or before the Closing Date whether such items are incurred, accrued, assessed or similarly charged on, before or after the Closing Date.

(d) Whenever in accordance with this Article VIII Newquay shall be required to pay to Pluto an amount pursuant to Section 8.1(b), or Pluto shall be required to pay to Newquay an amount pursuant to Section 8.1(a), such payments shall be made by the later of (i) thirty (30) days after such payments are requested or (ii) five (5) days before the requesting Party is required to pay the related Tax liability under applicable Requirements of Law.

(e) Tax Controversies.

(i) If a claim for Taxes, including notice of a pending audit, shall be made by any Governmental Authority in writing, which, if successful, might result in an indemnity payment to the Party receiving such notice pursuant to this Section 8.1 (a “Tax Claim”), the Party receiving such notice shall notify the other Party promptly in writing of the Tax Claim. Such notice shall specify in reasonable detail the basis for such Tax Claim and shall include a copy of the relevant portion of any correspondence received from the Governmental Authority. Failure by the Party seeking indemnification to give prompt notice of a Tax Claim shall not relieve the other Party of liability under this Agreement except to the extent that such other Party demonstrates that its position is materially prejudiced as a result thereof (as determined by a court of competent jurisdiction).

(ii) Subject to Section 8.1(e)(iv) and Section 8.1(e)(v), Newquay shall control the defense of any Tax Claim with respect to Rover that relates to any taxable period which ends on or before the Closing Date. Notwithstanding the foregoing, in the event that Newquay has not assumed the defense of any Tax Claim which it is entitled to control pursuant to the preceding sentence by providing written notice of its intent to assume the defense of such claim to Pluto within thirty (30) days of the receipt of the notice required under Section 8.1(e)(i), Pluto may defend the same in such manner as it may deem appropriate (acting reasonably and in good faith as if it were the only party in interest in connection with such Tax Claim), including settling such Tax Claim; *provided, however*, that Pluto shall not settle such Tax Claim without the prior written consent of Newquay, which consent shall not be unreasonably withheld, delayed or conditioned. For the avoidance of doubt, Newquay shall be responsible, in accordance with Section 8.1(b), for any costs and expenses, including reasonable out of pocket legal and accounting fees and expenses, incurred by Pluto or any of its Affiliates in defending a Tax Claim that Newquay elects not to control pursuant to this Section 8.1(e)(ii).

(iii) Subject to Section 8.1(e)(iv) and Section 8.1(e)(v), with respect to any Tax Claim for a Straddle Period, (A) each of Newquay and Pluto may participate in the Tax Claim, (B) such Tax Claim shall be contested and defended by the Party which would bear the burden of the greater portion of the sum of any adjustment and any corresponding adjustments that reasonably may be anticipated (as determined under Section 8.1(c)); *provided* that such Tax Claim shall not be settled without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned.

(iv) Except as provided in Section 8.1(e)(v), the Party that is controlling the Tax Claim pursuant to Section 8.1(e)(ii) or Section 8.1(e)(iii) (the “Controlling Party”) shall (A) provide the other Party (the “Non-Controlling Party”) with notice reasonably in advance of, and the Non-Controlling Party shall have the right, at its expense, to participate in such Tax Claim to the extent allowed pursuant to the Requirements of Law including the right to attend any meetings with a Governmental Authority (including meetings with examiners) or hearings or proceedings before any Governmental Authority to the extent they relate to such Tax Claim, and (B) reasonably consult with the Non-Controlling Party before taking any significant action (including submitting written materials) in connection with such Tax Claim, including giving the Non-Controlling Party the opportunity to comment on such written materials prior to their submission.

(v) Notwithstanding any other provision of this Agreement to the contrary, (A) neither Newquay nor any of its Affiliates shall be entitled to participate in any Tax Claim relating to any consolidated, combined, affiliated or unitary Tax Return which includes Pluto or any of its Affiliates and (B) neither Pluto nor any of its Affiliates shall be entitled to participate in any Tax Claim relating to any consolidated, combined, affiliated or unitary Tax Return which includes Newquay or any of its Affiliates.

Section 8.2 Tax Returns and Refunds.

(a) Rover Tax Returns. Newquay shall prepare or cause to be prepared all Tax Returns required to be filed by Rover for any taxable period which ends on or before the Closing Date that are due after the Closing Date (giving effect to any valid extensions of the due date for filing any such Tax Returns); *provided*, that Newquay shall prepare or cause to be prepared all such Tax Returns (other than Tax Returns of a Newquay Affiliated Group or other consolidated group, combined, affiliated or unitary group of which Rover is a member), to the extent permitted by Requirements of Law, in a manner consistent with past practice. Pluto shall timely file or cause to be timely filed any Tax Return required to be filed by Rover after the Closing Date that is prepared by Newquay pursuant to the preceding sentence. Pluto shall prepare or cause to be prepared and timely file or cause to be filed all Tax Returns required to be filed by Rover for taxable periods ending after the Closing Date and all required Tax Returns for subsequent taxable periods. All such Tax Returns that relate to Straddle Periods shall be prepared and all elections with respect to such Tax Returns that relate to Straddle Periods shall be made, to the extent permitted by Requirements of Law, in a manner consistent with past practice. Before filing any Tax Return with respect to any Straddle Period, Pluto shall provide Newquay with a copy of such Tax Return at least ten (10) days prior to the last date for timely filing such Tax Return (giving effect to any valid extensions thereof) accompanied by a statement calculating in reasonable detail Newquay's indemnification obligation, if any, pursuant to Section 8.1(b). To the extent that Newquay, its Affiliates or Rover has paid prior to the Closing Date to a Governmental Authority an amount in excess of Newquay's share of Taxes for a Straddle Period pursuant to Section 8.1(b), Pluto shall pay to Newquay the amount of such excess within ten (10) days of filing such Straddle Period Tax Return. Notwithstanding anything in this Agreement to the contrary, Newquay shall have no indemnification obligation pursuant to Section 8.1(b) with respect to any Taxes covered by such Tax Return unless and until Newquay has received such Tax Return and such statement. If for any reason Newquay does not agree with Pluto's calculation of its indemnification obligation, Newquay and Pluto shall consult and cooperate to resolve in good faith any such disagreements. In the event the Parties are unable to resolve any dispute within five (5) days following the delivery of such Tax Return to Newquay, the Parties shall consult and cooperate to resolve their dispute by submitting such dispute to the Accountant, which shall attempt to resolve any issue before the due date of such Tax Return, in order that such Tax Return may be timely filed. The scope of the Accountant's review shall be limited to disputed items. If the Accountant does not resolve any differences between Newquay and Pluto with respect to such Tax Return at least two (2) days prior to the due date therefor, such Tax Return shall be filed as prepared by Pluto, and Pluto shall subsequently amend the Tax Return to reflect the Accountant's resolution within ten (10) days of the date of such resolution.

Each of Newquay and Pluto shall bear the fees and expenses of the Accountant in inverse proportion as they may prevail on the matters resolved by the Accountant, which proportionate allocation will also be determined by the Accountant and included in the Accountant's report. For the avoidance of doubt, the preparation and filing of any Tax Return of Rover that does not relate to a taxable period ending on or before the Closing Date or a Straddle Period shall be exclusively within the control of Pluto. Without the prior written consent of Newquay (which consent shall not be unreasonably withheld, delayed or conditioned), Pluto shall not, and shall not permit any of its Affiliates to, except to the extent required by applicable Requirements of Law or a Determination in connection with a Tax Claim contested in accordance with Section 8.1(c), amend any Tax Returns or make or change any Tax elections (other than making the Rover Elections) or accounting methods with respect to the Transactions, in each case with respect to Rover and relating to a taxable period ending on or before the Closing Date or the portion of any Straddle Period ending on (and including) the Closing Date (as determined under Section 8.1(c)).

(b) Rover Refunds. Any refunds or credits of Taxes of Rover *plus* any interest received with respect thereto from the applicable Governmental Authority for any taxable period ending on or before the Closing Date (including refunds or credits arising by reason of amended Tax Returns filed after the Closing Date) shall be for the account of Newquay and shall be paid by Pluto or any of its Affiliates to Newquay within ten (10) days after Pluto or any of its Affiliates receives such refund or after the relevant Tax Return is filed in which the credit is applied against Pluto's or any of its Affiliates' liability for Taxes. Notwithstanding the foregoing, any refunds or credits of Taxes of Rover for any taxable period ending on or before the Closing Date that are attributable to (i) carrybacks of losses or credits from a taxable period beginning after the Closing Date or (ii) any Tax asset to the extent such Tax asset was specifically reserved for, clearly set forth and verifiable as an asset on the Rover Final Closing Statement, shall be for the account of Pluto. In the event a refund of or credit for Taxes paid by Pluto to Newquay is subsequently denied by a Governmental Authority, Newquay shall promptly repay such refund or an amount equal to such credit (including interest) to Pluto. Any refunds or credits of Taxes of Rover *plus* any interest received with respect thereto from the applicable Governmental Authority for any taxable period beginning after the Closing Date shall be for the account of Pluto. Any refunds or credits of Taxes of Rover for any Straddle Period shall be apportioned between Pluto and Newquay in the same manner as the liability for such Taxes is apportioned pursuant to Section 8.1. For purposes of this Section 8.2(b), any reduction in Tax liability for a period beginning after the Closing Date shall be treated as a refund for a taxable period ending on or before the Closing Date if such Tax reduction is provided in lieu of such a refund.

(c) Newquay Refund Request Procedures. At Newquay's request and expense and subject to Pluto's written consent, which consent shall not be unreasonably withheld, delayed or conditioned, Pluto shall, or shall cause its relevant Affiliates to, file for and obtain any refunds or credits to which Newquay is entitled under this Article VIII. In connection therewith, (i) Pluto shall permit Newquay to control the prosecution of any such refund claim that relates to refunds or credits to which Newquay or any of its Affiliates is entitled under this Article VIII and, where agreed by Pluto and Newquay, shall, or shall cause its relevant Affiliates to, authorize by appropriate powers of attorney such Persons as Newquay shall designate to represent such Affiliates with respect to such refund claim and (ii) Pluto shall, or shall cause its

relevant Affiliates to, forward to Newquay any such refund within ten (10) days after the refund is received (or reimburse Newquay and any of its Affiliates for any such credit within ten (10) days after the relevant Tax Return is filed in which the credit is applied against any of such relevant Affiliates' liability for Taxes). In the event such refund of or credit for Taxes is subsequently denied by a Governmental Authority, Newquay shall promptly repay such refund or an amount equal to such credit (including interest) to Pluto.

Section 8.3 Section 338 Election.

(a) With respect to the sale and acquisition of Rover pursuant to this Agreement, Newquay shall, or shall cause one or more of its Affiliates to, join with Pluto or one or more of its Affiliates in making a timely, effective and irrevocable election under Section 338(h)(10) of the Code (and any corresponding elections under any applicable state and local Requirements of Law) with respect to the purchase and sale of the issued and outstanding shares of capital stock of Rover (each a "Rover Election" and collectively, the "Rover Elections"). At least ten (10) days prior to the Closing Date, Pluto and Newquay shall agree on the form and content of the Forms 8023 on which each such Rover Election shall be made, and at or prior to the Closing, Newquay shall deliver to Pluto and Pluto shall deliver to Newquay properly executed and mutually agreed upon Forms 8023 with respect to Rover containing information then available, which Pluto shall file or cause to be filed with the IRS as soon as reasonably practicable after the Closing. The Parties shall cooperate to prepare and timely file, or cause to be prepared and timely filed, the IRS forms required to be filed in connection with each Rover Election pursuant to this Section 8.3(a), including IRS Forms 8023 and Forms 8883 and any other required forms or schedules thereto and any similar forms necessary to effectuate the Rover Elections under applicable state and local Requirements of Law (collectively, the "Section 338(h)(10) Forms"). Pluto shall provide Newquay with final copies of any such Section 338(h)(10) Forms filed by Pluto and other documentation confirming their filing not later than fifteen (15) days after such forms are filed.

(b) Within forty-five (45) days following the date that the Rover Adjustment Amount is finally determined pursuant to Section 3.2, Pluto shall provide or cause to be provided to Newquay (A) an allocation, for Tax purposes, of the total consideration paid to Newquay by Pluto and its Affiliates pursuant to this Agreement for the Rover Equity Interest among Rover's assets in accordance with Sections 338 and 1060 of the Code (the "Rover Allocation Schedule"), and (B) a complete set of draft IRS Forms 8883 (and any comparable forms required to be filed under state or local Requirements of Law with respect to Taxes) and any additional data or materials required to be attached to Form 8883 pursuant to the U.S. Treasury Regulations promulgated under Section 338 of the Code. The Rover Allocation Schedule shall be deemed final unless, within sixty (60) days after delivery thereof, Newquay notifies Pluto in writing that Newquay objects to the draft Rover Allocation Schedule, in which case Pluto and Newquay shall negotiate in good faith to resolve any such dispute with respect to the draft Rover Allocation Schedule. Any disputes that Pluto and Newquay are unable to resolve shall be resolved by the Accountant pursuant to Section 8.7.

(c) Each of Pluto and Newquay shall, and shall cause its respective Affiliates to, take all actions necessary and appropriate to effect the Rover Elections in accordance with the provisions of Section 338 of the Code and any applicable U.S. Treasury Regulations (and any comparable provisions of state or local Requirements of Law with respect to Taxes) or any successor provisions, including (as applicable) signing and timely filing the Section 338(h)(10) Forms and any additional forms. To the extent permissible pursuant to the Requirements of Law, each of Pluto and Newquay shall, and shall cause its respective Affiliates to, cooperate in the preparation and timely filing of any (i) corrections, amendments or supplements to the Section 338(h)(10) Forms (including Form 8023 and Form 8883) and (ii) state or local forms or reports that are necessary or appropriate for purposes of complying with the requirements for making any state or local election that is comparable to the Rover Election.

(d) Each of Pluto and Newquay shall, and shall cause its respective Affiliates to, report the sale and acquisition, respectively, of the stock of Rover pursuant to this Agreement consistent with the Rover Elections made pursuant to Section 8.3(a), the Rover Allocation Schedule (as finally agreed pursuant to Section 8.3(b)) and any Section 338(h)(10) Forms and shall take no position to the contrary thereto in any Tax Return, or in any proceeding before any Governmental Authority or otherwise.

(e) Neither Pluto, Newquay nor any of their respective Affiliates shall take any action to modify any of the forms or reports (including any corrections, amendments or supplements thereto) that are required for the making of a Rover Election and any comparable elections under state or local Requirements of Law with respect to Taxes after their execution or to modify or revoke any Rover Election following the filing of the Forms 8023 without the prior written consent of Pluto and Newquay, as the case may be, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 8.4 Transfer Taxes. Pluto shall be responsible for and shall pay one hundred percent (100%) of all documentary, sales, use, registration, value added, transfer, stamp, registration and similar Taxes, fees and costs (including interest, penalties and additions to any such Taxes) imposed on or payable in connection with its purchase of the Rover Equity Interest pursuant to this Agreement (“Transfer Taxes”). Pluto shall prepare and timely file, or cause to be prepared and timely filed, any Tax Returns and other necessary documentation required to be filed with respect to any such Transfer Taxes, and shall timely pay or cause to be timely paid all Transfer Taxes shown as due thereon. Pluto shall provide to Newquay a true copy of each such Tax Return as filed and evidence of the timely filing thereof. Pluto and Newquay shall, and shall cause their respective Affiliates to, reasonably cooperate in reducing the amount of any Transfer Taxes or obtaining exemptions therefrom.

Section 8.5 Tax Sharing Agreements. Any and all existing agreements relating to the allocation or sharing of Taxes, other than this Agreement, the Transition Services Agreement and any such contract or agreement entered into in the ordinary course of business and for which Taxes are not the principal subject matter (the “Tax Sharing Agreements”) between Rover, on the one hand, and Newquay or any of its Affiliates, on the other hand, shall, in each case, be terminated as of the Closing Date solely with respect to Rover. After the Closing Date, Rover shall not have any further rights or obligations under any such Tax Sharing Agreement.

Section 8.6 Characterization of Indemnification Payments. To the extent permitted pursuant to the Requirements of Law, any payments made pursuant to Section 3.2 and any indemnification payments made under this Article VIII or Article X shall be treated for all Tax purposes as adjustments to the aggregate purchase price for the Rover Equity Interest.

Section 8.7 Resolution of All Tax Related Disputes. Except as otherwise provided in this Article VIII, with respect to any dispute or disagreement between the Parties relating to Taxes, the Parties shall cooperate in good faith to resolve such dispute between them; but if the Parties are unable to resolve such dispute, the Parties shall submit the dispute to the Accountant for resolution, which resolution shall be final, conclusive and binding on the Parties. Notwithstanding anything in this Agreement to the contrary, the fees and expenses relating to any dispute as to the amount of Taxes owed by either of the Parties shall be paid by Newquay, on the one hand, and Pluto, on the other hand, in proportion to each Party's respective liability for the portion of the Taxes in dispute, as determined by the Accountant.

Section 8.8 Cooperation, Exchange of Information and Record Retention.

(a) Newquay and Pluto shall provide each other, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives to provide each other, with such cooperation and information relating to Rover (including cooperation with respect to any audit), as any of them reasonably may request of another, including in (i) preparing and filing any Tax Return, amended Tax Return or claim for refund, including maintaining and making available to each other all records necessary in connection with Taxes; (ii) resolving all disputes and audits with respect to all taxable periods relating to Taxes; (iii) contesting or compromising any Tax Claim; (iv) determining a Tax liability or a right to a refund of Taxes; (v) participating in or conducting any audit or other proceeding in respect of Taxes; and (vi) connection with all other matters covered in this Article VIII. Each such Party shall make its employees available on a mutually convenient basis to provide explanations of any documents or information provided hereunder. To the extent reasonably requested by Newquay, Pluto shall cause Rover to authorize by appropriate powers of attorney such Persons as Newquay shall designate to represent Rover with respect to subclauses (i)-(vi) of this Section 8.8(a).

(b) Newquay and Pluto recognize that Newquay and its Affiliates will need access, from time to time, after the Closing Date, to certain accounting and Tax records and information held by Rover to the extent such records and information pertain to events occurring on or prior to the Closing Date; therefore, Newquay and Pluto agree that from and after the Closing Date, Pluto and its Affiliates shall (A) retain and maintain all such records including all Tax Returns, schedules and work papers, records and other documents in their possession relating to Tax matters of Rover for taxable periods ending on or prior to the Closing Date and for each Straddle Period for the longer of (x) the seven-year period beginning on the Closing Date or (y) the full period of the applicable statute of limitations, excluding any extension thereof and (B) allow the agents and representatives of Newquay and its Affiliates, upon reasonable notice and at mutually convenient times to inspect, review and make copies of such records (at the expense of Newquay) as Pluto and Newquay may deem reasonably necessary or appropriate from time to time. Pluto agrees that it shall provide Newquay with written notice thirty (30) calendar days prior to transferring, destroying or discarding the last copy of any such materials and Newquay shall have the right, at its expense, to copy or take any such materials; *provided* that Newquay provides written notice stating its intent to copy or take such materials no later than twenty (20) days after having received notice that such materials are being transferred, destroyed or discarded. Any information obtained under this Section 8.8(b) shall be kept confidential except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding.

(c) Notwithstanding any other provision of this Agreement or the Transition Services Agreement, (i) neither Pluto nor any of its Affiliates shall be entitled to any information relating to, or a copy of, any consolidated, combined, affiliated or unitary Tax Return which includes Newquay or any of its Affiliates and (ii) neither Newquay nor any of its Affiliates shall be entitled to any information relating to, or a copy of, any consolidated, combined, affiliated or unitary Tax Return which includes Pluto or any of its Affiliates; *provided, however*, that Pluto shall be entitled to a copy of a pro forma Tax Return for Rover.

Section 8.9 Survival of Tax Provisions. Any claim to be made pursuant to Article VIII must be made before sixty (60) days after the expiration (giving effect to any valid extensions, waivers and tolling periods) of the applicable statutes of limitations relating to the Taxes at issue or, solely with respect to a claim for a refund or credit of Taxes (or an adjustment with respect thereto), the later of (i) sixty (60) days after the expiration (giving effect to any valid extensions, waivers and tolling periods) of the applicable statute of limitations relating to the Taxes at issue or (ii) one year after the Party making the claim becomes aware of sufficient facts relating to such refund or credit or adjustment to seek indemnification or reimbursement under this Article VIII.

Section 8.10 Exclusivity. Notwithstanding anything to the contrary in this Agreement, Article VIII shall govern (a) the retention of records with respect to Rover and (b) indemnification claims, in each case with respect to Taxes and the procedures relating thereto. For the avoidance of doubt, except as expressly provided in this Article VIII or Article X, the provisions of Article X (other than Section 10.5(c) and Section 10.7) shall not apply.

ARTICLE IX TERMINATION

Section 9.1 Termination. This Agreement may be terminated and the Transactions may be abandoned at any time prior to the Closing:

(a) by the mutual written consent of Newquay and Pluto;

(b) by either Newquay or Pluto in the event (i) any Governmental Authority has denied a Required Statutory Approval and such denial has become final and nonappealable, or (ii) any Requirement of Law or Final Order permanently restraining, enjoining or otherwise prohibiting the consummation of the Transactions shall no longer be subject to rehearings or appeals; *provided* that the right to terminate this Agreement pursuant to this Section 9.1(b) shall not be available to any Party that has breached in any material respect its obligations set forth in this Agreement;

(c) by either Newquay or Pluto in the event that the transactions contemplated by this Agreement are not consummated by March 17, 2022 (as such date may be extended pursuant to the succeeding proviso, the “Outside Date”); *provided*, that (i) the Outside Date shall be automatically extended without any action required by any Party by three (3) months if (A) the conditions to the Closing set forth in Section 7.1(b) or Section 7.1(c) have not been satisfied, and (B) all other conditions to the Closing set forth in Article VII have been satisfied or waived (or are capable of being satisfied at the Closing if the Closing were then to occur) and (ii) the Outside Date shall be automatically extended without any action required by any Party by an additional three (3) months if (A) the conditions to the Closing set forth in Section 7.1(b) (with respect to the Massachusetts Approval only) have not been satisfied, and (B) all other conditions to the Closing set forth in Article VII have been satisfied or waived (or are capable of being satisfied at the Closing if the Closing were then to occur); and *provided, further*, that the right to terminate this Agreement pursuant to this Section 9.1(c) shall not be available to any Party that has breached in any material respect its obligations set forth in this Agreement in any manner that shall have materially contributed to or resulted in the failure of the Closing to occur on or prior to the Outside Date (as may have been extended);

(d) by Pluto in the event that there shall have been a breach by Newquay of any of its covenants or agreements or any of the representations or warranties set forth in this Agreement, which breach, either individually or in the aggregate, would result in, if occurring or continuing on the Closing Date, the failure of the conditions set forth in Section 7.1 or Section 7.3, and which is not cured within the earlier of (i) forty-five (45) days following written notice to Newquay, or (ii) one (1) day prior to the Outside Date, *provided*, that, such cure period shall not apply if such breach by its nature or timing cannot be cured within such time period (*provided, further*, that, Pluto is not then in breach, in any material respect, of any of its covenants or agreements contained in this Agreement);

(e) by Newquay in the event that there shall have been a breach by Pluto of any of its covenants or agreements or any of the representations or warranties set forth in this Agreement, which breach, either individually or in the aggregate, would result in, if occurring or continuing on the Closing Date, the failure of the conditions set forth in Section 7.1 or Section 7.2, and which is not cured within the earlier of (i) forty-five (45) days following written notice to Pluto, or (ii) one (1) day prior to the Outside Date, *provided*, that, such cure period shall not apply if such breach by its nature or timing cannot be cured within such time period (*provided further* that, Newquay is not then in breach, in any material respect, of any of its covenants or agreements contained in this Agreement); or

(f) by either Newquay or Pluto in the event that the Island Sale Purchase Agreement has been terminated in accordance with its terms.

The Party desiring to terminate this Agreement pursuant to this Section 9.1 shall give written notice of such termination to the other Party, specifying the provision or provisions hereof pursuant to which such termination is effected.

Section 9.2 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, no Party (or any of its Affiliates or their respective directors, officers, employees, representatives or agents) will have any liability or further obligation to any other Party to this Agreement, except that (i) the obligations set forth in Section 6.2(c), this Section 9.2 and Section 11.10 shall survive such termination and (ii) subject to the provisions of this Section 9.2, no such termination shall relieve the breaching Party from liability for damages resulting from any material breach by such Party of this Agreement prior to such termination that is a consequence of an act or failure to act undertaken by the breaching Party with actual knowledge that the action so taken or omitted to be taken would constitute a breach of this Agreement.

ARTICLE X INDEMNIFICATION

Section 10.1 Survival of Representations and Warranties and Covenants.

(a) Except for the representations and warranties in Section 5.11, the survival of which is governed exclusively by Section 8.9, the representations and warranties set forth in this Agreement and the right to commence any claim with respect thereto shall survive until the date that is eighteen (18) months following the Closing Date; *provided* that (i) the Pluto Designated Representations and the Newquay Designated Representations shall survive until the date that is sixty (60) days after the date on which the applicable statute of limitations period expires. Any covenant, agreement or obligation that by its terms is to be performed prior to or at the Closing and the right to commence any claim with respect thereto shall survive until the date that is eighteen (18) months following the Closing Date. However, in the event written notice of any claim for indemnification under Section 10.2 or Section 10.3 shall have been given in accordance herewith within the applicable survival period setting forth in reasonable detail the nature of such claim (including a reasonable specification of the legal and factual basis for such claim), the representations and warranties or covenants that are the subject of such indemnification claim shall survive with respect to such claim until such time as such claim is fully and finally resolved.

(b) This Section 10.1 shall not limit any covenant or agreement of the Parties contained in this Agreement which by its terms contemplates performance after the Closing, which shall survive in accordance with its terms and shall not extend the applicability of any covenant or agreement of the Parties contained in this Agreement which by its terms relates only to a period between the date hereof and the Closing; *provided* that nothing herein shall restrict a Party's right to commence any claim with respect to such covenant or agreement following the Closing, subject to the limitations set forth in Section 10.1(a).

Section 10.2 Indemnification of Newquay. Subject to the terms of Article VIII and this Article X, from and after the Closing, Pluto shall indemnify, defend, save and hold harmless Newquay and its Affiliates and each of their respective officers, directors, employees, agents, representatives, successors and assigns (collectively, the "Newquay Indemnified Parties"), from and against any and all:

(a) Losses to the extent resulting from or arising out of any breach by Pluto of any representation or warranty in this Agreement or any certificate related thereto; and

(b) Losses to the extent resulting from or arising out of the failure by Pluto to perform any of its covenants or agreements contained in this Agreement.

Section 10.3 Indemnification of Pluto. Subject to the terms of Article VIII and this Article X, from and after the Closing, Newquay shall indemnify, defend, save and hold harmless Pluto and its Affiliates and each of their respective officers, directors, employees, agents, representatives, successors and assigns (collectively, the "Pluto Indemnified Parties") and together with Newquay Indemnified Parties, the "Indemnified Parties," and each, an "Indemnified Party") from and against any and all:

(a) Losses to the extent resulting from or arising out of any breach by Newquay of any representation or warranty in this Agreement (other than the representations and warranties contained in Section 5.11, which shall be governed exclusively by Section 8.1(b)) or any certificate related thereto; and

(b) Losses to the extent resulting from or arising out of the failure by Newquay to perform any of its covenants or agreements contained in this Agreement.

Section 10.4 Claims.

(a) Third-Party Claims. Upon receipt by an Indemnified Party of notice of any action, suit, proceedings, claim, demand or assessment (other than a Tax Claim) made or brought by an unaffiliated third party (a "Third-Party Claim") with respect to a matter for which such Indemnified Party is indemnified under this Article X which has or is reasonably expected to give rise to a claim for Losses, the Indemnified Party shall as soon as practicable, in the case of a Newquay Indemnified Party, notify Pluto and in the case of a Pluto Indemnified Party, notify Newquay (Pluto or Newquay, as the case may be, the "Indemnifying Party"), in writing, indicating the nature of such Third-Party Claim and the basis therefor; *provided, however*, that any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Such written notice shall (i) describe such Third-Party Claim in reasonable detail including the sections of this Agreement which form the basis for such Third-Party Claim; *provided* that the failure to identify a particular section in such notice shall not preclude the Indemnified Party from subsequently identifying such section as a basis for such claim, (ii) attach copies of all substantive written evidence thereof and (iii) if possible, set forth an estimate of the amount of Losses that have been or may be sustained by an Indemnified Party; *provided* that such estimate shall not be binding or used in place of the actual amount of Losses subject to this Article X. The Indemnifying Party shall have sixty (60) days after receipt of notice to elect, at its option, to assume and control the defense of, at its own expense and by its own counsel, any such Third-Party Claim and shall be entitled to assert any and all defenses available to the Indemnified Party to the fullest extent permitted under Requirements of Law. If the Indemnifying Party shall undertake to defend any such Third-Party Claim, it shall promptly, but in any event within sixty (60) days of the receipt of notice from the Indemnified Party of such Third-Party Claim, notify the Indemnified Party of its intention to do so, and the Indemnified Party agrees to cooperate fully with the Indemnifying Party and its counsel in the defense against, any such Third-Party Claim; *provided, however*, that the Indemnifying Party shall not settle, compromise or discharge, or admit any liability with respect to, any such Third-Party Claim without the prior written consent of the Indemnified Party (which consent will not be unreasonably withheld or delayed), unless the relief consists solely of money Losses to be paid by the Indemnifying Party and includes a provision whereby the plaintiff or claimant in the matter releases the Indemnified Parties from all liability with respect thereto. Notwithstanding an election to assume the defense of such action or proceeding at its own expense, provided that the Indemnified Party shall have the right to employ separate counsel and

to participate in the defense of such action or proceeding, and the Indemnifying Party shall bear the reasonable fees, costs and expenses of such separate counsel if (A) the Indemnified Party shall have determined in good faith that an actual or potential conflict of interest makes representation by the same counsel or the counsel selected by the Indemnifying Party inappropriate or (B) the Indemnifying Party shall have authorized the Indemnified Party to employ separate counsel at the Indemnifying Party's expense. In any event, the Indemnified Party and the Indemnifying Party and their counsel shall cooperate in the defense of any Third-Party Claim subject to this Article X, keep such Persons informed of all developments relating to any such Third-Party Claims and provide copies of all relevant correspondence and documentation relating thereto. All costs and expenses incurred in connection with the Indemnified Party's cooperation shall be borne by the Indemnifying Party; *provided* that the cost of any counsel of the Indemnified Party shall be borne by the Indemnifying Party only as set forth in this Section 10.4(a). If the Indemnifying Party receiving such notice of a Third-Party Claim does not elect to defend such Third-Party Claim or does not defend such Third-Party Claim in good faith, the Indemnified Party shall have the right, in addition to any other right or remedy it may have hereunder, at the Indemnifying Party's expense, to defend such Third-Party Claim; *provided, however*, that the Indemnified Party shall not settle, compromise or discharge, or admit any liability with respect to, any such Third-Party Claim without the written consent of the Indemnifying Party (which consent will not be unreasonably withheld or delayed).

(b) Direct Claims. In the event any Indemnified Party has a claim with respect to a matter for which such Indemnified Party is indemnified under this Article X that does not involve a Third-Party Claim being asserted against or sought to be collected from such Indemnified Party (a "Direct Claim"), the Indemnified Party shall as soon as practicable notify the Indemnifying Party in writing, indicating the nature of such Direct Claim and the basis therefor; *provided, however*, that any delay or failure by the Indemnified Party to give notice to the Indemnifying Party shall relieve the Indemnifying Party of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Such written notice shall (i) describe such Direct Claim in reasonable detail including the sections of this Agreement which form the basis for such Direct Claim; *provided* that the failure to identify a particular section in such notice shall not preclude the Indemnified Party from subsequently identifying such section as a basis for such claim, (ii) attach copies of all substantive written evidence thereof and (iii) if possible, set forth an estimate of the amount of Losses that have been or may be sustained by an Indemnified Party; *provided* that such estimate shall not be binding or used in place of the actual amount of Losses subject to this Article X. The Indemnifying Party shall have sixty (60) days after its receipt of such notice to respond in writing to such Direct Claim. During such sixty (60)-day period, the Indemnified Party shall allow the Indemnifying Party and its Representatives to investigate the matter or circumstance alleged to give rise to the Direct Claim, and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including reasonable access to the books, records and personnel of such Indemnified Party, if applicable) as the Indemnifying Party or any of its Representatives may reasonably request. If the Indemnifying Party does not respond within sixty (60) days of the receipt of notice from the Indemnified Party of such Direct Claim (or if in its response it disputes such Direct Claim), the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 10.5 Limitations: Payments.

(a) Notwithstanding anything contained in this Agreement to the contrary, Newquay shall not, other than with respect to any breach of any Newquay Designated Representation, be (i) liable for any amounts for which the Pluto Indemnified Parties are otherwise entitled to indemnification pursuant to Section 10.3(a) or Section 8.1(b)(iii) unless (A) a claim is timely asserted during the survival period specified in Section 10.1(a) or Section 8.9, as applicable, (B) the amount of Losses with respect to the particular act, circumstance, development, event, fact, occurrence or omission giving rise to such Losses exceeds \$3,500,000 (aggregating all such Losses arising from substantially identical facts) and (C) the aggregate amount of all Losses for which the Pluto Indemnified Parties are entitled to indemnification pursuant to Section 10.3(a) or Section 8.1(b)(iii) (for the avoidance of doubt, excluding Losses that do not exceed the amount set forth in clause (B) above) exceeds, on a cumulative basis, \$35,000,000 (the “Newquay Threshold”), and then only the extent of such excess) and (ii) required to make indemnification payments pursuant to Section 10.3(a) or Section 8.1(b)(iii) to the extent indemnification payments thereunder would exceed in the aggregate \$400,000,000 (the “Newquay Indemnification Cap”). Notwithstanding anything contained in this Agreement to the contrary, and without limiting the foregoing (including Newquay Indemnification Cap), the maximum amount of indemnifiable Losses that may be recovered from Newquay for any amounts due under Section 10.3 and Section 8.1(b)(iii) shall be \$3,770,000,000 (the “Newquay Total Cap”). For the avoidance of doubt, the Newquay Threshold, the Newquay Indemnification Cap and the Newquay Total Cap shall not apply to any remedies provided in Article VIII other than as provided in this Section 10.5(a).

(b) Notwithstanding anything contained in this Agreement to the contrary, in the event that any fact, event or circumstance which results in an adjustment to the purchase price pursuant to Article I or Article III would also constitute a breach or inaccuracy of any of a Party’s representations, warranties, covenants or agreements under this Agreement or otherwise result in a Loss to the other Party, such Party shall have no obligation to indemnify any Newquay Indemnified Party or Pluto Indemnified Party, as applicable, with respect to such breach or inaccuracy to the extent that (i) recovery for any such Loss would constitute a duplicative payment of amounts recovered as a purchase price adjustment pursuant to Article I or Article III or (ii) such Loss was reflected as a liability on the Rover Final Closing Statement, as applicable, for which there was a purchase price adjustment pursuant to Article I or Article III.

(c) Notwithstanding anything contained in this Agreement to the contrary, for purposes of (i) the determination of whether there was a breach of a representation or warranty as of any particular date and (ii) the existence or amount of any Losses in respect of any such breach, any materiality, Rover Material Adverse Effect standard or qualification contained in or otherwise applicable to such representation or warranty shall be disregarded; *provided* that this Section 10.5(c) shall not apply to the representations and warranties set forth in Section 5.6(a)(ii).

(d) Notwithstanding anything contained in this Agreement to the contrary, no Party shall have any liability pursuant to Section 10.2 or Section 10.3 for any special, indirect, consequential or punitive damages relating to a breach or alleged breach of this Agreement; *provided, however*, that any amounts payable to third parties pursuant to a Third-Party Claim shall not be deemed special, indirect, consequential or punitive damages.

Section 10.6 Insurance. Notwithstanding anything contained in this Agreement to the contrary, Losses shall be net of any insurance or other prior or subsequent recoveries actually received by the Indemnified Party or its Affiliates in connection with the facts giving rise to the claim for indemnification. If an Indemnified Party shall have used its reasonable best efforts to recover any amounts recoverable under insurance policies and shall not have recovered the applicable Losses, the Indemnifying Party shall be liable for the amount by which such Losses exceeds the amounts actually recovered.

Section 10.7 Remedies Exclusive. Except as otherwise specifically provided herein, and except in the case of fraud with respect to the representations and warranties contained in this Agreement, the remedies provided in Article VIII and this Article X shall be the exclusive monetary remedies (including equitable remedies that involve monetary payment, such as restitution or disgorgement, but excluding specific performance to enforce any payment or performance due hereunder) of the Parties from and after the Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement contained herein.

Section 10.8 Mitigation. Each Indemnified Party shall use its reasonable best efforts to mitigate any claim or liability that an Indemnified Party asserts or may assert under this Article X. In the event that an Indemnified Party shall fail to make such reasonable best efforts to mitigate any such claim or liability, then notwithstanding anything contained in this Agreement to the contrary, neither Pluto nor Newquay, as the case may be, shall be required to indemnify any Indemnified Party for that portion of any Losses that would reasonably be expected to have been avoided if the Indemnified Party had made such efforts.

ARTICLE XI MISCELLANEOUS

Section 11.1 Construction; Absence of Presumption.

(a) For the purposes of this Agreement: (i) words (including capitalized terms defined herein) in the singular shall be held to include the plural and vice versa and words (including capitalized terms defined herein) of one gender shall be held to include the other gender as the context requires; (ii) the terms “hereof”, “herein”, “hereunder” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Exhibits) and not to any particular provision of this Agreement, and Article, Section, paragraph and Exhibit references are to the Articles, Sections, paragraphs and Exhibits to this Agreement, unless otherwise specified; (iii) the word “including” and words of similar import when used in this Agreement means “including without limitation”; (iv) all references to any period of days shall be deemed to be to the relevant number of calendar days unless otherwise specified; (v) the word “or” shall not be deemed to be exclusive, unless otherwise specified; (vi) the phrase “taxable year” includes, where the context permits, an accounting period; (vii) the word “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase shall not mean simply “if”; (viii) except

as otherwise expressly provided, any information “made available” by a Party to the other Party shall include (A) with respect to information “made available” to Pluto, only that information contained in such documents posted to the applicable Intralinks dataroom by or on behalf of Newquay and (B) with respect to information “made available” to Newquay, only that information delivered electronically to Newquay or its Representatives, in each case of clause (A) and clause (B), no later than 12:00 p.m. New York City time on the date hereof; (ix) any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein; (x) the word “will” shall be construed to have the same meaning and effect as the word “shall”; and (xi) “\$” shall refer to United States dollars.

(b) The Parties hereby acknowledge that each Party and its counsel have participated jointly in the negotiation and drafting of this Agreement, have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall be employed in the interpretation of this Agreement (including all of the Exhibits hereto) or any amendments hereto or thereto.

(c) The Parties hereby acknowledge and agree that to the extent that there is a conflict with respect to any Tax matters between any (i) general provision of this Agreement and (ii) provision specifically relating to Tax matters, the terms of the specific Tax provision shall control.

Section 11.2 Headings. The Article and Section headings contained in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

Section 11.3 Notices. Except as otherwise provided in this Agreement, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and, in the case of delivery in person or by overnight courier, shall be deemed to have been duly given upon receipt) by delivery in person or overnight courier to the respective Parties at the following addresses, delivery by electronic mail transmission to the respective Parties at the following email addresses, or at such other address or email address for a Party as shall be specified in a notice given in accordance with this Section 11.3; *provided, however*, that delivery by electronic mail transmission shall be deemed to have been duly given upon receipt only if promptly confirmed by reply electronic mail transmission or telephone:

(a) If to Pluto or Pluto Topco:

PPL Corporation
Two North Ninth Street
Allentown, PA 18101
Attn: Jennifer McDonough
Email: jlmcdonough@pplweb.com

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005
Attn: Pankaj Sinha
Richard Oliver
Email: psinha@skadden.com
rioliver@skadden.com

(b) If to Newquay:

National Grid USA
40 Sylvan Road
Waltham, MA 02451
Attn: Keri Sweet-Zavaglia
Email: Keri.Sweet-Zavaglia@nationalgrid.com

With a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
Attn: Mark I. Greene
G.J. Ligelis Jr.
Email: MGreene@cravath.com
GLigelisJr@cravath.com

Section 11.4 Governing Law. This Agreement, and all claims or causes of action (whether at law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the Requirements of Law of the State of Delaware, without regard to any choice or conflict of law principles or rules (whether of the State of Delaware or any other jurisdiction) that would mandate or permit the application of the Requirements of Law of any jurisdiction other than the State of Delaware.

Section 11.5 Jurisdiction; Venue; Specific Performance; Waiver of Trial by Jury.

(a) Each Party agrees that all claims arising out of or in connection with this Agreement shall be brought in the Chancery Courts of the State of Delaware located in Wilmington, Delaware or, if under applicable Requirement of Law jurisdiction is not available in such courts, in the United States District Court for the District of Delaware. In connection with any action or proceeding in any such court, each Party (i) consents to the service of process or other papers in connection with such action or proceeding in the manner provided in Section 11.3 or in such other manner as permitted by Requirements of Law, (ii) submits with regard to any such action or proceeding, generally and unconditionally, to the personal jurisdiction of any such court, and (iii) irrevocably waives, to the fullest extent permitted by Requirements of Law, and

agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement in such court, any claim that the suit, action or proceeding in any such court is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement, or the subject matter hereof, may not be enforced in or by such court pursuant to this Section 11.5.

(b) The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties acknowledge and agree that, to prevent breaches or threatened breaches by the Parties of any of their respective covenants or obligations set forth in this Agreement and to enforce specifically the terms and provisions of this Agreement, the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled in law or in equity. In connection with any request for specific performance or equitable relief by any Party, each of the other Parties waives any requirement for the security or posting of any bond in connection with such remedy.

(c) EACH PARTY HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR THE TRANSACTIONS TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, OR ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 11.5(c).

Section 11.6 Entire Agreement. This Agreement, together with the Island Sale Purchase Agreement, the Transition Services Agreement and the Confidentiality Agreement and all Annexes and Exhibits hereto and thereto, embody the entire agreement of the Parties with respect to the subject matter hereof and supersede all prior agreements with respect thereto.

Section 11.7 Consents; Waivers; Amendments. All waivers and consents given hereunder shall be in writing. No waiver by any Party of any breach or anticipated breach of any provision hereof by any other Party shall be deemed a waiver of any other contemporaneous, preceding or succeeding breach or anticipated breach, whether or not similar. Except as provided in this Agreement, no action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance by any other Party with any representations, warranties, covenants or agreements contained in this Agreement. The failure of any Party to assert any rights under this Agreement or otherwise shall not constitute a waiver of such rights. Any amendment to this Agreement shall be in writing and signed by both Parties.

Section 11.8 Severability. If any provision of this Agreement or the application of any such provision is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted under Requirements of Law, the Parties waive any provision under Requirements of Law that renders any provision of this Agreement invalid, illegal or unenforceable in any respect. The Parties shall, to the extent lawful and practicable, use their reasonable best efforts to enter into arrangements to reinstate the intended benefits, net of the intended burdens, of any such provision held invalid, illegal or unenforceable.

Section 11.9 Successors and Assigns; No Third-Party Beneficiaries. Subject to the terms of this Section 11.9, this Agreement and all its provisions shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. Nothing in this Agreement, whether expressed or implied, will confer on any Person, other than the Parties or their respective permitted successors and assigns, any rights, remedies or liabilities; *provided* that the provisions of Article X will inure to the benefit of the Indemnified Parties and the provisions of Section 11.12 will inure to the benefit of Newquay Counsel. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party and any purported assignment without such consent shall be void.

Section 11.10 Expenses. Except as provided in Section 8.4, whether or not the Transactions are consummated, all expenses incurred in connection with this Agreement and the Transactions shall be paid by the Party incurring such expenses; *provided* that each of the Parties shall bear fifty percent (50%) of all filing fees of the Parties or their Affiliates related to the filings required to be made to obtain the Required Statutory Approvals, including under the HSR Act.

Section 11.11 Counterparts. This Agreement may be executed by the parties hereto in multiple counterparts which may be delivered by .pdf transmission. Each counterpart when so executed and delivered shall be deemed an original, and all such counterparts taken together shall constitute one and the same instrument.

Section 11.12 Privilege; Counsel. Herbert Smith Freehills LLP, Cravath, Swaine & Moore LLP, Morgan, Lewis & Bockius LLP, Eversheds Sutherland (US) LLP, Eversheds Sutherland (International) LLP, and Keegan Werlin LLP (each, a "Newquay Counsel") have been engaged by Newquay to represent it in connection with this Agreement and the Transactions. Pluto (on its behalf and on behalf of its Affiliates) hereby (a) agrees that, in the event that a dispute arises after the Closing between Pluto or any of its Affiliates, on the one hand, and Newquay (or any related party to Newquay), on the other hand, each Newquay Counsel may represent Newquay (or such related party) in such dispute even though the interests of Newquay (or such related party) may be directly adverse to Pluto, Rover or any of their respective Affiliates, even though a Newquay Counsel may have represented Rover in a matter substantially related to such dispute, or may be handling ongoing matters for Pluto or Rover, and (b) waives any actual or potential conflict in connection therewith or relating thereto. Pluto (on its behalf and on behalf of its Affiliates) further agrees that, notwithstanding anything in this Agreement to the contrary, as to all communications among any Newquay Counsel and Rover or Newquay (including any of their respective directors, officers or employees or any other party

related to Newquay) that relate in any way to this Agreement or the Transactions, the attorney-client privilege and the expectation of client confidence belongs to Newquay and shall be controlled by Newquay and shall not pass to or be claimed by Pluto, Rover or any of their respective Affiliates. Pluto (on its behalf and on behalf of its Affiliates) further understands and agrees that the Parties have each undertaken reasonable best efforts to prevent the disclosure of confidential or attorney-client privileged information. Notwithstanding those efforts, Pluto (on its behalf and on behalf of its Affiliates) further understands and agrees that the consummation of the Transactions may result in the inadvertent disclosure of information that may be confidential or subject to a claim of privilege and that no such Person may use or rely on any such disclosure, whether located in the records or email server of Rover or otherwise, in any action against or involving Newquay or any party related to Newquay after such Closing. Pluto (on its behalf and on behalf of its Affiliates) further understands and agrees that any disclosure of information that may be confidential or subject to a claim of privilege will not prejudice or otherwise constitute a waiver of any claim of privilege. Pluto (on its behalf and on behalf of its Affiliates) agrees to use reasonable best efforts to return promptly any inadvertently disclosed information to the appropriate Person upon becoming aware of its existence. Notwithstanding the foregoing, in the event that a dispute arises between Pluto, Rover or any of their respective Affiliates, on the one hand, and a third party other than a Party, on the other hand, after the Closing, Rover may assert the attorney-client privilege to prevent disclosure of confidential communications by any Newquay Counsel to such third party; *provided, however*, that Rover may not waive such privilege without the prior written consent of Newquay. Each Newquay Counsel shall be a third-party beneficiary for purposes of this Section 11.12.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed on its behalf by an authorized officer as of the date first above written.

PPL ENERGY HOLDINGS, LLC

By: /s/ Joseph P. Bergstein, Jr.

Name: Joseph P. Bergstein, Jr.

Title: Senior Vice President

PPL CORPORATION

(solely with respect to Section 4.10 and Section 6.14)

By: /s/ Joseph P. Bergstein, Jr.

Name: Joseph P. Bergstein, Jr.

Title: Senior Vice President and Chief Financial Officer

NATIONAL GRID USA

By: /s/ John Pettigrew

Name: John Pettigrew

Title: Authorized Signatory

Annex A

Defined Terms

For purposes of this Agreement, unless the context requires otherwise, the following terms have the following meanings:

“Accountant” has the meaning set forth in Section 3.1(b).

“Accrued Rover DB Benefits” has the meaning set forth in Section 6.9(i)(ii).

“Additional Rover Service Employee” has the meaning set forth in Section 6.9(a).

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person. The term “control” (including its correlative meanings “controlled by” and “under common control with”) means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by Contract or otherwise).

“Affiliate Agreement” means any Contract between Rover, on the one hand, and Newquay or any of its Affiliates on the other hand; *provided* that any Contract among Rover, Newquay or any of its Affiliates and any third party shall not constitute an “Affiliate Agreement”.

“Agreement” means this Transaction Agreement and the Newquay Disclosure Schedule and all Annexes and Exhibits hereto, as any of them may be amended, restated or updated from time to time.

“Anti-Corruption Laws” means Requirements of Law relating to anti-bribery or anti-corruption (governmental or commercial), including laws that prohibit the corrupt payment, offer, promise, or authorization, acceptance, or agreement to accept the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official, foreign government employee or commercial entity or to anyone to obtain or retain business or other improper benefit or advantage, including the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1 et seq.), the U.K. Bribery Act 2010, and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions.

“Assumed Benefit Plan” means each (i) Rover Benefit Plan maintained exclusively by Rover or (ii) Rover Benefit Plan with respect to which Pluto or any of its Affiliates or Rover assumes any Liabilities pursuant to this Agreement, solely with respect to the portion of the Rover Benefit Plan and Liabilities thereunder allocable to the Rover Business Employees and Rover Business Former Employees participating in such Rover Benefit Plans.

“Budgeted Pre-Closing Capex” has the meaning set forth in Section 6.1(b)(xv).

“Business Day” means any day other than a Saturday, Sunday or day on which banking institutions in New York, New York or London, United Kingdom are authorized or obligated pursuant to the Requirements of Law or executive order to be closed.

“Change” means a change, effect, event, circumstance or development.

“Charter Documents” means, with respect to any entity at any time, in each case as amended, modified and supplemented at that time, (i) the articles of association or certificate of formation, incorporation, partnership or organization (or the equivalent organizational documents) of that entity, (ii) the bylaws, partnership agreement or limited liability company agreement or regulations (or the equivalent governing documents) of that entity, and (iii) each document setting forth the designation, amount and relative rights, limitations and preferences of any class or series of that entity’s Equity Securities or of any rights in respect of that entity’s Equity Securities.

“Claims Made Policies” has the meaning set forth in Section 6.12.

“Closing” has the meaning set forth in Section 2.1.

“Closing Date” has the meaning set forth in Section 2.1.

“Closing Date RW Amount” has the meaning set forth in Section 6.9(j)(iii).

“Code” means the Internal Revenue Code of 1986, as amended.

“Communications Act” has the meaning set forth in Section 4.4.

“Communications Laws” has the meaning set forth in Section 4.4.

“Confidential Information,” with respect to Pluto or Newquay, as the case may be, means “Evaluation Material” (as defined in the Confidentiality Agreement).

“Confidentiality Agreement” has the meaning set forth in Section 6.2(c).

“Consent” means, with respect to any Person, any consent, approval, authorization, waiver, permit, license, grant, agreement, exemption or order of, or registration, declaration or filing with, any other Person, including any Governmental Authority, that is required in connection with (a) the execution and delivery by such Person of this Agreement or the Transition Services Agreement or (b) the consummation by such Person and its Affiliates of the Transactions.

“Continuing Pluto Plans” has the meaning set forth in Section 6.9(d).

“Contract” means, with respect to any Person, any loan agreement, indenture, letter of credit, mortgage, security agreement, pledge agreement, guarantee, lease, sublease, license or any other agreement, contract, instrument, obligation, commitment or arrangement, whether written or oral, in each case as amended, supplemented, waived or otherwise modified, to which such Person is a party or by which it is bound or any of its assets are subject.

“Controlling Party” has the meaning set forth in Section 8.1(e)(iv).

“Copyrights” means all registered and unregistered copyrights, including moral rights and rights of attribution and integrity, copyrights in computer Software and the content contained on any Web site and all applications for registration for the foregoing.

“COVID-19” means SARS-CoV-2 or COVID-19, and any natural evolutions thereof or related or associated epidemics, pandemics or disease outbreaks thereof.

“COVID-19 Legislation” means the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, Pub. L. 116-136; the Families First Coronavirus Response Act, Pub. L. No. 116-127; the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260; and any other U.S., non-U.S., state or local stimulus fund or relief programs or Laws enacted by a Governmental Authority in connection with or in response to COVID-19.

“COVID-19 Measures” means any quarantine, “shelter in place,” “stay at home,” workforce reduction, social distancing, shut down, closure, sequester, safety or similar Requirement of Law, directive, guidelines or recommendations promulgated by any industry group or any Governmental Authority, including the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to COVID-19.

“Deepwater PPA” means the Amended Power Purchase Agreement, dated as of June 30, 2010, by and between Rover d/b/a Newquay and Deepwater Wind Block Island LLC.

“Delayed Transfer Date” has the meaning set forth in Section 6.9(a)(iv).

“Delayed Transfer Employees” has the meaning set forth in Section 6.9(a)(iv).

“Designated Regulatory Proceedings” has the meaning set forth in Section 6.13.

“Determination” has the meaning set forth in Section 1313(a) of the Code or any similar state, local or non-U.S. Requirement of Law with respect to Taxes.

“Direct Claim” has the meaning set forth in Section 10.4(b).

“DOJ” has the meaning set forth in Section 6.3(b).

“Effective Time” has the meaning set forth in Section 2.1.

“Enforceability Exceptions” has the meaning set forth in Section 4.2.

“Environmental Claim” means any and all administrative, regulatory or judicial actions, suits, orders, demands, demand letters, directives, claims, investigations, proceedings or notices of noncompliance, Liability or violation (written or oral) by any Person (including any Governmental Authority) alleging potential liability (including potential responsibility or liability for enforcement, investigatory costs, cleanup costs, governmental response costs, removal costs, remedial costs, natural resources damages, property damages, personal injuries or penalties) arising out of, based on or resulting from circumstances forming the basis of any actual or alleged noncompliance with, violation of, or liability under, any Environmental Law or Environmental Permit.

“Environmental Laws” means any and all Requirements of Law pertaining to: (a) the protection of the environment (including air quality, surface water, groundwater, soils, subsurface strata, drinking water, natural resources and biota) or, as it relates to exposure to hazardous or toxic materials, the protection of human health; or (b) the processing, generation, management, storage, treatment, recycling, Release, threatened Release, investigation or remediation of hazardous or toxic materials, including the Federal Resource Conservation and Recovery Act, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Federal Clean Water Act, the Federal Clean Air Act, the Federal Occupational Safety and Health Act (as it relates solely to exposure to Hazardous Materials) and their implementing regulations as well as state analogues.

“Environmental Permits” means Permits issued or required pursuant to applicable Environmental Law.

“Equity Securities” of any Person means, as applicable (i) any and all of its shares of capital stock, membership interests or other equity interests or share capital, (ii) any warrants, Contracts or other rights or options directly or indirectly to subscribe for or to purchase any capital stock, membership interests or other equity interests or share capital of such Person, (iii) all securities or instruments, directly or indirectly, exchangeable for or convertible or exercisable into, any of the foregoing or with any profit participation features with respect to such Person, or (iv) any share appreciation rights, phantom share rights or other similar rights with respect to such Person or its business.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“FERC” means the Federal Energy Regulatory Commission (or any successor thereto).

“FCC” has the meaning set forth in Section 6.3(b).

“FCC License” has the meaning set forth in Section 6.15.

“Final Order” means action by the relevant Governmental Authority that has not been reversed, stayed, enjoined, set aside, annulled or suspended and is legally binding and effective.

“FTC” has the meaning set forth in Section 6.3(b).

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Good Utility Practice” means (a) the practices, methods and acts generally engaged in or approved by a significant portion of the electric and natural gas transmission and distribution utilities (as applicable), or (b) the practices, methods and acts, that, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, would reasonably have been expected to accomplish the desired result in a manner compliant with Requirements of Law

and consistent with reliability, safety, environmental protection, economy and expedition; *provided* that in the case of both clause (a) and clause (b), Good Utility Practice is not intended to be limited to the optimum practices, methods or acts, to the exclusion of all others, but rather is intended to include a spectrum of practices, methods or acts generally acceptable in the region during the relevant period in light of the circumstances.

“Government Official” means (i) any official, officer, employee or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority, (ii) any political party or party official or candidate for political office, or (iii) any official, officer, employee, or any person acting in an official capacity for or on behalf of, any company, business, enterprise or other entity owned (in whole or in substantial part) controlled by or affiliated with a Governmental Authority.

“Governmental Authority” means any federal, national, supranational, regional, state, provincial, local, or similar government, governmental, regulatory or administrative authority, agency, department, instrumentality, board, commission, bureau or administration or any court, tribunal, or judicial or arbitral body, and any self-regulatory organization within or outside the United States, including the SEC, FERC, Rover Utility Regulators and the North American Electric Reliability Corporation.

“Hazardous Materials” means (a) any petrochemical or petroleum products or by-products, waste oil, radon gas, asbestos in any form that is or could become friable or any material containing asbestos, lead-based paint, toxic Mold, urea formaldehyde foam insulation and polychlorinated biphenyls; and (b) any chemicals, materials or substances regulated under any Environmental Law as or included in the definition of “hazardous substances,” “hazardous chemicals,” “hazardous wastes,” “hazardous materials,” “toxic substances,” “contaminants” or “pollutants” or words of similar meaning or regulatory effect.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Indebtedness” means, without duplication, (a) all indebtedness for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness that is evidenced by a note, bond, debenture, draft or similar instrument, (c) all obligations in respect of bankers’ acceptances, solely to the extent drawn or payable, (e) letters of credit and any other agreements relating to the borrowing of money or extension of credit, solely to the extent drawn or payable and (f) finance leases (but for the avoidance of doubt, operating lease liabilities shall not be included in Indebtedness and the Deepwater PPA shall not constitute a finance lease).

“Indemnified Party” has the meaning set forth in Section 10.3.

“Indemnifying Party” has the meaning set forth in Section 10.4(a).

“Insurance Policies” has the meaning set forth in Section 6.12.

“Intellectual Property” means all Copyrights, Patents, Trademarks, Trade Secrets, all other similar intangible assets, rights and forms of protection of a similar nature or having equivalent or similar effect in any jurisdiction (including all rights in designs) and the right to sue for past infringement of any of the foregoing.

“Intercompany Money Pool” has the meaning set forth in Section 6.1(b)(x).

“IRS” means the United States Internal Revenue Service.

“Island Sale” means the purchase of the entire issued share capital of PPL WPD Investments Limited, a limited company incorporated under the laws of the United Kingdom, by Newquay Topco or one of its Affiliates from an Affiliate of Pluto pursuant to the Island Sale Purchase Agreement.

“Island Sale Purchase Agreement” means that share purchase agreement entered into as of the date hereof, by and among PPL WPD Limited, a private limited company incorporated under the laws of England and Wales, National Grid Holdings One Plc, a public limited company organized under the laws of England and Wales, and Newquay Topco.

“Joint Venture” of a Person, means any Person that is not a Subsidiary of such first Person, in which such first Person or one or more of its Subsidiaries owns directly or indirectly any Equity Securities, other than Equity Securities held for passive investment purposes that are less than 5% of each class of the outstanding voting securities or voting capital stock of such second Person.

“Knowledge” means, with respect to Pluto, the knowledge of the individuals set forth in Annex B hereto and, with respect to Newquay, means the knowledge of the individuals set forth in Annex C hereto, which in each case shall be deemed to include the knowledge any such person would have had if he or she had made reasonable inquiry of those persons that such individual would reasonably expect to have actual knowledge of the relevant subject matter.

“Liability” means any liability, cost, expense, debt or obligation of any kind, character, or description, and whether known or unknown, accrued, matured, absolute, determined, determinable, contingent or otherwise, and regardless of when asserted or by whom.

“Liens” means any liens, pledges, charges, claims, security interests, deeds of trust, mortgages, deeds to secure debt, title retention agreements or other encumbrances.

“Long-Term Disability Rover Employee” means each Rover Business Employee who is on long-term disability as of immediately prior to the Closing Date.

“Losses” means all costs, damages, Taxes, awards, judgments, losses or costs and expenses, interest, awards, judgments and penalties that are imposed upon or otherwise incurred by an Indemnified Party (including reasonable attorneys’ and consultants’ fees and expenses) actually suffered or incurred.

“Massachusetts Approval” has the meaning set forth in Section 5.4.

“MDPU” means the Massachusetts Department of Public Utilities.

“Mold” means any form of multicellular fungi that live on plant or animal matter in moist, indoor environments and shall include, without limitation, Cladosporium, Penicillium, Alternaria, Aspergillus, Fusarium, Trichoderma, Memnoniella, Mucor and Stachbotry's Chartarum.

“Multiemployer Plan” has the meaning set forth in Section 5.13(d).

“Newquay” has the meaning set forth in the introductory paragraph to this Agreement.

“Newquay 401(k) Plan” has the meaning set forth in Section 6.9(k).

“Newquay Affiliated Group” has the meaning set forth in Section 8.1(b).

“Newquay Burdensome Effect” means a material adverse effect on the business, properties, financial condition or results of operations of, taken as a whole, Newquay and its Subsidiaries; *provided, however*, that for purposes of this definition only, Newquay and its Subsidiaries shall be deemed a consolidated group of entities of the size and scale of a hypothetical company that is 100% of the size of Rover taken as a whole as of the date of this Agreement.

“Newquay Counsel” has the meaning set forth in Section 11.12.

“Newquay Designated Representations” has the meaning set forth in Section 7.3(a)(i).

“Newquay Disclosure Schedule” means a letter delivered by Newquay to Pluto on or before the execution and delivery of this Agreement setting forth items the disclosure of which is required under this Agreement either in response to an express disclosure requirement contained in a provision of this Agreement or as an exception to one or more of the representations, warranties, covenants or agreements contained in this Agreement; *provided* that the mere inclusion of an item in the Newquay Disclosure Schedule as an exception to a representation or warranty will not be deemed an admission by Newquay that such item (or any non-disclosed item or information of comparable or greater significance) represents a material exception or fact, event or circumstance or that such item has had or is expected to have a Rover Material Adverse Effect.

“Newquay ERISA Affiliate” means any trade or business, whether or not incorporated, that together with Newquay would be deemed a “single employer” within the meaning of Section 4001(b) of ERISA.

“Newquay Guaranties” has the meaning set forth in Section 6.6(a).

“Newquay Indemnification Cap” has the meaning set forth in Section 10.5(a).

“Newquay Indemnified Parties” has the meaning set forth in Section 10.2.

“Newquay Marks” has the meaning set forth in Section 6.7(a).

“Newquay Pension Plan” has the meaning set forth in Section 6.9(i)(i).

“Newquay Required Statutory Approvals” has the meaning set forth in Section 5.4.

“Newquay RW Plan” has the meaning set forth in Section 6.9(j)(i).

“Newquay Threshold” has the meaning set forth in Section 10.5(a).

“Newquay Topco” means National Grid plc, a public limited company organized under the laws of England and Wales and parent entity of Newquay.

“Newquay Total Cap” has the meaning set forth in Section 10.5(a).

“Non-Controlling Party” has the meaning set forth in Section 8.1(e)(iv).

“Occurrence Based Policies” has the meaning set forth in Section 6.12.

“Offer List” has the meaning set forth in Section 6.9(a)(iii).

“Offer Threshold” has the meaning set forth in Section 6.9(b)(iv).

“Outside Date” has the meaning set forth in Section 9.1(c).

“Parties” has the meaning set forth in the introductory paragraph to this Agreement.

“Patents” means all patents and patent applications, including any continuations, divisionals, continuations-in-part, renewals and reissues.

“Pension Plan” has the meaning set forth in Section 5.13(d).

“Pension Transfer Date” has the meaning set forth in Section 6.9(i)(iv).

“Pension True-Up Amount” has the meaning set forth in Section 6.9(i)(v).

“Permits” has the meaning set forth in Section 5.10.

“Permitted Equity Lien” means any Liens, restrictions on transfers or other encumbrances (a) arising pursuant to or described in this Agreement, the Charter Documents of Rover or applicable securities Requirements of Law, or (b) that may be created by or at the request of Pluto, with respect to Rover.

“Permitted Lien” means (a) any Lien for Taxes, assessments and other governmental charges which are not due and payable as of the Closing Date or are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP, (b) vendors’, mechanics’, carriers’, workmen’s, warehouseman’s, repairmen’s, materialmen’s, construction or similar Liens arising or incurred in the ordinary course of business relating to obligations which are not overdue for a period of more than ninety (90) days or that are being contested in good faith and by appropriate proceedings, (c) pledges, deposits or other Liens securing the performance of bids, trade contracts, leases or statutory

obligations (including workers' compensation, unemployment insurance or other similar social security Requirement of Law), (d) Liens the existence of which are specifically disclosed in notes to the Rover Financial Statements, (e) all easements, covenants, servitudes, permits, exceptions, restrictions, imperfections of title, charges, claims of indigenous Persons and railroad operators, rights-of-way and other similar restrictions, or zoning regulations, policies and plans enacted and permissions and consents granted, in each case, in the ordinary course of business that would not individually or in the aggregate, reasonably be expected to materially and adversely interfere with the present use of Rover's real property, taken as a whole, (f) minor survey exceptions and matters as to Rover's real property which would be disclosed by an accurate survey of such real property and that would not, individually or in the aggregate, reasonably be expected to materially and adversely interfere with the present use or occupancy of the real property affected thereby, (g) statutory Liens incurred or pledges, financial assurances, bonds or deposits made in favor of a Governmental Authority to secure the performance of obligations of the affected Person or any of its Subsidiaries under Environmental Laws to which any assets of the affected Person or any such Subsidiaries are subject, (h) Liens arising under any lines of credit or other credit facilities or arrangements in effect on the date of this Agreement (or any replacement facilities thereto permitted pursuant to this Agreement), (i) non-exclusive licenses to Intellectual Property granted in the ordinary course of business, and (j) with respect to the material Rover Owned Real Property, any matters disclosed in true and complete title reports, title searches and other title information made available by Rover to Pluto.

"Person" means any individual, corporation, business trust, partnership, association, limited liability company, unincorporated organization or similar organization, any Governmental Authority, fund, organized group of persons whether incorporated or not, or any receiver, trustee under Title 11 of the U.S. Code or similar official or any liquidating agent for any of the foregoing in his or her capacity as such.

"Personal Information" means, in addition to any information defined or described by a Requirement of Law as "personal information," all information that can reasonably be used to identify an individual natural Person, or regarding an identified Person (such as name, address, telephone number, email address, financial account number, government-issued identifier, and any other data used or intended to be used to identify, contact or precisely locate a person).

"Plan" means any employment, bonus, incentive compensation, deferred compensation, long term incentive, pension, profit sharing, retirement, stock purchase, stock option, stock ownership, stock appreciation rights, phantom stock, leave of absence, layoff, vacation, holiday, paid time-off, day or dependent care, legal services, cafeteria, life, health, medical, dental, accident, disability, workmen's compensation or other insurance, retention, severance, separation, termination, change of control or other benefit plan, agreement, practice, policy, program, scheme or arrangement of any kind, whether written or oral, including any "employee benefit plan" within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA).

"Pluto" has the meaning set forth in the introductory paragraph to this Agreement.

"Pluto 401(k) Plan" has the meaning set forth in Section 6.9(k).

"Pluto Designated Representations" has the meaning set forth in Section 7.2(a)(i).

“Pluto Indemnified Parties” has the meaning set forth in Section 10.3.

“Pluto Required Statutory Approvals” has the meaning set forth in Section 4.4.

“Pluto Topco” has the meaning set forth in the introductory paragraph to this Agreement.

“Privacy Legal Requirement” means (a) any Requirement of Law regulating the collecting, accessing, using, disclosing, transmitting, transferring, securing, sharing, storing, maintaining, retaining, deleting, disposing, modifying, protecting, privacy of, breach of, or processing of Personal Information (including the European Union Directive 95/46/EC, the European Union General Data Protection Regulation (EU) 2016/679 (GDPR), the United Kingdom Data Protection Act 2018, the European Union Directive 2002/58/EC and all other applicable national laws, regulations and secondary legislation implementing the European Union Directive 2002/58/EC including the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426), in each case together with any subordinate or related legislation made under any of the foregoing), (b) any obligations under all Contracts to which a Party, any of its Subsidiaries or Joint Ventures is a party or is otherwise bound that relate to Personal Information and (c) any of a Party’s, its Subsidiaries’ or Joint Ventures’ internal and publicly posted policies and representations regarding the collection, access, use, disclosure, transmission, transfer, security, sharing, storage, maintenance, retention, deletion, disposal, modification, protection, privacy, breach or processing of Personal Information.

“Release” means any spill, effluent, emission, leaking, pumping, pouring, emptying, escaping, dumping, injection, deposit, disposal, discharge, dispersal, leaching, abandoning, adding, or migration into the environment.

“Representatives” of any Person, means, as applicable, such Person’s officers, directors, employees, investment bankers, accountants, attorneys, financial advisors and other advisors, agents and representatives.

“Required Statutory Approvals” has the meaning set forth in Section 5.4.

“Requirement of Law” means, with respect to any Person, any U.S. or non-U.S. federal, state or local statute, law (including common law), ordinance, rule, administrative code, secondary legislation, administrative interpretation, regulation, order, consent, writ, injunction, directive, judgment, decree, policy, ordinance, decision, guideline or other requirement of (or agreement with) any Governmental Authority (including any memorandum of understanding or similar arrangement with any Governmental Authority), in each case binding on that Person or its property or assets.

“Retiree Benefit Transfer Employee” has the meaning set forth in Section 6.9(i)(i).

“Rhode Island Approval” has the meaning set forth in Section 4.4.

“Rhode Island Division” has the meaning set forth in Section 4.4.

“Rover” has the meaning set forth in the Recitals.

“Rover Accrued Vacation Days” has the meaning set forth in Section 6.9(g).

“Rover Acquisition Proposals” has the meaning set forth in Section 6.11(a).

“Rover Adjustment Amount” means the sum of (i) Rover Closing Net Working Capital *minus* Rover Target Net Working Capital *plus* (ii) Rover Target Net Indebtedness *minus* Rover Closing Net Indebtedness, which Rover Adjustment Amount may be positive or negative.

“Rover Adjustment Items” has the meaning set forth in Section 2.2(a)(i).

“Rover Allocation Schedule” has the meaning set forth in Section 8.3(b).

“Rover Applicable Accounting Principles” means the accounting principles, policies and practices set out in Schedule 2.2.

“Rover Audited Balance Sheets” has the meaning set forth in Section 5.8(a).

“Rover Audited Financial Statements” has the meaning set forth in Section 5.8(a).

“Rover Audited Income Statement” has the meaning set forth in Section 5.8(a).

“Rover Benefit Plan” means each Plan (i) to which Newquay or any Newquay ERISA Affiliate has any obligation with respect to a Rover Business Employee or Rover Business Former Employee or that is sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by Newquay or any Newquay ERISA Affiliates for the benefit of any Rover Business Employee or Rover Business Former Employee or (ii) to which Rover has any obligation or that is sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by Rover, in all cases, excluding any Plans sponsored by any Governmental Authority.

“Rover Burdensome Effect” means a material adverse effect on the business, properties, financial condition or results of operations of (i) Rover, or (ii) taken as a whole, Pluto and its Subsidiaries; *provided, however*, that for purposes of this definition only, Pluto and its Subsidiaries shall be deemed a consolidated group of entities of the size and scale of a hypothetical company that is 100% of the size of Rover as of the date of this Agreement; *provided, further*, that the matters set forth in Schedule 6.3(d) of the Newquay Disclosure Schedule shall not be considered when determining whether a Rover Burdensome Effect has occurred.

“Rover Business” means the business, operations and activities of Rover as conducted by Rover as of the date of this Agreement, including the retail distribution and provision of electric and gas services to customers within Rover’s service area in the State of Rhode Island.

“Rover Business Employee” means (i) each person who is employed by Rover (a “Rover Direct Employee”), (ii) 351 individuals listed on Schedule 6.9(a)(i) of the Newquay Disclosure Schedule (as it may be updated by Newquay from time to time prior to the Closing Date to reflect any terminations of employment, transfers or new hires, in each case, not prohibited by Section 6.1(b)(vi)), which list consists of individuals (other than Rover Direct Employees) of

Newquay and its Affiliates who (A) dedicate at least fifty percent (50%) of their working time to the Rover Business or (B) have knowledge essential to running the Rover Business (the “Rover Dedicated Employees”), and (iii) each Additional Rover Service Employee, including in each case, each such employee who as of the Closing Date is on a leave of absence (including medical leave, military leave, workers compensation leave and short-term disability or long-term disability, subject to the provisions of Section 6.9(a)(v)) or vacation; *provided* that each person who is set forth on Schedule 6.9(a)(ii) of the Newquay Disclosure Schedule shall not be a Rover Business Employee (a “Newquay Retained Employee”); *provided further* that the identification of any individual as a Rover Additional Employee shall be subject to the provisions of Schedule 6.9(a)(iv) of the Newquay Disclosure Schedule.

“Rover Business Former Employee” means any former employee of Newquay or any Affiliate of Newquay who on the last day of his or her employment with Newquay or its Affiliates was employed by Rover.

“Rover Business RW Benefits” has the meaning set forth in Section 6.9(j)(i).

“Rover Closing Cash” means amounts included on Rover’s balance sheet as of the Effective Time (without giving effect to the Transactions), as determined in accordance with, and adjusted by, the Rover Applicable Accounting Principles, for: (i) cash, bank deposits or cash equivalents (whether in hand or credited to any account with any banking, financial, lending or other similar institution or organization), (ii) liquid or easily realizable stocks, shares, bonds, treasury bills and other securities (and interest accrued on each of the foregoing), (iii) all Rover Intercompany Receivables pursuant to the Intercompany Money Pool and (iv) such other line items designated for inclusion therein pursuant to the Rover Applicable Accounting Principles.

“Rover Closing Indebtedness” means amounts included on Rover’s balance sheet as of the Effective Time (without giving effect to the Transactions), as determined in accordance with, and adjusted by, the Rover Applicable Accounting Principles, for (i) Indebtedness, (ii) all Rover Intercompany Payables pursuant to the Intercompany Money Pool and (iii) such other line items designated for inclusion therein pursuant to the Rover Applicable Accounting Principles.

“Rover Closing Net Indebtedness” means, as of the Effective Time (without giving effect to the Transactions), as determined in accordance with, and adjusted by, the Rover Applicable Accounting Principles, (a) the Rover Closing Indebtedness (stated as a positive amount), *minus* (b) the Rover Closing Cash.

“Rover Closing Net Working Capital” means amounts included on Rover’s balance sheet as of the Effective Time (without giving effect to the Transactions), as determined in accordance with, and adjusted by, the Rover Applicable Accounting Principles, for (i) current assets (including Rover Intercompany Receivables, other than pursuant to the Intercompany Money Pool) and regulatory assets (including the current and non-current portions thereof), *minus* (ii) current liabilities (including Rover Intercompany Payables, other than pursuant to the Intercompany Money Pool) and regulatory liabilities (including the current and non-current portions thereof).

“Rover Common Stock” has the meaning set forth in Section 5.5(a).

“Rover Easement Real Property” has the meaning set forth in Section 5.18(a).

“Rover Election” has the meaning set forth in Section 8.3(a).

“Rover Equity Interest” has the meaning set forth in the recitals to this Agreement.

“Rover Estimated Closing Statement” has the meaning set forth in Section 2.2(a)(i).

“Rover Final Closing Statement” has the meaning set forth in Section 3.1(a)(i).

“Rover Financial Statements” has the meaning set forth in Section 5.8(a).

“Rover Intercompany Payables” has the meaning set forth in Section 6.6(c).

“Rover Intercompany Receivables” has the meaning set forth in Section 6.6(c).

“Rover Labor Agreement” has the meaning set forth in Section 5.14(a).

“Rover Leased Real Property” has the meaning set forth in Section 5.18(a).

“Rover Material Adverse Effect” means any Change (or Changes taken together) that, individually or in the aggregate, has had or would reasonably be expected to have, a material adverse effect on the business, properties, financial condition or results of operations of Rover; *provided, however*, that any Change shall not be considered when determining whether a Rover Material Adverse Effect has occurred to the extent resulting from or relating to any of the following: (a) any change generally affecting any industry in which Rover operates, including the international, national or regional electric generating, transmission or distribution industry or natural gas transmission or distribution industry; (b) any change generally affecting the international, national or regional wholesale or retail markets for electric power or natural gas; (c) any change in customer usage patterns or customer selection of third-party suppliers for electricity or natural gas; (d) any change in markets for commodities or supplies, including electric power, natural gas, or fuel and water, as applicable, used in connection with the Rover Business; (e) any change in market design and pricing; (f) any change in general regulatory or political conditions, including any engagements of hostilities, insurrections, acts of war or terrorist activities or changes imposed by a Governmental Authority associated with additional security; (g) any change or development in the international, national or regional natural gas or electric transmission or distribution systems or operations thereof; (h) any change in any Requirements of Law (including Environmental Laws) or GAAP (or authoritative interpretation thereof); (i) any change in the financial conditions or results of operations of Pluto or its Affiliates, including changes due to the credit rating of Pluto and its Affiliates; (j) any change in the financial, banking, securities or currency markets; (k) any change in general national or regional economic or financial conditions or the general economic effect of any failure or bankruptcy (or any similar event) of any financial services or banking institution or insurance company; (l) any actions requested by Pluto or required to be taken under or in accordance with this Agreement; (m) the announcement or pendency of the Transactions, including (i) any action taken by Rover to obtain any Required Statutory Approval in compliance with Section 6.3 and the result of any such action, (ii) any adverse change in supplier, employee, financing source, shareholder, regulatory, partner or similar relationships resulting therefrom, or (iii) any change

that arises out of or relates to the identity of Pluto or any of its Affiliates as the acquirer of Rover; (n) any labor strike, request for representation, organizing campaign, work stoppage, slowdown, or lockout or other labor dispute; (o) any new power plant entrants and their effect on pricing or transmission; (p) any finding of fact or order contained in any FERC or Rover Utility Regulator judgment, decision, order, rulemaking, or other directive applicable to Rover, in each case either (x) issued prior to the date hereof or arising from a filing made prior to the date hereof or (y) issued on or after the date hereof or arising from a filing made after the date hereof to the extent resulting from or relating to the Transactions; (q) any change or effect arising from any requirements imposed by any Governmental Authorities as a condition to obtaining the Required Statutory Approvals, including a Rover Burdensome Effect, or any other requirements or restrictions imposed by FERC or a Rover Utility Regulator on Rover; (r) any fact, circumstance, effect, change, event or development that results from any shutdown or suspension of operations at any power plant from which Rover obtains electricity; (s) any Change the effects of which are permitted to be passed through to, or recovered from, customers in accordance with applicable Requirements of Law; (t) any failure in and of itself by Rover to meet any internal or public projection, budget, forecast, estimate or prediction in respect of revenues, earnings or other financial or operating metrics for any period (except that the underlying cause of any such decline may, to the extent not otherwise excluded by clauses (a) through (v), be considered and taken into account in determining whether there has been a Rover Material Adverse Effect); (u) any change in the credit rating of Rover; or (v) any hurricane, tornado, tsunami, flood, earthquake, snow storm, ice storm, epidemics, pandemics (including the COVID-19 virus or any COVID-19 Measures) or quarantines, acts of God, or other natural disaster or weather-related event, circumstance or development, or any escalation of the foregoing; *provided, however*, that any Change set forth in clauses (a), (b), (c), (d), (e), (f), (g), (h), (j), (k), (o), or (v) above shall be taken into account in determining whether a “Rover Material Adverse Effect” has occurred or would reasonably be expected to occur to the extent such Change has a disproportionate adverse effect on Rover relative to other transmission and distribution utilities in the New England region of the United States (in which case the disproportionate adverse effect shall be taken into account in determining whether a “Rover Material Adverse Effect” has occurred or would reasonably be expected to occur).

“Rover Material Contract” has the meaning set forth in Section 5.17(a).

“Rover Owned Real Property” has the meaning set forth in Section 5.18(a).

“Rover Pension Plan” has the meaning set forth in Section 6.9(h)(i).

“Rover Pension Plan Trust” has the meaning set forth in Section 6.9(h)(i).

“Rover Personnel” has the meaning set forth in Section 5.13(g).

“Rover Preferred Stock” has the meaning set forth in Section 5.5(a).

“Rover Real Property” has the meaning set forth in Section 5.18(a).

“Rover Real Property Lease” has the meaning set forth in Section 5.18(a).

“Rover RW Plan” has the meaning set forth in Section 6.9(j)(i).

“Rover Target Net Indebtedness” means (a) \$1,448,000,000 *plus* (b) \$52,000,000 *multiplied* by a fraction with (i) a numerator equal to the number of calendar days elapsed between April 1, 2021 and the earlier of (A) the Closing Date and (B) March 31, 2022 and (ii) a denominator equal to 365.

“Rover Target Net Working Capital” means \$109,000,000.

“Rover Unaudited Balance Sheet” has the meaning set forth in Section 5.8(a).

“Rover Unaudited Financial Statements” has the meaning set forth in Section 5.8(a).

“Rover Unaudited Income Statement” has the meaning set forth in Section 5.8(a).

“Rover Utility Regulators” means (i) the State of Rhode Island Public Utilities Commission, (ii) the Rhode Island Division and (iii) the Rhode Island Energy Facility Siting Board.

“RW Transfer Amount” has the meaning set forth in Section 6.9(j)(ii).

“RW Transfer Date” has the meaning set forth in Section 6.9(j)(ii).

“SEC” means the Securities and Exchange Commission.

“Section 338(h)(10) Forms” has the meaning set forth in Section 8.3(a).

“Section 4044 Amount” has the meaning set forth in Section 6.9(h)(iv).

“Severance Obligations” has the meaning set forth in Section 6.9(b)(i).

“Software” means computer software, including all programs, applications and databases (whether in object code, source code or other form), and all documentation related thereto.

“Straddle Period” has the meaning set forth in Section 8.1(c).

“Subsidiary” means, with respect to any Person, any other Person of which such first Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, a majority of the outstanding equity securities or securities carrying a majority of the voting power in the election of the board of directors or other governing body of such Person.

“Tax” means any federal, state, county, local, non-U.S. and other taxes, assessments, charges, duties, fees, levies, imposts or other similar charges imposed by a Governmental Authority, including all income, alternative or add-on minimum, gross receipts, sales, use, value added, transfer, gains, ad valorem, franchise, profits, license, state guarantee fund assessments, withholding, payroll, direct placement, employment, excise, severance, stamp, procurement, occupation, premium, property, real property, escheat, environmental or windfall profit tax, custom, duty or other tax, together with any interest, additions or penalties with respect thereto or with respect to any Tax Return.

“Tax Claim” has the meaning set forth in Section 8.1(c)(i).

“Tax Return” means any return, declaration, report, document, list, claim for refund, information return or similar statement filed or required to be filed with, or supplied to or required to be supplied to any Governmental Authority with respect to any Taxes, including any schedule or other attachment thereto, and including any amendment thereof.

“Tax Sharing Agreements” has the meaning set forth in Section 8.5.

“Third-Party Claim” has the meaning set forth in Section 10.4(a).

“Third-Party Terms” has the meaning set forth in Section 6.6(c).

“Trade Secrets” means all trade secrets, know-how and other confidential information, including forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs or codes, whether tangible or intangible, and whether or how stored, compiled or memorialized physically, electronically, graphically, photographically or in writing.

“Trademarks” means all registered and unregistered trademarks, service marks, trade dress, trade names, designs, logos, emblems, signs or insignia, slogans, Internet domain names, other similar designations of source or origin and general intangibles of like nature, together with all applications for registration for the foregoing and the goodwill symbolized by any of the foregoing.

“Transaction Restraint” has the meaning set forth in Section 7.1(a).

“Transactions” means the transactions contemplated by this Agreement and the Transition Services Agreement.

“Transfer Taxes” has the meaning set forth in Section 8.4.

“Transferred Employee” means each Rover Business Employee who, as of the Closing Date (or, if applicable, such later date that any Rover Business Employee commences employment with Pluto or one of its Affiliates), becomes an employee of Pluto or one of its Affiliates whether pursuant to the transfer of the Rover Equity Interest to Pluto or its Affiliates or by acceptance of an offer of employment from Pluto or one of its Affiliates pursuant to Section 6.9(a).

“Transition Services Agreement” means the Transition Services Agreement, substantially in the form of Exhibit A, to be entered into by Newquay (or one or more of its Subsidiaries) and Rover, as updated on mutually agreeable terms after the date hereof to take into account the scope of Services (as defined in the Transition Services Agreement) agreed to be provided in accordance with Section 6.8.

“TSA End Date” shall mean the last day of the Transition Period (as defined in the Transition Services Agreement).

“TSA Employee” means each person who is employed by Newquay or any Affiliate of Newquay and provides substantial services to the Rover Business following the Closing in connection with the Transition Services set forth on Exhibit A of the Transition Services Agreement, as reasonably determined by Newquay and Pluto.

“U.S. Treasury Regulation” means the final or temporary regulations of the United States Department of the Treasury under the Code, as may be amended from time to time.

“Weighted-Average Numerator” has the meaning set forth in Section 6.9(b)(iv).

“Weighted-Average Severance Percentage” has the meaning set forth in Section 6.9(b)(iii).

news release

www.pplnewsroom.com



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For financial analysts: Andy Ludwig, 610-774-3389

PPL Corporation to sell U.K. utility business to National Grid and acquire National Grid's Rhode Island utility, strategically repositioning PPL as a high-growth, U.S.-focused energy company

- *Transactions expected to significantly reposition PPL for the future by simplifying PPL's business mix, strengthening its balance sheet and supporting long-term earnings growth.*
- *U.K. sale to result in net cash proceeds of approximately \$10.2 billion, unlocking value for shareowners.*
- *U.S. acquisition to add an attractive electric and natural gas utility in a constructive regulatory jurisdiction, complementing PPL's existing high-performing U.S. utilities.*
- *Residual cash proceeds of \$6.4 billion to enhance PPL's credit profile and further maximize shareowner value.*
- *U.K. sale expected to close within four months; U.S. acquisition within a year.*

ALLENTOWN, Pa. (March 18, 2021)—PPL Corporation (NYSE: PPL) today announced that it has entered into definitive agreements to sell its U.K. utility business, Western Power Distribution (WPD), to National Grid plc for £7.8 billion and, in a separate transaction, to acquire National Grid's Rhode Island utility business, The Narragansett Electric Company, for \$3.8 billion. The strategic repositioning will transform PPL into a high-growth, purely U.S.-focused energy company with a strong balance sheet.

"The strategic transactions we are announcing today immediately unlock value for shareowners and achieve the objectives we set out in launching the process to sell our U.K. utility business," said Vincent Sorgi, PPL president and chief executive officer. "They will refocus our business mix squarely on strong, rate-regulated U.S. utilities; strengthen our credit metrics; enhance long-term earnings growth and predictability; and provide us with greater financial flexibility to invest in sustainable energy solutions for those we serve."

Overview of transactions

The agreements with National Grid follow PPL's announcement in August 2020 of plans to sell WPD, which comprises four distribution network operators serving 7.9 million customers in central and southwest England and south Wales.

Under the terms of the agreements, PPL will sell its U.K. subsidiary holding the interests in WPD to National Grid in an all-cash transaction valued at £14.4 billion, including the assumption of approximately £6.6 billion of debt. The sale is expected to result in net cash proceeds of

approximately \$10.2 billion, reflecting taxes and fees and based on a foreign currency exchange rate of \$1.35/£, inclusive of currency hedges executed by PPL to date.

Separately, PPL will acquire Narragansett Electric from National Grid in a transaction valued at \$5.3 billion, including the assumption of approximately \$1.5 billion of Narragansett Electric debt. The company plans to use a portion of the proceeds from the sale of WPD to finance the acquisition.

“We believe these transactions, which follow our highly competitive U.K. sale process, represent wins for PPL, National Grid and the customers we serve,” said Sorgi.

“In National Grid, we’ve found a respected partner that has a long track record of strong operations in the U.K., is eager to build on WPD’s success, is focused on advancing U.K. decarbonization initiatives, and shares a strong commitment to employees, customers and the communities we serve in the U.K.,” said Sorgi. “We believe National Grid will continue to deliver positive outcomes for all of WPD’s stakeholders.”

At the same time, PPL intends to drive compelling value for Narragansett Electric’s existing Rhode Island stakeholders.

“We expect to leverage our proven track record of operational excellence, award-winning customer service, strong reliability and cost efficiency to continue to improve service and deliver energy safely, reliably and affordably to Rhode Island families and businesses,” said Sorgi.

“In addition, we’re eager to play a key role in advancing Rhode Island’s decarbonization goals. We believe our experience in automating electricity networks can help the state achieve its target of 100% renewable energy by 2030. And we look forward to being a strong community partner in Rhode Island, something that has been a hallmark of PPL for more than a century.”

PPL’s pro forma operating profile

At the conclusion of both transactions, PPL will serve approximately 3.5 million electricity and gas customers across diverse, constructive regulatory jurisdictions in the U.S. This includes approximately 780,000 customers from Narragansett Electric’s electricity transmission and distribution (T&D) and gas distribution businesses in Rhode Island.

The combined company will have significant scale, with rate base of approximately \$22 billion, predominantly comprised of electricity and gas T&D assets. In addition, it will offer robust T&D investment opportunities that support growth and deliver value for customers.

Financial highlights

PPL intends to use the net cash proceeds from the transactions to further strengthen its balance sheet and enhance opportunities for strategic growth. The company will continue to evaluate the best use of the remaining proceeds to maximize shareowner value. This includes potentially investing incremental capital at PPL’s utilities or in renewables, and repurchasing shares.

Following the transactions, PPL expects to achieve competitive earnings per share growth supported by enhanced rate base growth and the company’s proven track record of delivering operational efficiencies. In addition, stable earnings from the company’s rate-regulated U.S. utility footprint are expected to support a strong dividend for the repositioned company. PPL expects to target a dividend payout ratio of 60%-65% upon completion of both transactions, with future dividend growth in line with earnings per share growth. The company does not expect a change in its quarterly dividend payments prior to the closing of the Narragansett Electric acquisition.

PPL also expects to maintain a strong balance sheet with an improved credit profile supporting strong, investment-grade credit ratings from Moody’s and S&P with no planned equity issuances required. PPL is targeting a cash from operations to total debt ratio of 16%-18% post transactions, while its Holding Company Debt to Total Debt ratio is expected to decrease below 25%.

Regulatory approvals and timeline

The sale of WPD is expected to close within four months, while the acquisition of Narragansett Electric is expected to close within a year. The transactions require customary approvals in the U.S. and U.K., as well as National Grid shareowner approval for the acquisition of WPD. PPL shareowner approval is not required for either transaction.

Advisors

J.P. Morgan Securities LLC served as PPL's sole financial advisor for both transactions. Skadden, Arps, Slate, Meagher & Flom, LLP served as PPL's legal advisor on both transactions, and Ashurst, LLP served as PPL's legal advisor on the U.K. sale transaction.

Conference Call

PPL will host a live webcast for investors at 8:30 a.m. Eastern Time, March 18 to discuss today's announcement. Interested individuals in the U.S. can access the live conference call by dialing 1-888-346-8683. International participants should dial 1-412-902-4270. Participants will need to enter the following "Elite Entry" number to join the conference: 7177906. Callers can access the webcast link at www.pplweb.com/investors under "Events and Presentations."

For those unable to listen to the live webcast, a replay with slides will be accessible at www.pplweb.com/investors for 90 days after the call.

About PPL

Headquartered in Allentown, Pennsylvania, PPL Corporation (NYSE: PPL) is one of the largest companies in the U.S. utility sector. PPL's seven high-performing, award-winning utilities serve more than 10 million customers in the U.S. and U.K. With more than 12,000 employees, the company is dedicated to providing exceptional customer service and reliability and delivering superior value for shareowners. To learn more, visit www.pplweb.com.

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Statements contained in this news release, including statements with respect to future earnings, cash flows, dividends, financing, regulation and corporate strategy, including the anticipated sale of PPL Corporation's U.K. business, the anticipated acquisition of The Narragansett Electric Company ("Narragansett Electric") from National Grid, and the impact of each transaction on PPL Corporation, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: the COVID-19 pandemic or other pandemic health events or other catastrophic events, including severe weather, and their effect on financial markets, economic conditions and our businesses; asset or business acquisitions and dispositions, including our ability to successfully divest our U.K. business or that such sale may not yield the anticipated benefits, including (i) the ability to obtain the requisite National Grid shareholder approval; (ii) the risk that the parties may be unable to obtain governmental and regulatory approvals required for the transaction, or required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could cause the parties to abandon the transaction; (iii) the risk that other conditions to closing of the transaction may not be satisfied; (iv) the timing to consummate the transaction; (v) the risk that Narragansett Electric will not be integrated successfully; (vi) disruption from the transaction making it more difficult to maintain relationships with

customers, employees or suppliers; and (vii) the diversion of management time on transaction-related issues; market demand for energy in our U.S. service territories; weather conditions affecting customer energy usage and operating costs; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of our facilities; the length of scheduled and unscheduled outages at our generating plants; environmental conditions and requirements, and the related costs of compliance; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; capital market conditions, including interest rates, and decisions regarding capital structure; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation involving PPL Corporation and its subsidiaries; stock price performance; the market prices of debt and equity securities and the impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business, including any potential effects of threatened or actual cyberattack, terrorism, or war or other hostilities; British pound sterling to U.S. dollar exchange rates; new state, federal or foreign legislation or regulatory developments, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important factors and in conjunction with factors and other matters discussed in PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

Note to Editors: Visit our media website at www.pplnewsroom.com for additional news and background about PPL Corporation.

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Exhibit 99.2



Strategic Repositioning of PPL Corporation

March 18, 2021



Cautionary Statements and Factors That May Affect Future Results



Statements made in this presentation about future operating results or other future events, including the anticipated sale of PPL Corporation's U.K. business, the anticipated acquisition of The Narragansett Electric Company (Narragansett) from National Grid, and the impact of each transaction on PPL Corporation, are forward-looking statements under the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the forward-looking statements. A discussion of some of the factors that could cause actual results or events to vary is contained in the Appendix to this presentation and in the Company's SEC filings. Unless otherwise expressly specified, the figures in this presentation do not reflect the effects of any sale of the U.K. business.

Management utilizes non-GAAP financial measures such as, "adjusted gross margins" or "margins" in this presentation. For additional information on non-GAAP financial measures and reconciliations to the appropriate GAAP measure, refer to the Appendix of this presentation and PPL's SEC filings.

Agenda



Transaction Announcements and Strategic Rationale

PPL Investment Highlights Post Transactions

Transaction Approvals

Closing Remarks and Questions

Overview of Transactions

Unlocking value for shareowners



- **PPL entered into an agreement to sell its U.K. utility business to National Grid, netting cash proceeds of approximately \$10.2 billion⁽¹⁾**
 - Total transaction value of \$19.4 billion⁽²⁾
 - National Grid will assume \$8.9 billion of WPD debt⁽²⁾
 - Expected to close within 4 months with full cash payment at closing
- **PPL also entered into a separate agreement to acquire The Narragansett Electric Company (Narragansett) from National Grid for \$3.8 billion, to be financed with proceeds from the sale of the U.K. utility business**
 - Net equity purchase price of \$3.3 billion after consideration of approximately \$0.5 billion of tax benefits expected to result from the transaction
 - Total transaction value of \$5.3 billion, including assumption of \$1.5 billion of Narragansett debt
 - Expected to close within 12 months
- **Residual net cash proceeds of \$6.4 billion to further strengthen PPL's balance sheet and capitalize on incremental organic and strategic growth opportunities**
 - Targeting CFO(FFO) to debt ratio of 16% - 18%
 - Continue to evaluate best use of remaining proceeds to maximize shareowner value, including incremental capital investments at PPL's utilities, additional disciplined investments in renewables, and/or share repurchases

(1) Based on average foreign currency rate of \$1.35/£ as of March 12, 2021, inclusive of hedges. Assumes approximately \$300 million of transaction-related cash taxes and fees.

(2) Assumes foreign currency rate of \$1.35/£ for comparability purposes.

Strategically Repositioning PPL

Transformation to a high-growth, low-risk U.S. energy company



Strategic Objective	Strategic Repositioning
Address valuation discount and improve expected long-term earnings growth	<ul style="list-style-type: none"> ✓ Simplifies structure with clear focus on U.S. rate-regulated utilities ✓ Removes U.K. political, regulatory and foreign currency risk ✓ Increases long-term earnings growth and dividend growth rate
Increase relative size of U.S. operations; mitigate earnings from coal-fired generation	<ul style="list-style-type: none"> ✓ Further diversifies current U.S. regulated operations with addition of U.S. utility in a constructive jurisdiction ✓ Pro forma earnings related to coal-fired generation estimated at ~15-20%⁽¹⁾
Leverage superior operating performance to enhance value for customers and shareowners	<ul style="list-style-type: none"> ✓ Provides immediate opportunity to execute PPL's proven operating model through investment in advanced technologies and grid modernization ✓ Supports improved reliability and customer service for Rhode Island
Improve balance sheet and credit metrics	<ul style="list-style-type: none"> ✓ Enhances pro forma qualitative and quantitative credit metrics to support strong investment grade credit ratings ✓ Supports additional growth and provides financial flexibility with no planned equity issuances⁽²⁾
<ul style="list-style-type: none"> ✓ Sale of U.K. business at a compelling value ✓ Narragansett acquisition expected to be value accretive to earnings and credit 	

(1) Based on estimate for pro forma combined PPL and Narragansett earnings post transaction closing.

(2) Excluding immaterial equity issuances for DRIP and compensation programs.

Narragansett Business Profile

Attractive electric and gas utility in a constructive jurisdiction



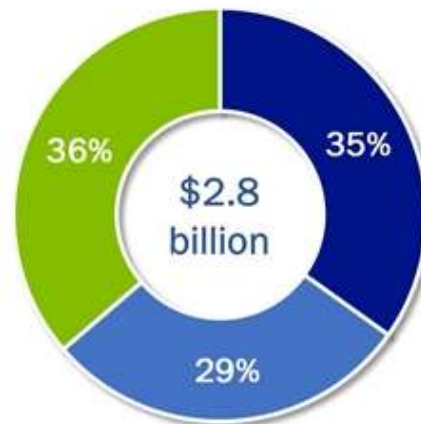
Narragansett Service Territory & Rate Base

Service Territory



- Electric Only
- Electric and Gas
- Gas Only

Rate Base (2020)⁽¹⁾



- Electric Distribution
- Electric Transmission
- Gas Distribution

Narragansett Highlights

- Largest electricity T&D and gas distribution provider in Rhode Island
 - ~510,000 electric customers
 - ~270,000 gas customers
 - No ownership of generation facilities
- Adjusted net income estimate of \$150 million for FY ended March 31, 2021⁽²⁾
- Significant geographical overlap across electric and gas operational territories
- Rhode Island is a constructive regulatory jurisdiction (RRA – Average/2)⁽³⁾
 - Recovery mechanisms reduce regulatory lag
- Further opportunities to invest in electric and gas infrastructure
 - Annual rate base growth greater than 9% over past 5 years

(1) Represents estimated year-end rate base.

(2) Adjusted for estimated COVID-19 related expenses and other non-recurring and timing-related items.

(3) Source: S&P Global's Regulatory Research Associates (RRA) Rankings.

Narragansett Regulatory Overview

Constructive regulatory features



	Rate Base (\$bn) ⁽¹⁾	Base Allowed ROE (%)	Equity Layer (%)	Incentives & Recovery Mechanisms	Regulator
Electric Distribution	\$1.0	9.275% ⁽²⁾	51%	<ul style="list-style-type: none"> Multi-year framework Capital recovery mechanisms Performance Incentive revenues 	<ul style="list-style-type: none"> Public Utilities Commission (RIPUC)
Gas Distribution	\$1.0	9.275% ⁽²⁾	51%	<ul style="list-style-type: none"> Revenue decoupling mechanism Storm cost recovery Energy Efficiency tracker 	<ul style="list-style-type: none"> Rhode Island Division of Public Utilities and Carriers (Division)
Electric Transmission	\$0.8	10.57% ⁽³⁾	50%	<ul style="list-style-type: none"> Recovery under formula rates Incentives on Pool Transmission Facilities and the New England East West Project 	<ul style="list-style-type: none"> Federal Energy Regulatory Commission (FERC)

(1) Represents estimated year-end rate base for 2020.

(2) Reflects base allowed ROE. Narragansett can earn higher returns than the base allowed ROE through incentive mechanisms and efficiencies that are supported by customer sharing mechanisms.

(3) Reflects base allowed ROE. Narragansett receives a 50-basis point RTO adder and additional project adder mechanisms that may increase the allowed ROE up to 11.74%.

Narragansett Investment Overview

Historically robust capital profile with stable growth



Over 90% of capital recovered through efficient rider and tracker mechanisms

Narragansett Historical Capital⁽¹⁾

(\$ in millions)



Narragansett Historical Rate Base Growth⁽¹⁾

(\$ in billions)



- ISR mechanism allows for recovery of certain natural gas and electricity distribution capital investments and expenses related to infrastructure, safety and reliability outside of base rate proceedings⁽²⁾
- Recovery through FERC formula rates for electric transmission investments

(1) Source: National Grid data book – fiscal year ended March 31, 2020.

(2) ISR – an annual recovery mechanism for certain capital and O&M costs for electric and gas Infrastructure, Safety and Reliability (ISR) projects filed with the RIPUC.

PPL's Superior Track Record: Electric

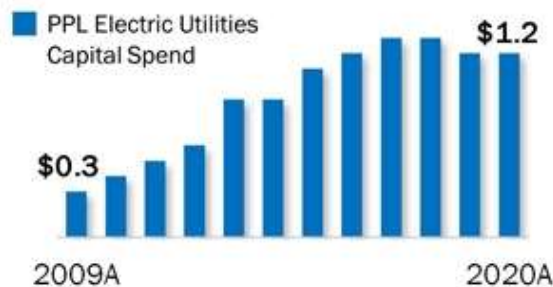
Proven ability to drive value for customers and shareholders



Our success in Pennsylvania demonstrates a clear value proposition for Rhode Island's electric T&D customers

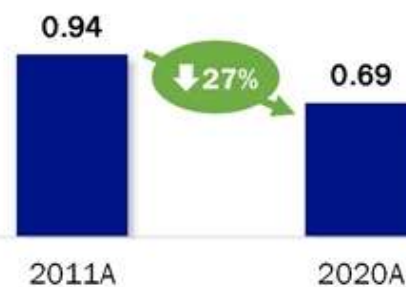
Prudent Capital Investments

(\$ in billions)



Better Reliability - SAIFI⁽²⁾

(Avg. Outages per customer)



Higher Customer Satisfaction⁽³⁾

(J.D. Power customer satisfaction scores)



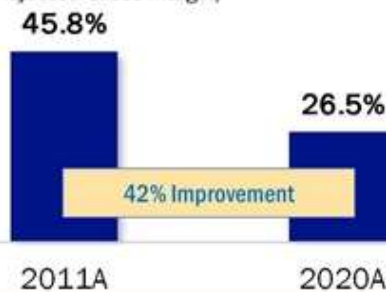
Effective O&M Management⁽¹⁾

(\$ in millions)



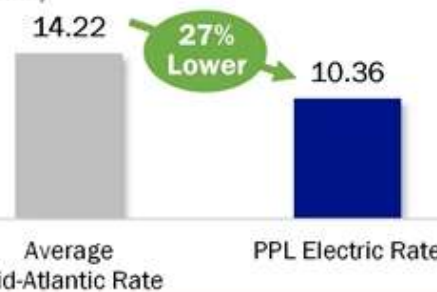
Improved Cost Efficiency⁽¹⁾

(O&M/Adjusted Gross Margin)



Affordable Rates⁽⁴⁾

(Cents/kWh)



Prudent investments and operational efficiency lead to strong reliability and premier customer satisfaction

Note: See Appendix for the reconciliation of Adjusted Gross Margins to Operating Income.

(1) Reflects O&M costs excluding certain pass-through costs and rider costs.

(2) System Average Interruption Frequency Index: the average number of interruptions that a customer experiences over a specific period of time for each customer served.

(3) Based on J.D. Power Electric Utility Residential Customer Satisfaction Study.

(4) Source: EEI, Typical Bills and Average Rates Report, Summer 2020, and includes distribution, transmission, and generation charges.

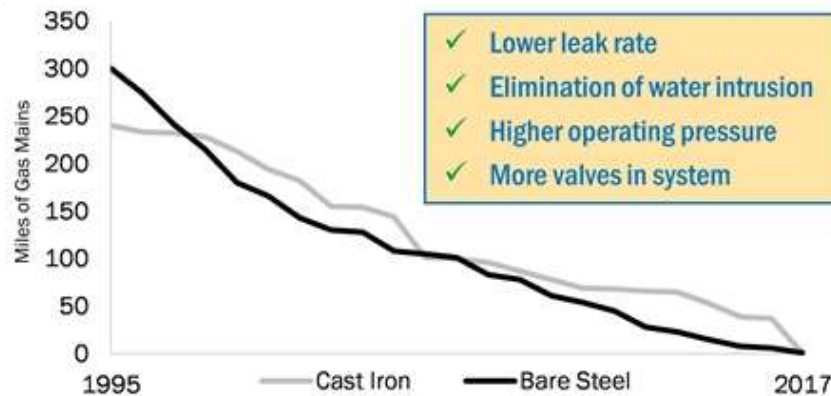
PPL's Superior Track Record: Gas

Focus on investments that provide a safe and reliable system



Our advanced approach to upgrading LG&E's gas infrastructure has significantly improved safety and reliability...

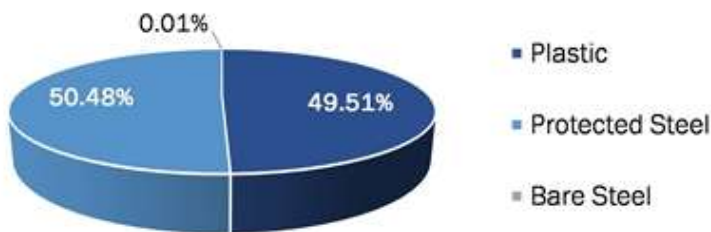
Cast Iron and Bare Steel Main Replacement



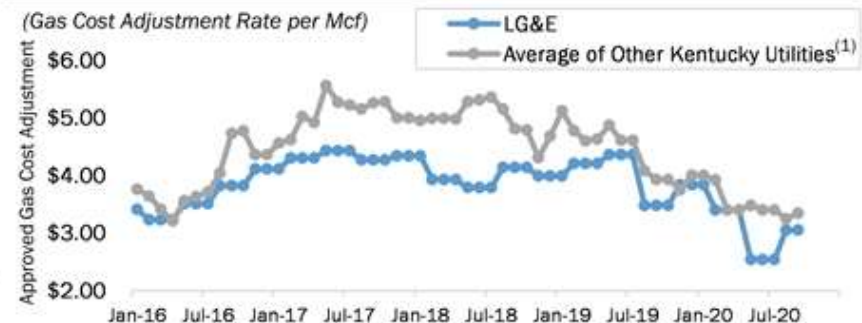
Gas Leaks per Distribution Mile



Gas Distribution Pipeline by Material Type



Gas Cost of LG&E vs. Other Kentucky LDCs



...while effectively managing costs and commodity price risk at rates lower than other gas utilities in the state

(1) Represents average of other major gas utilities in Kentucky (Atmos, Columbia, Delta, and Duke).

Why Narragansett and PPL Are a Great Fit

An opportunity for both RI customers and PPL shareowners



We believe PPL's customer-focused strategies can deliver real value to Rhode Island

- **PPL's utilities are premier operators that have consistently demonstrated proficiency in delivering affordable electricity and gas safely and reliably**
 - ✓ PPL Electric is one of the most advanced, reliable electricity networks in the country and is designed to be the utility of the future
 - ✓ LG&E's forward-thinking gas strategy has reduced leak rates and enhanced safety
 - ✓ PPL has earned 54 total J.D. Power Awards across Pennsylvania and Kentucky for customer satisfaction in both electric and gas utilities
- **Our experience in designing and developing automated electricity networks can support Rhode Island's vision of 100% renewable electricity by 2030**
 - ✓ This objective will require advanced smart grid technology to maintain reliability and power quality – technologies that PPL is already implementing in Pennsylvania
 - ✓ Rhode Island's decarbonization goals align well with PPL's clean energy transition strategy

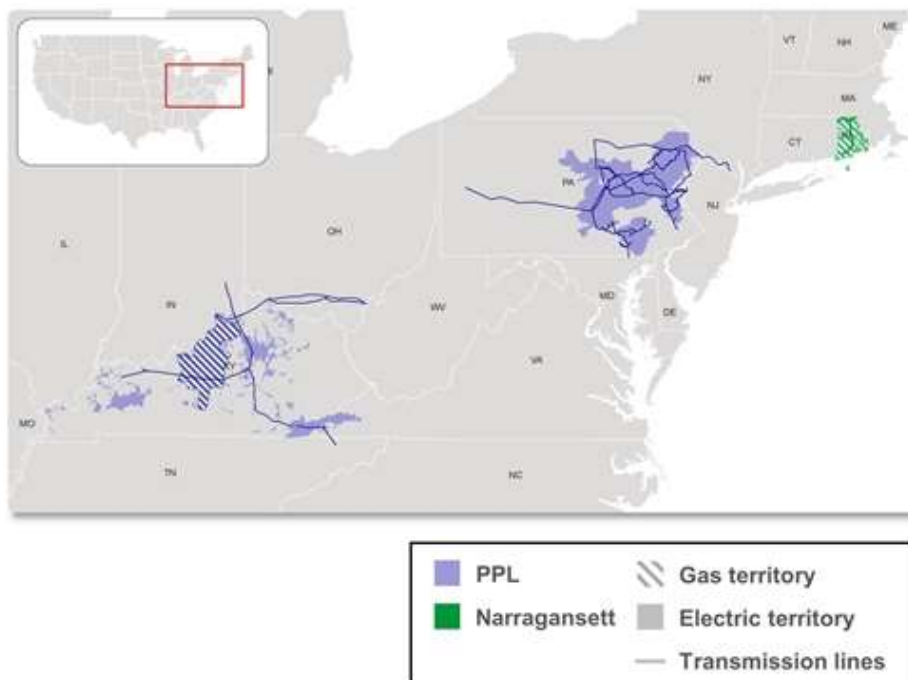
Pro forma PPL Overview

A compelling, low-risk investment opportunity



Leading U.S. energy company focused on strong, high-performing, rate-regulated electricity and natural gas utilities

Attractive Portfolio of U.S. Regulated Utilities



Regulated Utility Combined Statistics

	RI	KY	PA	Total
Total Customers	780,000	1.3M	1.4M	3.5M
Electric	507,000	989,000	1.4M	2.9M
Gas	273,000	332,000	0	605,000
Services Provided:				
Electric Distribution	✓	✓	✓	✓
Electric Transmission	✓	✓	✓	✓
Gas Distribution	✓	✓		✓
Regulated Generation		✓		✓
Service Area (square miles)	1,200	9,400	10,000	20,600
Electricity Delivered (GWh) ⁽¹⁾	7,244	29,016	36,008	72,268
Operating Revenues ⁽¹⁾	\$1.6B	\$3.1B	\$2.3B	\$7.0B

(1) Represents 2020A for Pennsylvania and Kentucky. Rhode Island represents 2019A based on publicly available information per S&P Global Market Intelligence.



Pro forma Rate Base

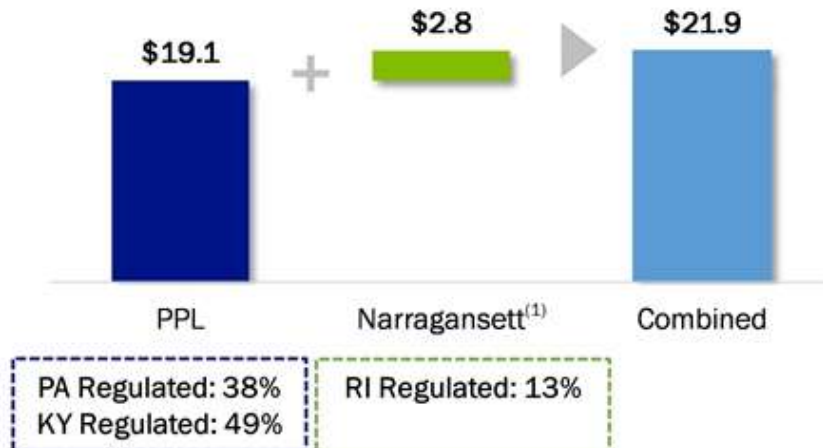
Significant scale with asset and regulatory diversification

Portfolio of U.S. rate-regulated utility asset base totaling approximately \$22 billion

Increasing PPL's U.S. Rate Base

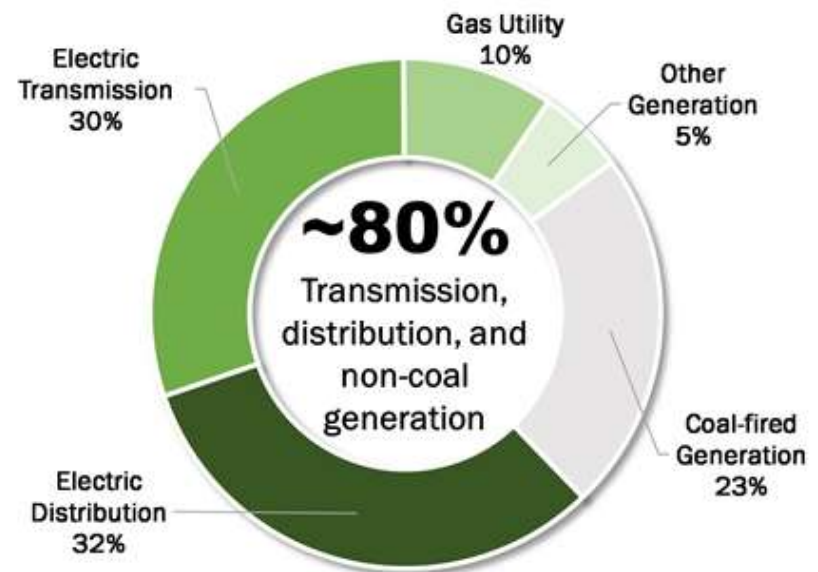
2020 Rate Base

(\$ in billions)



- ✓ Enhanced scale and scope
- ✓ Adds geographic diversification

Rate Base by Regulated Asset Type (2020)⁽²⁾



- ✓ Predominantly T&D asset base
- ✓ Planned investments will increase T&D asset base, while coal-related declines

(1) Represents estimated year-end rate base.

(2) Represents 2020 pro forma rate base, including Narragansett.

Pro forma Financial Outlook

Strong earnings growth and credit metrics



- **Expect earnings growth rate to be competitive with U.S. utility peers post transactions**
 - Underpinned by rate base growth prospects, improved credit profile, and proven track record of delivering operational efficiencies
- **Lower parent leverage combined with Narragansett's strong credit profile is expected to support strong investment grade credit ratings**
 - Targeting CFO(FFO) to debt ratio of 16% - 18%
 - Expected to reduce Holding Company debt to Total debt ratio to below 25%
 - Targeting Debt-to-Total Capitalization ratio of 45% - 55%
- **No planned equity issuances⁽¹⁾**
- **Dividend considerations⁽²⁾**
 - Payout projected to be 60% - 65% of earnings per share post closing of transactions
 - Dividend growth aligned with earnings per share growth post closing of transactions
 - No change expected in quarterly dividends prior to Narragansett transaction closing

(1) Excluding immaterial equity issuances for DRIP and compensation programs.

(2) Actual dividends to be determined by Board of Directors.

Transaction Approvals

Expected regulatory and other transaction approvals



Sale of U.K. Utility Business (expected approval within 4 months)

U.K. Financial Conduct Authority (FCA)

Guernsey Financial Services Commission (GFSC)

National Grid Shareowners

Acquisition of Narragansett (expected approval within 12 months)

Federal Approvals:

Hart-Scott-Rodino (DOJ)

Federal Communications Commission (FCC)

Federal Energy Regulatory Commission (FERC)

State Approvals:

Rhode Island Division of Public Utilities and Carriers

Massachusetts Department of Public Utilities (waiver)⁽¹⁾

(1) National Grid obligation for Massachusetts Department of Public Utilities waiver relating to its foreign utility change in control provision.



Summary

- **Transactions to reposition PPL as a high-growth, low-risk, U.S.-based energy company focused on building the utilities of the future**
 - Leverages PPL's culture of operational excellence to further enhance growth, while eliminating risks associated with foreign ownership
- **Significantly improves PPL's prospects for long-term shareowner return**
 - Expect earnings growth to be competitive to peers with commensurate dividend growth
- **Strengthens PPL's investment grade balance sheet to support future growth and provide financial flexibility**
- **Aligns with PPL's strategy and commitments to all our stakeholders**
 - Achieve industry-leading performance in safety, reliability, customer satisfaction and operational efficiency
 - Advance a clean energy transition while maintaining affordability and reliability
 - Maintain a strong financial foundation and create long-term value for our shareowners
 - Foster a diverse and exceptional workplace
 - Build strong communities in the areas we serve



Appendix





Select Combined Regulatory Attributes

Utility	2020 Rate Base (\$bn) ⁽¹⁾	Cap. Structure (Equity/Debt)	Allowed ROE	Decoupling	Energy Supply Costs	Storms	Forward Test Year	Other
KY – Fully Integrated	\$10.8	53:47	9.725%		✓	✓	✓	✓ ⁽⁴⁾
PA – Distribution	\$3.7	55:45	(2)		✓	✓	✓	✓ ⁽⁴⁾
PA – Transmission	\$4.6	55:45	11.68%	Formula rates & costs fully reconciled; revenues reset annually based on prior year sales				
Narragansett (RI) – Electric	\$1.0	51:49	9.275%	✓	✓	✓	(3)	✓ ⁽⁵⁾
Narragansett (RI) – Gas	\$1.0	51:49	9.275%	✓	✓	✓	(3)	✓ ⁽⁶⁾
Narragansett (RI) – Transmission	\$0.8	50:50	10.57%	Formula rates with actual cost pass through each month including capital and Pension/Other Post Employee benefits				

(1) Narragansett rate base represents estimated year-end rate base.

(2) Last PA Distribution rate case was effective 1/1/2016 with an un-disclosed ROE.

(3) Based on regulatory framework shift in 2018, which established a multiyear framework for Narragansett Electric and Gas based on a historical test year but with the ability to forecast certain O&M categories for future years. All other O&M is increased by inflation each year. Includes annual rate reconciliation mechanism that incorporates allowance for anticipated capital investments.

(4) PPL other rate mechanisms include Smart Meter Rider, DSIC (Distribution System Improvement Charge), Environmental Cost Recovery (ECR), Fuel/Cost of Energy Adjustment Clauses, Gas Line Tracker varying by business.

(5) Narragansett Electric has numerous incentives including Bits Revenue (revenues associated with Block Island cable recovered), EE Incentive (revenues earned based on energy efficiency metrics), LTCRER incentive (remuneration 2.75% greater than amount paid to renewable generators with long-term contracts), REG remunerations (recoverable costs through customer surcharge by which renewable generation is paid a Performance-Based Incentive for energy generated).

(6) Narragansett Gas has an EE Incentive (revenues earned based on energy efficiency metrics)

Non-GAAP Measure Reconciliation

Adjusted Gross Margins to Operating Income



(Unaudited) (millions of dollars)	Twelve Months Ended,	
	<u>December 31, 2011</u> PA Adjusted Gross Margins	<u>December 31, 2020</u> PA Adjusted Gross Margins
Operating Revenues	\$ 1,892	\$ 2,331
Operating Expenses		
Fuel		
Energy purchases	738	491
Energy purchases from affiliate	26	
Other operation and maintenance	108	91
Depreciation		53
Taxes, other than income	99	107
Total Operating Expenses	971	742
Total	\$ 921	\$ 1,589

Forward-Looking Information Statement



Statements contained in this presentation, including statements with respect to future earnings, cash flows, dividends, financing, regulation and corporate strategy, including the anticipated sale of PPL Corporation's U.K. business, the anticipated acquisition of Narragansett from National Grid, and the impact of each transaction on PPL Corporation, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: the COVID-19 pandemic or other pandemic health events or other catastrophic events, including severe weather, and their effect on financial markets, economic conditions and our businesses; asset or business acquisitions and dispositions, including our ability to successfully divest our U.K. business or that such sale may not yield the anticipated benefits, including (i) the ability to obtain the requisite National Grid shareholder approval; (ii) the risk that the parties may be unable to obtain governmental and regulatory approvals required for the transaction, or that required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could cause the parties to abandon the transaction; (iii) the risk that other conditions to closing of the transaction may not be satisfied; (iv) the timing to consummate the transaction; (v) the risk that Narragansett will not be integrated successfully; (vi) disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; and (vii) the diversion of management time on transaction-related issues; market demand for energy in our U.S. service territories; weather conditions affecting customer energy usage and operating costs; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of our facilities; the length of scheduled and unscheduled outages at our generating plants; environmental conditions and requirements, and the related costs of compliance; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; capital market conditions, including interest rates, and decisions regarding capital structure; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation involving PPL Corporation and its subsidiaries; stock price performance; the market prices of debt and equity securities and the impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business, including any potential effects of threatened or actual cyberattack, terrorism, or war or other hostilities; British pound sterling to U.S. dollar exchange rates; new state, federal or foreign legislation or regulatory developments, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important factors and in conjunction with factors and other matters discussed in PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.



Definitions of non-GAAP Financial Measures

Management also utilizes the following non-GAAP financial measures as indicators of performance for its businesses:

"Pennsylvania Adjusted Gross Margins" is a single financial performance measure of the electricity transmission and distribution operations of the Pennsylvania Regulated segment. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms, including energy provided as a PLR, are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance," (which are primarily Act 129, Storm Damage and Universal Service program costs), "Depreciation" (which is primarily related to the Act 129 Smart Meter program) and "Taxes, other than income," (which is primarily gross receipts tax) on the Statements of Income. This measure represents the net revenues from the Pennsylvania Regulated segment's electricity delivery operations.

These measures are not intended to replace "Operating Income," which is determined in accordance with GAAP, as an indicator of overall operating performance. Other companies may use different measures to analyze and report their results of operations. Management believes these measures provide additional useful criteria to make investment decisions. These performance measures are used, in conjunction with other information, by senior management and PPL's Board of Directors to manage operations and analyze actual results compared with budget.

Reconciliations of adjusted gross margins for future periods are not provided as certain items excluded from Operating Income are inherently subject to change and are not significant.