

The purpose of Northern Powergrid is to create shareholder value by operating a sustainable energy infrastructure business in such a way as to optimise long-term returns.

Our vision is to be regarded as delivering the best all-round energy infrastructure service in the United Kingdom. To achieve this:

**Our asset management policy is to develop and maintain safe, efficient, co-ordinated and economical electricity distribution systems that sustainably serve the needs of our customers and optimise the long-term return on investment for our owners. We shall comply with all legal, regulatory and environmental requirements placed upon us and will not compromise the safety of our employees, our customers or the public.**

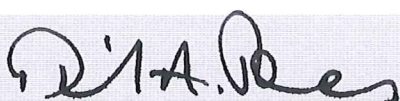
This asset management policy shall be achieved through the operation of a coordinated end-to-end asset management system that:

- produces an asset management strategy, objectives and performance targets that achieve a balanced outcome across our six business priorities of customer service, employee commitment, financial strength, environmental respect, regulatory integrity and operational excellence;
- considers the complete lifecycle of our assets to develop investment plans that are sustainable, efficient and based upon an optimised consideration of cost, risk and performance;
- develops a resource/training strategy aligned with the requirements of the investment plans;
- ensures the efficient execution of our plans and fulfilment of our customer promises;
- tracks delivery of our asset management objectives and targets and reviews the achievement of their intended benefits;
- integrates with and complements our risk, health & safety, environmental and quality management system requirements; and
- incorporates regular audits and formal management reviews designed to seek and implement continual improvement.

All directors, employees and contractors shall comply with this policy and contribute towards the continuous improvement of the asset management system.

The company will provide sufficient information, training and resources to enable this to be achieved.

Signed:



Date:

02/06/14

Philip A. Jones  
President & Chief Executive Officer  
Northern Powergrid

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