

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action you should take, you should consult your independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Ordinary Shares please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the agent through whom the sale was effected, for transmission to the purchaser or transferee.

TELECOM PLUS PLC

(incorporated and registered in England and Wales with registered number 03263464)

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held at Network HQ, 508 Edgware Road, The Hyde, London NW9 5AB on Friday 22 July 2016 at 12.00 noon is set out at the end of this document.

A Form of Proxy for use at the Annual General Meeting accompanies this document and, to be valid, must be completed and returned to the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, as soon as possible but in any event to be received not later than 12.00 noon on Wednesday 20 July 2016. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the Annual General Meeting in person.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Companies Act"	the Companies Act 2006, as amended, consolidated or re-enacted from time to time
"2017 AGM"	the annual general meeting of the Company to take place in 2017
"Annual General Meeting" or "AGM"	the annual general meeting of the Company convened for 22 July 2016 pursuant to the Notice of AGM
"Annual Report 2016"	the Company's Annual Report and Accounts document for the year ended 31 March 2016
"Articles"	the Company's articles of association
"Board" or "Directors"	the directors of the Company as at the date of this document
"Company"	Telecom Plus Plc
"Conversion Window"	means the period during which participants in the LTIP 2016 may convert their Growth Shares into Ordinary Shares as set out in paragraph 5 of Appendix 1
"Form of Proxy"	the form of proxy accompanying this document for use in connection with the Annual General Meeting
"Group"	the Company and its subsidiaries
"Growth Shares"	the new class (along with sub-classes) of 'growth' shares proposed to be issued to the participants of LTIP 2016 the terms of which are set out in Appendix 1
"LTIP 2016"	the new long term incentive plan proposed to be adopted details of which are set out in Appendix 1
"Networkers and Consultants Share Option Plan"	the Telecom Plus PLC 2007 Networkers and Consultants Share Option Plan
"Notice of AGM"	the notice of Annual General Meeting which is set out at the end of this document
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company
"Resolutions"	the resolutions set out in the Notice of AGM
"Shareholders"	holders of Ordinary Shares

TELECOM PLUS PLC

(incorporated and registered in England and Wales with registered number 03263464)

Network HQ
508 Edgware Road, The Hyde
London NW9 5AB

Directors:

Charles Francis Wigoder (Executive Chairman)
Julian Dominic Schild (Non-Executive Deputy Chairman and Senior Independent Director)
Andrew James Ronald Lindsay, MBE (Chief Executive Officer)
Nicholas Schoenfeld (Chief Financial Officer)
Melvin Anthony Lawson (Non-Executive Director)
Michael James Pavia (Non-Executive Director)

22 June 2016

To all Shareholders

Dear Shareholder

2016 ANNUAL GENERAL MEETING

I am writing to you to explain the proposals which Shareholders will be asked to approve at the AGM to be held on Friday 22 July 2016 starting at 12.00 noon at Network HQ, 508 Edgware Road, The Hyde, London, NW9 5AB. The Notice of AGM is set out at the end of this document.

To receive the Annual Report and Accounts (resolution 1)

The Chairman will present the Annual Report and Accounts for the year ended 31 March 2016, sent to Shareholders with this document.

Remuneration Report (resolution 2)

The Companies Act requires UK incorporated listed companies to ask Shareholders to vote on the Directors' Annual Report on Remuneration. As the vote is advisory, it does not affect the actual remuneration paid to any individual director. A copy of the Directors' Annual Report on Remuneration is set out on pages 67 to 76 of the Annual Report 2016. Resolution 2 is an ordinary resolution to approve the Directors' Annual Report on Remuneration for the year ended 31 March 2016.

Remuneration Policy (resolution 3)

The Companies Act requires a UK incorporated listed company to obtain shareholder approval prior to making any changes to its Remuneration Policy. The current Remuneration Policy was previously approved by Shareholders at the 2014 Annual General Meeting. The revised Remuneration Policy, if approved, will take effect immediately after the conclusion of the Annual General Meeting and is

binding. Shareholders are requested to approve the revised Remuneration Policy which is set out on pages 54 to 66 of the Company's Annual Report 2016, and includes the new Long Term Incentive Plan the terms of which are summarised in Appendix 1. Resolution 3 is an ordinary resolution to approve the Revised Remuneration Policy.

Provided it remains unchanged, the Revised Remuneration Policy will continue to apply until it is proposed to shareholders for approval again at the Annual General Meeting in 2019.

New Long Term Incentive Plan 2016 (resolutions 4 and 5)

The Company proposes to adopt a new Long Term Incentive Plan, LTIP 2016. As set out in the Revised Remuneration Report, LTIP 2016 is designed to attract and retain high calibre individuals by delivering entrepreneurial rewards throughout the management team as both an incentive and a reward for creating significant real shareholder value over a 10 year time-frame. LTIP 2016 will comprise the issue to participants of a new class (along with sub-classes) of 'growth' shares. Subject to further advice to be received by the Company it is intended to restructure the Group such that there will be a PLC holding company, an intermediate holding company, and all the trading activity will be carried on within a subsidiary (or subsidiaries) of the intermediate holding company. The Growth Shares will either be: (i) issued by the new intermediate holding company inserted below the Company; or (ii) if the restructuring does not go ahead as intended, a new class of share issued by the Company. The Growth Shares will accrue value equivalent to a fixed multiple of Ordinary Shares. The amount of the multiple will increase on a stepped basis depending on the extent to which certain performance criteria ('hurdles') have been met or exceeded. At each vesting date (being the date of the announcement of the results of the Company for the financial years ended 31 March 2019, 31 March 2021, 31 March 2023 and 31 March 2026 for the initial issue of Growth Shares and the third, fifth, seventh and tenth anniversary of issue for any further issues of Growth Shares), to the extent that the Growth Shares have accrued value as a result of the hurdles being achieved, participants will have a limited window of opportunity to 'convert' the relevant tranche of Growth Shares to Ordinary Shares; employees may choose to defer conversion of any vested Growth Shares until a subsequent window at their discretion. Further details of LTIP 2016 are set out in Appendix 1. The Company may not adopt an employee share scheme (including a long term incentive plan), without the prior approval of the Shareholders. Resolution 4 is an ordinary resolution to approve the new LTIP.

As referred to above, the Company has not yet decided whether LTIP 2016 will be implemented by way of an issue of shares in the Company or in a wholly-owned subsidiary. Under article 4 of the Articles, the Directors may issue shares with special rights, conditions or restrictions attaching to such shares as the Company may by ordinary resolution direct. Resolution 5 is an ordinary resolution to authorise the Directors to issue the Growth Shares under article 4 of the Articles.

Final Dividend (resolution 6)

Resolution 6 is to approve the payment of a final dividend of 24.0 pence per ordinary share for the year ended 31 March 2016 to Shareholders on the register of members at close of business on 8 July 2016.

Re-election of Directors (resolutions 7 to 11)

The UK Corporate Governance Code (the "Code") requires FTSE 350 companies to offer all of their directors for re-election annually. Resolutions 7 to 11 deal with the re-election of each of the Directors apart from Michael Pavia who is retiring from the Board at this year's AGM.

The biographical details of the Directors standing for re-election are set out below:

Charles Wigoder aged 56, Executive Chairman. Charles qualified as a Chartered Accountant with KPMG in 1984 and was subsequently employed by Kleinwort Securities as an investment analyst in the media and communication sectors. Between 1985 and 1988, he was head of corporate finance and development at Carlton Communications PLC and then Quadrant Group PLC. In March 1988, he left Quadrant Group to set up The Peoples Phone Company PLC, which was subsequently purchased by Vodafone in December 1996. He joined the Board in February 1998 and became Executive Chairman in July 2010.

Julian Schild aged 56, Non-Executive Deputy Chairman and Senior Independent Director. Julian is a qualified Chartered Accountant and was previously Chairman of Huntleigh Technology PLC. Following the sale of Huntleigh in 2007 he set up a company investing in start-ups. He actively supports many charitable activities. He is a Director of the Hospital of St. John & Elizabeth in London and is an Advisory Fellow of Pembroke College, Oxford. He joined the Board in May 2010 as an independent non-executive director and the Board is satisfied that he is an independent director in accordance with the UK Corporate Governance Code.

Andrew Lindsay MBE aged 39, Chief Executive Officer. Before joining the Company, Andrew was Managing Director of Ryness, an electrical retail chain based in London in which he previously held a significant equity stake after performing a Management Buyout in 2006. Prior to buying Ryness, he spent three years as an analyst in the UK Mergers & Acquisition Team at Goldman Sachs. Andrew rowed for Great Britain at the Sydney Olympic Games in 2000 where he won a Gold medal. He joined the Company in April 2007, was appointed to the Board in November 2008 and became Chief Executive Officer in July 2010.

Nicholas Schoenfeld aged 45, joined the Company in January 2015 as Chief Financial Officer. Since 2006, Nick was Group Finance Director of Hanover Acceptances, a substantial diversified private company with holdings in the food manufacturing, real estate, and agribusiness sectors. He was previously employed at Kingfisher plc, where he was responsible for the group's financial planning and analysis functions. Prior to this, he held senior strategic and development roles within Castorama and the Walt Disney Company, having started his career as a management consultant at the Boston Consulting Group. Nick also has an MBA from the Harvard Business School.

Melvin Lawson aged 57, Non-Executive Director. Melvin is the Managing Director of A Beckman PLC, a company formerly listed on the London Stock Exchange which was taken private in 1995. He has interests in a wide range of investments and is a director of Catalyst Media Group PLC and a number of other companies. He joined the Board in September 2006 as a non-executive director and the Board is satisfied that he remains an independent director in accordance with the UK Corporate Governance Code.

The Board has confirmed that, following a performance review, all Directors standing for re-election continue to perform effectively and demonstrate commitment to their role. In conducting its review, the Board was mindful of the Code requirement to subject the extension of any non-executive director's term beyond six years to particularly rigorous assessment (provision B.2.3). Melvin Lawson joined the Board in late 2006 and the coming year will therefore represent his tenth as a director. The Board remains entirely satisfied with the performance and contribution of Mr Lawson. However, in accordance with the Code requirement to consider a progressive refreshing of the Board, the Nomination Committee has identified one new independent non-executive director who will be joining the Board in September and is in the process of identifying a further independent director for appointment to the Board in the near future.

Appointment of Auditor (resolutions 12 and 13)

Under resolution 12, it is proposed that KPMG LLP (“KPMG”) be reappointed as the Company’s auditor to hold office until the conclusion of the 2017 AGM.

Resolution 13 authorises the Directors to agree KPMG’s remuneration.

Authority for Purchase of Own Shares (resolution 14)

The Company cannot purchase its own shares unless the purchase has first been authorised by Shareholders in general meeting. The Directors are therefore proposing Resolution 14 to seek such authority under section 701 of the Companies Act in respect of a maximum of 8,025,835 Ordinary Shares (representing approximately 10 per cent. of the Company’s issued ordinary share capital (excluding treasury shares) as at 17 June 2016 (the last practicable date before publication of this document)) and to set minimum and maximum prices. This authority will expire at the conclusion of the 2017 AGM or if earlier, 30 September 2017.

The Directors have no present intention of exercising the authority to purchase Ordinary Shares but will keep the matter under review, taking into account the financial resources of the Company, the Company’s share price and future funding requirements. This authority will only be exercised by the Directors if and when, in the light of market conditions prevailing at that time, the Directors believe that such purchases would increase earnings per share and would be for the benefit of Shareholders generally. The effect of any such purchase will clearly depend on the price at which it is made. Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange.

In accordance with the Companies Act, the Company may purchase and hold shares as treasury shares, rather than cancelling them. The Directors will decide at the time of purchase whether to hold shares in treasury or to cancel them immediately. No dividends are paid on shares while held in treasury and no voting rights attach to treasury shares. Resolution 14, proposed as a special resolution, complies with the current guidelines issued by investor protection committees and the Directors will have regard to any guidelines issued by investor protection committees which may be published at the time of any such purchase, holding or resale of treasury shares.

As at 17 June 2016 (the last practicable date before publication of this document), there were outstanding options to subscribe for shares, both currently exercisable and yet to be exercisable, granted under all share option schemes operated by the Company, in respect of a total of 2,486,429 Ordinary Shares which, if all were eventually exercised, would represent approximately 3.0 per cent. of the issued share capital of the Company (excluding treasury shares). In the unlikely event that the authority now being sought, together with the existing authority to purchase shares granted at last year’s AGM, were exercised in full, such options, if exercised, would represent approximately 3.7 per cent. of the issued share capital of the Company.

Authority to allot shares (resolution 15)

In accordance with the provisions of section 549 of the Companies Act, the Directors are prevented from exercising the Company’s powers to allot shares without an authority in terms of the Companies Act contained either in the articles of association or in a resolution of the Shareholders in general meeting. Such authority was given by Shareholders at the AGM of the Company held on 11 August 2015, for a period expiring on the conclusion of this AGM.

Resolution 15 therefore proposes to renew this general authority for the period expiring at the conclusion of the 2017 AGM or, if earlier, 30 September 2017. The authority being sought is to allot Ordinary Shares up to a maximum nominal amount of £1,337,639, representing approximately one-third of the issued share capital (excluding treasury shares) as at 17 June 2016 (being the latest practicable date before publication of this document). The Directors have no current intention of using this authority, if granted, save in respect of the issue of shares pursuant to the exercise of options granted under the Networkers and Consultants Share Option Plan. Shares issued pursuant to employee share plans are exempt from this authority.

In addition, The Investment Association has said that it will consider as routine a resolution to authorise the allotment of a further one-third of share capital for use in connection with a rights issue. Your Board considers it appropriate to seek this additional allotment authority at this year's AGM in order to take advantage of the flexibility it offers. However, the Board has no present intention of exercising this authority. If the additional authority is actually used, the whole Board will stand for re-election at the next annual general meeting.

Passing this resolution will provide the Directors with additional flexibility, acting in the best interests of the Company and Shareholders, so that when opportunities that benefit the Company arise, the Directors can issue new shares without the need to incur the cost and delay of a general meeting of the Company to seek specific authority for each allotment.

As at 17 June 2016 (being the latest practicable date before publication of this document), there were 60,000 shares held in treasury by the Company.

Authority to disapply statutory pre-emption rights (resolution 16)

The Companies Act requires that an allotment of shares for cash may only be made if the shares are first offered to existing shareholders on a pre-emptive basis. In accordance with general practice, the Directors propose that advantage be taken of the provisions of section 570 of the Companies Act to disapply the Companies Act's pre-emption requirements in relation to certain share issues.

Resolution 16 will empower the Directors to allot Ordinary Shares for cash on a non-pre-emptive basis:

1. in connection with a rights issue or other pro-rata offer to existing Shareholders.
2. (otherwise than in connection with a rights issue) up to a maximum nominal value of £401,292 representing approximately ten per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 17 June 2016 (the latest practicable date before publication of this document).

The Board intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 16:

- (i) in excess of an amount equal to 5 per cent. of the total issued ordinary share capital of the Company (excluding treasury shares); or
- (ii) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period, without prior consultation with Shareholders,

in each case other than in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles from time to time) which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

In proposing this resolution, the Directors consider that it is in the best interests of the Company and Shareholders that the Directors retain their flexibility to allot some shares without having to offer them to Shareholders first.

Political donations (resolution 17)

Resolution 17 is designed to deal with the rules on political donations contained in the Companies Act. Political donations to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by Shareholders in advance. What constitutes a political donation, a political party, a political organisation, or political expenditure is not always easy to decide, as the legislation is capable of wide interpretation. Sponsorship, advertising, marketing activities, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within this.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward Resolution 17. This will allow the Company to support the community and put forward its views to wider business and Government interests without running the risk of being in breach of the law. As permitted under the Companies Act, Resolution 17 has also been extended to cover any political donations made, or political expenditure incurred, by any subsidiaries of the Company. The authority which the Board is requesting is similar to the authority given by shareholders at the AGM in 2015.

Notice period for general meetings (resolution 18)

It is proposed in Resolution 18 that Shareholders should approve the continued ability of the Company to hold general meetings other than the annual general meeting on 14 clear days' notice.

This resolution relates to section 307A of the Companies Act. Under that section, a listed company which wishes to be able to call general meetings (other than an AGM) on 14 days' clear notice must obtain shareholders' approval. Resolution 18 seeks such approval.

The resolution is valid up to the 2017 AGM and so will need to be renewed annually. The Company will also need to meet the requirements for electronic voting under section 307A of the Companies Act before it can call a general meeting on 14 days' notice.

In accordance with the guidance issued by the National Association of Pension Funds, the shorter notice period will not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the Shareholders as a whole.

Action to be taken

Shareholders will find a Form of Proxy enclosed for use at the AGM. Whether you propose to attend the AGM or not, the Form of Proxy should be completed and returned to the Company's registrars in the prepaid envelope provided, as soon as possible, and in any event, so as to be received by the

Company's registrar, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF by not later than 48 hours before the time of the AGM. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

Recommendation

The Board considers the Resolutions are likely to promote the success of the Company and are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do so in respect of their own shareholdings which amount in aggregate to 18,825,232 Ordinary Shares (representing approximately 23.5 per cent. of the issued Ordinary Shares, excluding treasury shares).

Yours sincerely

Charles Wigoder
Executive Chairman

TELECOM PLUS PLC

("the Company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Network HQ, 508 Edgware Road, The Hyde, London NW9 5AB on Friday 22 July 2016 at 12.00 noon for the purpose of considering, and if thought fit, passing the following resolutions. Resolutions 1 to 13, 15 and 17 will be proposed as ordinary resolutions and resolutions 14, 16 and 18 will be proposed as special resolutions.

1. To receive the reports of the Directors and the auditor and the accounts of the Company for the year ended 31 March 2016.
2. To receive and approve the Directors' Annual Report on Remuneration for the year ended 31 March 2016.
3. To receive and approve the Revised Remuneration Policy which will take effect immediately after the end of the AGM.
4. That the New LTIP (the principal terms of which are summarised in Appendix 1 in the attached circular) be and it is hereby approved and adopted and that the Directors be authorised to do all acts which they may consider necessary or expedient for the purpose of carrying the same into effect.
5. To authorise the Directors to issue shares under article 4 of the Company's articles of association with the special rights, conditions and restrictions attached thereto as set out in Appendix 1.
6. To declare a final dividend for the year ended 31 March 2016 of 24.0p on each of the ordinary shares of 5p and the Directors be and are hereby authorised to pay such dividend to those persons registered as holders of shares in the capital of the Company at the close of business on 8 July 2016.
7. To re-elect Charles Wigoder as a director of the Company.
8. To re-elect Julian Schild as a director of the Company.
9. To re-elect Andrew Lindsay as a director of the Company.
10. To re-elect Nicholas Schoenfeld as a director of the Company.
11. To re-elect Melvin Lawson as a director of the Company.
12. To appoint KPMG LLP as auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company at which accounts are laid before the Company.
13. To authorise the Directors to determine the auditor's remuneration.
14. That the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ("**Companies Act**") to make one or more market purchases (within the meaning of section 693(4) of the Companies Act) on the London Stock Exchange of its own fully paid ordinary shares of 5p each in the capital of the Company

("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine provided that:

- a) the maximum aggregate number of Ordinary Shares which may be purchased is 8,025,835, being approximately 10 per cent. of the issued ordinary share capital (excluding treasury shares) as at 17 June 2016;
 - b) the minimum price which may be paid for an Ordinary Share is 5p (exclusive of expenses payable by the Company);
 - c) the maximum price which may be paid for an Ordinary Share (exclusive of expenses payable by the Company) cannot be more than the higher of:
 - i. 105 per cent. of the average market value of an Ordinary Share for the five business days prior to the day on which the Ordinary Share is contracted to be purchased; and
 - ii. the value of an Ordinary Share calculated on the basis of the higher of:
 - A. the last independent trade of; or
 - B. the highest current independent bid for,any number of Ordinary Shares on the trading venue where the market purchase by the Company will be carried out; and
 - iii. the authority conferred shall expire at the conclusion of the next annual general meeting of the Company or, if earlier 30 September 2017, except that the Company may before such expiry make a contract to purchase its own shares which will or may be completed or executed wholly or partly after such expiry.
15. That the Directors be and they are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act, in substitution for all existing authorities:
- a) to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together "**Relevant Securities**") up to an aggregate nominal amount of £1,337,639; and
 - b) to exercise all the powers of the Company to allot equity securities (as defined in section 560(1) of the Companies Act) up to an additional aggregate nominal amount of £1,337,639 provided that this authority may only be used in connection with a rights issue in favour of holders of Ordinary Shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the Directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever,

provided that the authorities in **paragraphs** (a) and (b) above shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, 30 September 2017, except that

the Company may before such expiry make an offer or agreement which would or might require Relevant Securities or equity securities as the case may be to be allotted after such expiry and the Directors may allot Relevant Securities or equity securities in pursuance of any such offer or agreement as if the authority in question had not expired.

16. That the Directors be and they are hereby empowered, pursuant to section 570 and 573 of the Companies Act, to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the authorities conferred by resolution number 15 or by way of a sale of treasury shares, as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:

- a) the allotment of equity securities in connection with a rights issue or other pro rata offer (but, in the case of the authority conferred by **paragraph 15(b)**, by way of a rights issue only) in favour of holders of Ordinary Shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the Directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held or deemed to be held by them or are otherwise allotted in accordance with the rights attaching to such equity securities, subject in each case to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and
- b) the allotment (otherwise than pursuant to **paragraph 15(a)** above) of equity securities up to an aggregate nominal amount of £401,292,

and shall expire upon the expiry of the general authority conferred by resolution 15 above, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or shares held by the Company in treasury to be sold or transferred, after such expiry and the Directors may allot equity securities and/or sell or transfer shares held by the Company in treasury in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

17. That in accordance with sections 366 and 367 of the Companies Act the Company and all companies which are subsidiaries of the Company at the date on which this resolution 17 is passed or during the period when this resolution 17 has effect are authorised to:

- a) make political donations to political parties or independent election candidates, as defined in the Companies Act, not exceeding £50,000 in total;
- b) make political donations to political organisations other than political parties, as defined in the Companies Act, not exceeding £50,000 in total; and
- c) incur political expenditure, as defined in the Companies Act, not exceeding £50,000 in total,

during that period beginning with the date of the passing of this resolution and ending on the conclusion of the next annual general meeting of the Company, provided that the authorised sums referred to in **paragraphs (a), (b) and (c)** above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sums, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or

the first business day thereafter), or, if earlier, on the day on which the Company enters into any contract or undertaking in relation to the same.

18. That the Company is authorised to call any general meeting of the Company other than the annual general meeting by notice of at least 14 clear days during the period beginning on the date of the passing of this resolution and ending on the conclusion of the next annual general meeting of the Company.

By Order of the Board

David Baxter

Secretary

Dated 22 June 2016

Registered Office:

Network HQ

508 Edgware Road

The Hyde

London NW9 5AB

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by the member. A proxy need not be a member of the Company.
2. A form of proxy is provided with this notice and instructions for use are shown on the form. To be valid, completed proxies must be received (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) by Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF, not later than 48 hours before the time fixed for the meeting and no account shall be taken of a day that is not a working day. Deposit of a completed form of proxy does not preclude a member from subsequently attending or voting at such meeting.
3. The Company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that only those Shareholders whose names are entered in the register of members of the Company as at 6.00 p.m. on 20 July 2016 (or, if the meeting is adjourned, on the date which is two days before the time of the adjourned meeting) shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using a CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual (www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointment specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST).

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal systems timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6. To appoint more than one proxy, (an) additional proxy form(s) may be obtained by contacting Capita Asset Services or you may photocopy the proxy form. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. Please indicate in the box next to the proxy's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
7. In accordance with section 325 of the Companies Act, the right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act, persons nominated to receive information rights under section 146 of the Companies Act who have been sent a copy of this notice of meeting are hereby informed, in accordance with section 149(2) of the Companies Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
8. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
9. A corporate shareholder may authorise a person or persons to act as its representative(s) at the AGM. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder in the Company, provided that he or she does not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
10. You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
11. A copy of this Notice, and other information required by section 311A of the Companies Act, can be found at www.utilitywarehouse.co.uk.
12. As at 17 June 2016 (being the last practicable business day before the publication of this Notice), the Company's issued share capital consisted of 80,318,352 Ordinary Shares carrying one vote each, including 60,000 shares held in treasury. Therefore the total voting rights in the Company are 80,258,352.

13. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:
- (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
 - (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting.

The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

14. Any member attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. The following documents are available for inspection at the registered office of the Company (Network HQ, 508 Edgware Road, The Hyde, London, NW9 5AB) during normal business hours on each weekday (public holidays excluded) and at the place of the annual general meeting (Network HQ, 508 Edgware Road, The Hyde, London NW9 5AB) for 15 minutes prior to and during the meeting:
- (a) copies of the executive directors' service contracts with the Company;
 - (b) copies of letters of appointment of each of the non-executive directors; and
 - (c) the rules of LTIP 2016.

Appendix 1

Summary of the terms of LTIP 2016

LTIP 2016 will comprise the issue to participants of the Growth Shares. Subject to further advice to be received by the Company, it is intended to restructure the Group such that there will be a PLC holding company, an intermediate holding company, and all the trading activity will be carried on within a subsidiary (or subsidiaries) of the intermediate holding company. The Growth Shares will either be: (i) issued by the new intermediate holding company inserted below the Company (with the trading subsidiaries of the Company together with the existing trading activities of the Company transferred down to that new company (or a new subsidiary or subsidiaries below it)); or (ii) if the restructuring does not go ahead as intended a new class of share issued by the Company under the authority in article 4 of the Articles if approved by resolution 5 in the Notice of AGM set out in this circular.

The terms of the Growth Shares will allow participants to share in the equity value of the Company generated over the coming years, subject to achieving specified hurdles, which will be incorporated as inherent rights of the Growth Shares. The Growth Shares will vest in tranches (subject to continued employment) over periods of time up to 10 years from issue. On specified annual dates, a participant will have the right to convert the Growth Shares for Ordinary Shares. If the first hurdle is not achieved, then the Growth Shares will not accrue any value and will only entitle participants to a return of nominal value.

1. Eligibility and grant procedure

Executive directors and other employees of the Group may participate in the LTIP 2016 and be invited to subscribe for Growth Shares at the discretion of the Remuneration Committee. Eligible individuals can be invited to subscribe for Growth Shares at any time subject to dealing restrictions. Participants may be required to surrender/agree to the cancellation of some or all of any existing awards held by them under other share incentive schemes as a pre-condition for being invited to subscribe for Growth Shares.

No Growth Shares can be issued more than ten years following the date on which the LTIP 2016 is approved by shareholders. Participants may be invited to subscribe for Growth Shares at either nominal or unrestricted tax market value. Some participants may be invited to acquire Growth Shares under 'employee shareholder status' (ie: in return for the surrender of certain employment rights), in which case no cash consideration can be given for the Growth Shares. No participants who are members of the Board will be invited to acquire Growth Shares under employee shareholder status.

2. Value of awards

The number of Growth Shares each individual is invited to subscribe for will be determined by the Remuneration Committee, subject to a maximum of 650,000 Growth Shares being issued in total.

The Growth Shares convert into or are exchanged for Ordinary Shares of equivalent value on the basis that the maximum value they can accrue is equivalent to 6,500,000 Ordinary Shares. On a fully converted and diluted basis, the value of the Growth Shares would currently equal approximately 7.5 per cent. of the issued share capital of the Company (by number of shares) but this could increase or decrease in certain circumstances, for example if the Company

undertook a share buyback during the vesting period or if further new shares of the Company were admitted to listing and to trading after the first issue of Growth Shares.

3. Performance conditions

The rights and restrictions applicable to the Growth Shares will incorporate a stepped growth hurdle or ratchet based on the Company's share price (see paragraph 4 below). At the discretion of the Remuneration Committee, a stepped growth hurdle based on adjusted EPS may also be incorporated into the terms of the Growth Shares (in which case the higher of the share price or adjusted EPS hurdle achieved would be used in assessing accrual of value). The Remuneration Committee may set different growth hurdles for future invitations to acquire Growth Shares provided that any future hurdles shall not be lower than the hurdles set for the initial awards.

No additional performance conditions will be imposed on participants in addition to the growth hurdles.

4. Hurdle

The basis on which value accrues to the Growth Shares is determined by reference to hurdles which refer to increases in the Company's share price or (provided the Remuneration Committee exercises its discretion to include such additional growth hurdle) to increases in adjusted earnings per share ("adjusted EPS"). On a disposal or a winding-up of or other return of capital by the Company, the equity value attributable to the Growth Shares shall be determined in accordance with the extent to which the relevant hurdle has been achieved (for example, if a shareholder has the right to convert or exchange Growth Shares into Ordinary Shares on a "conversion multiple" of 10, at that point in time, each unconverted Growth Share would have a value equivalent to 10 Ordinary Shares).

The number of Growth Shares which can be converted during each Conversion Window, is expected to be based on the higher of the rate given by using the following share price and adjusted EPS hurdle growth rates (assuming an adjusted EPS growth target is in fact included in the plan at implementation stage):

Share price	Adjusted EPS	"Conversion multiple"	Maximum no. Ordinary Shares to be issued	Approximate diluted holding (based on current share capital)
<£20	<2.0x	Nil	Nil	Nil
£20 to £24.99	2.0x to 2.24x	2.5x	1,625,000	1.9%
£25 to £29.99	2.25x to 2.49x	3.75x	2,437,500	2.8%
£30 to £34.99	2.5x to 2.74x	5.0x	3,250,000	3.7%
£35 to £39.99	2.75x to 2.9x	6.25x	4,062,500	4.7%
£40 to £44.99	3.0x to 3.24x	7.5x	4,875,000	5.6%
£45 to £49.99	3.25x to 3.5x	8.75x	5,687,500	6.6%
£50+	>3.5x	10.0x	6,500,000	7.5%

The Remuneration Committee has absolute discretion in setting the share price hurdles for both initial participants and future grants and may make adjustments to hurdles reflecting the actual initial share price at the date of award. However, the share price hurdles will not be reduced below the levels set out above unless and to the extent that this is a just and reasonable adjustment made by the Board with a view to ensuring that the Growth Shares are not disadvantaged or benefited in the event of a future reorganisation of share capital, special dividend or other objective change in the capital structure of the Company.

In applying the share price hurdle, the average closing price of an Ordinary Share during the 30 dealing days immediately preceding the date the Growth Shares are subscribed for will be compared with the average closing price of an Ordinary Share at the start of the relevant Conversion Window (the "measurement date"). In respect of the share price hurdles, (i) to achieve the first share price hurdle, such that the Growth Shares actually participate in growth in shareholder value, the share price on the measurement date would need to be approximately double the current share price; and (ii) to achieve the maximum participation, the share price would need to be approximately five times the current share price.

The proposed lowest adjusted EPS hurdle (if included at all, which is at the discretion of the Remuneration Committee) would require adjusted EPS in the most recent audited report and accounts prior to a vesting date to be at least double the adjusted EPS as reported in the Company's annual report and accounts for the financial year ended 31 March 2016. To achieve the highest adjusted EPS hurdle, adjusted EPS would need to increase by a multiple of at least 3.5.

If the growth hurdles are not achieved, then the Growth Shares will not vest and will only entitle participants to a return equal to their nominal value.

5. Conversion mechanics

The Growth Shares will become capable of vesting in four equal tranches over a period of up to 10 years (subject to continued employment of the participant). After each vesting date, to the extent that the Growth Shares have accrued value as a result of the hurdles being achieved, participants will have a limited window of opportunity to 'convert' the relevant tranche of Growth Shares for Ordinary Shares of equivalent value at the conversion ratio resulting from the application of the hurdles.

For initial participants the first such Conversion Window will be the 30 day period immediately following the announcement of the results of the Company for the financial year ended 31 March 2019 (being the first vesting date). The subsequent Conversion Windows will commence on the second, fourth and seventh anniversaries of the first vesting date (ie: the dates of the announcement of the results of the Company for the financial years ended 31 March 2021, 31 March 2023 and 31 March 2026) provided that if conversion is prevented due to dealing restrictions, the Conversion Window will be delayed and will commence instead as soon as the relevant dealing restriction is lifted.

For any further issue of Growth Shares, the first Conversion Window will be the 30 day period immediately following the third anniversary of the issue of the relevant Growth Shares. The subsequent Conversion Windows will commence on the second, fourth and seventh anniversaries of the first vesting date (ie: the fifth, seventh and tenth anniversary of issue) provided that if conversion is prevented due to dealing restrictions, the Conversion Window will be delayed and will commence instead as soon as the relevant dealing restriction is lifted.

Employees may choose to defer conversion of any vested Growth Shares until a subsequent window at their discretion. Any Growth Shares unconverted at the end of the final Conversion Window can be redeemed or purchased at the Company's direction for nominal value.

6. Implementation

If the LTIP 2016 is approved by Shareholders, it is intended that the first award under the LTIP 2016 will be made as soon as practicable after such approval and, in respect of an adjusted earnings per share hurdle (if applicable), will cover the performance period from 31 March 2016 to 31 March 2026. It is intended that, initially, the Chief Executive Officer, the Chief Financial Officer, the Chief Technology Officer and up to approximately 50 other selected employees will be invited to participate. It is expected that most of the available shares will be allocated and awarded as part of the initial award. However, new joiners or promoted individuals may be invited to participate from time to time. The hurdles for any individuals that join the scheme later would be set by the Remuneration Committee but will not in absolute terms be below those which apply to initial participants as set out in paragraph 4 above. The vesting periods for any individuals that join the scheme later may be different.

7. Limits

A maximum of 650,000 Growth Shares (including any sub-classes) can be created (equivalent to approximately 0.8 per cent. of the Company's current issued share capital). On a fully converted and diluted basis, this would currently equal approximately 7.5 per cent. of the issued Ordinary Share capital of the Company (by number of shares). No individual will be invited to subscribe for more than 40,000 Growth Shares.

The Company recognises that the current approval the Remuneration Committee holds to issue up to 15 per cent. of the equity for existing share incentive schemes is higher than would usually be found in other FTSE 350 companies, and, as set out in the Revised Remuneration Policy, the current limit for existing share schemes will be reduced to 12 per cent. Although the total theoretical maximum dilution following approval of LTIP 2016 would increase to 20 per cent., because of the stretching hurdles contained in LTIP 2016 the maximum would not reach 15% (ie: the current limit) unless the share price exceeds £25 (ie: an increase of c.250%), and would only reach 20% once the share price exceeds £50 (ie: an increase of c.500%).

Awards may also be made under the existing discretionary share incentive schemes in the same year even if an individual participates in the LTIP 2016.

Normally, the maximum value of awards made to a participant in a financial year under both the LTIP 2016 and the existing share incentive plans will not exceed 200 per cent. of the participant's remuneration at the relevant date of award, assuming no annual cash bonus has been awarded during that year. Larger awards may be made but any excess over 200 per cent. will be carried forward and taken into account in any future share incentive grants and/or bonus payments.

8. Cessation of employment

Growth Shares which are not yet capable of vesting (that is, in respect of which the vesting date has not yet passed) at the time a participant leaves the Group will lapse (ie: cease to be capable of accruing any value above nominal value) and may be forfeit.

All leavers may convert vested Growth Shares (that is, Growth Shares in respect of which the vesting date has passed and the growth hurdles have been achieved but which have not previously been converted) between the period commencing on the cessation of employment and expiring 14 days following the cessation of employment (the "Leaver Conversion Period"). In this case, the value of the Growth Shares (and therefore the corresponding value of Ordinary Shares into which they may convert) shall be determined based on the average share price for the 30 dealing days immediately preceding the date of cessation of employment or, if applicable, shall be based on adjusted EPS growth as measured in the most recent audited accounts. If conversion is prevented due to dealing restrictions the 14 day Leaver Conversion Period will be deemed to commence as soon as the relevant restriction is lifted.

If a participant leaves by reason of death or the employing company or business being transferred outside the Group or, at the discretion of the Remuneration Committee, in the event of injury, disability, retirement or redundancy (such participant being a "Good Leaver"), he or she may choose to convert vested but unconverted Growth Shares either during the Leaver Conversion Period, or at the next available Conversion Window if and to the extent that the growth hurdles are met. Any Growth Shares not converted during that next available Conversion Window shall then lapse (ie: cease to be capable of accruing any value above nominal value) and may be forfeit.

If the participant is not a Good Leaver, vested but unconverted Growth Shares shall lapse (ie: cease to be capable of accruing any value above nominal value) at the end of the Leaver Conversion Period and may be forfeit.

9. Change of control or other early vesting events

In the event of a change of control of the Company or other specified takeover or voluntary winding-up event, any time-based vesting of the Growth Shares shall be accelerated but the value of the Growth Shares shall be dependent on the extent to which the growth hurdles have been met at the date of the relevant event. For example, if the share price is £23 and adjusted EPS has increased by a multiple of 2.2 at the date of the relevant event, an award of 1,000 Growth Shares shall immediately vest in full and have an equivalent accrued value of 2,500 Ordinary Shares.

10. Rights attaching to Growth Shares

Growth Shares shall not entitle the holder of such Growth Shares to any right to a dividend. Furthermore, the Growth Shares shall not entitle holders to any voting rights.

Any Growth Shares awarded under employee shareholder status shall carry the right to be put on the Company or such other person as the Company directs for a total price of approximately £2,000 per participant for a period of two months following the date of subscription.

If the value of the Growth Shares is not higher than nominal value on the final vesting date the Company shall have the right to call for the Growth Shares or direct that they are transferred to such other person as the Company directs for nominal value (rather than issuing Ordinary Shares to an equivalent value).

Benefits received under the LTIP 2016 are not pensionable and may not be assigned or transferred except on a participant's death. If a participant ceases employment he will not be entitled to compensation for the failure of any Growth Shares to vest.

11. Transfer Restrictions

Following conversion of Growth Shares into Ordinary Shares, transfer restrictions will apply on a proportion of the shares for up to two years. This is designed to ensure that the interests of management and shareholders are fully aligned. For initial awards, in relation to the tranches of Growth Shares that vest after approximately 3, 5 and 7 years, participants are required to retain 50 per cent. of any Ordinary Shares acquired for at least 12 months. In relation to the final tranche of Growth Shares vesting after approximately 10 years, participants are obliged to retain 75 per cent. for 12 months, 50 per cent. for 18 months and 25 per cent. for 24 months.

Growth Shares or Ordinary Shares that remain subject to mandatory transfer restrictions will be forfeit where the participant purports to transfer charge or otherwise encumber the shares.

12. Malus and Clawback

The terms on which Growth Shares are issued will include provisions that may reduce or withhold some or all of the value that would otherwise accrue under the LTIP 2016 prior to vesting/conversion (malus) or after vesting/conversion (clawback) in certain circumstances including gross misconduct of the participant; material error or misstatement in the accounts of the Company or grant or vesting of awards being found to be incorrect due to misleading or inaccurate information. In such circumstances, the terms of the Growth Shares will provide that the following may occur: (i) reduction in the number of Ordinary Shares into which the participant's Growth Shares convert; and/or (ii) reduction in the number of Ordinary Shares or cash amount which may be the subject of any other subsisting awards held by such participant (whether pursuant to the LTIP 2016 or any other incentive arrangement); and/or (iii) a contractual repayment or other reimbursement in respect of Growth Shares which have already been converted. Clawback may take place at any time following the conversion of Growth Shares for a maximum period of twelve months after conversion.

13. Adjustment of awards

If there is a reorganisation of share capital or payment of a special dividend, the Company shall adjust the number of Growth Shares and/or the hurdles on a just and reasonable basis and with a view to ensuring the Growth Shares are not benefitted or disadvantaged by the change. The Company may in its discretion adjust the number of Growth Shares and/or the hurdles in the event of any other objective change in circumstances, again only for the purpose of ensuring that Growth Shares are neither benefitted or disadvantaged by such change.

14. Alterations to the LTIP 2016

In addition to the Board's powers to adjust the growth hurdles as described above, the Remuneration Committee will have authority to amend the terms of the LTIP 2016, provided that no amendment to the advantage of participants or eligible employees may be made to provisions relating to the key features of the LTIP 2016 without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the LTIP 2016, to take account of a change or proposed change in legislation or to obtain or maintain favourable (or avoid unfavourable) tax, exchange control or regulatory treatment. Key features are: who can be a participant in the LTIP 2016, the limit on the value of awards to a participant, the rights attaching to an award, the provisions relating to adjustments in the event of a variation in the Company's share capital and the amendment provisions themselves. Additional schedules to the rules or sub-plans may be established to operate the

LTIP 2016 outside the UK. These schedules or sub-plans may vary the rules of the LTIP 2016 to take account of any securities, exchange control or taxation laws or regulations.

Note:

This appendix provides a summary of the main features of the rules of the proposed LTIP 2016 but does not form part of the rules and should therefore not be taken as affecting the interpretation thereof.