

Eckoh plc

NOTICE OF ANNUAL GENERAL MEETING

11.00 a.m. on 20 September 2017

To be held at the offices of Eckoh plc, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire HP3 9HN

Dear Shareholder,

I am pleased to enclose information about the forthcoming annual general meeting and details of our results for the year ended 31 March 2017.

Enclosed with this letter, you will find:

- the notice of annual general meeting;
- the annual report and accounts; and
- your form of proxy (reply paid).

Resolution 1: Annual report and accounts

The board of directors of the Company (the "**Board**") will have pleasure in presenting to the meeting the accounts and the directors' and auditors' report for the year ended 31 March 2017.

Resolution 2: Declaration of dividend

The directors of the Company (the "**Directors**") are recommending a final dividend for the year ended 31 March 2017 of 0.48p per ordinary share which requires approval by the shareholders of the Company (the "**Shareholders**"). If approved, the dividend will be paid on 27 October 2017 to Shareholders whose names appear on the register at the close of business on 29 September 2017.

Resolutions 3 to 7: Re-appointment of Directors

The articles of association require one third of Directors to retire by rotation at each annual general meeting. However, if there is only one Director who is subject to retirement by rotation, that Director should retire. A Director who has been appointed since the date of the last annual general meeting must retire and seek re-appointment at the next annual general meeting. The articles of association state that any such Director should not be taken into account in determining the number of Directors who are to retire by rotation. Accordingly, Chrissie Herbert, Chief Financial Officer, Peter Simmonds, Non-Executive Director, Guy Millward, Non-Executive Director, and Christopher Humphrey, Non-Executive Director, who have all been appointed since the date of the last annual general meeting, will all stand for election at the annual general meeting. As previously announced, Chris Batterham will step down from the Board at the annual general meeting and Christopher Humphrey will, subject to election at the annual general meeting, succeed him as Chairman. As the only Director who is subject to retirement by rotation, Nik Philpot, Chief Executive Officer, will stand for re-election at the annual general meeting.

Following the individual performance evaluations, the Board is satisfied that all the Directors standing for re-election have demonstrated commitment to their roles and have been effective in doing so.

Information about the Directors is set out on page 26 of the enclosed annual report and accounts.

Resolution 8: Re-appointment and remuneration of auditors

The Company is required to appoint auditors at each annual general meeting at which the accounts are presented, to hold office until the next annual general meeting. The auditors are responsible for examining the Company's annual accounts and forming an opinion as to whether they give a true and fair view and are properly prepared in accordance with the Companies Act 2006 (the "**Act**"), and the regulations made under the Act.

The resolution proposes the re-appointment of the Company's existing auditors, KPMG LLP. The resolution also gives authority to the Board to determine the remuneration of the auditors.

Resolution 9: Authority to allot shares

Under section 551 of the Act, the Directors may only allot shares or grant rights to subscribe for or convert any securities into shares if authorised by Shareholders to do so.

Resolution 9, which complies with guidance issued by the Investment Association, will, if passed, authorise the Directors to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares, up to an aggregate nominal value of £209,936 (corresponding to 33% of the issued share capital at 15 August 2017) and up to an additional aggregate nominal value of £209,936 (corresponding to a further 33% of the issued share capital as at 15 August 2017) in the case of allotments only in connection with a fully pre-emptive rights issue. The Directors have no present intention to exercise the authority sought under this resolution. However, the Directors may consider doing so if they believe it would be appropriate in respect of business opportunities that may arise consistent with the Company's strategic objectives. The authority will last until the conclusion of the next annual general meeting and it is the Board's current intention to seek renewal of such authority at each future annual general meeting of the Company.

As at 15 August 2017, the Company does not hold any shares in the Company in treasury.

Resolution 10: Disapplication of pre-emption rights

Section 561(1) of the Act requires that on an allotment of new shares for cash, such shares are offered first to existing Shareholders in proportion to the number of shares that they each hold at that time.

This is a special resolution to renew the Directors' authority to allot shares for cash without first offering them to existing Shareholders on a pro-rata basis. Although there is currently no intention to make use of this authority, the Directors consider that it is in the interests of the Company, in certain circumstances, for the Directors to have limited flexibility so as to be able to allot shares without having first to offer them to existing Shareholders.

The authority sought is limited, other than in relation to any rights issue, open offer or other pre-emptive issue, to shares having an aggregate nominal value of £62,981 corresponding to 10 per cent. of the issued share capital of the Company at 15 August 2017. This figure of 10 per cent. reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the "**Statement of Principles**"). The Statement of Principles were revised in early 2015 to allow the authority for an issue of shares otherwise than in connection with a pre-emptive offer to be increased from 5 per cent. to 10 per cent. of a company's issued ordinary share capital, provided that the company confirms that it intends to use the additional 5 per cent. authority only in connection with one or more acquisitions or specified capital investments. In relation to any exercise of this authority, the Directors will have due regard to the Statement of Principles, which allow the Company in any one year to issue non-pre-emptively for cash an amount equal to 5 per cent. of the Company's issued share capital for any purpose and an additional amount equal to 5 per cent. of the Company's issued share capital in connection only with one or more acquisitions or specified capital investments. The Board confirms that the additional 5 per cent. authority will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

The Directors will also have regard to the guidance in the Statement of Principles concerning cumulative usage of authorities within a three-year period. Accordingly the Board also confirms that it does not intend to issue shares for cash representing more than 7.5 per cent. of the Company's issued ordinary share capital in any rolling three-year period other than to existing Shareholders, save as permitted in connection with an acquisition or specified capital investment as described above, without prior consultation with Shareholders.

The authority will last until the conclusion of the next annual general meeting and it is the Board's current intention to seek renewal of such authority at each future annual general meeting of the Company.

Resolution 11: Purchase of own shares

The Board is seeking at the annual general meeting to renew the authority given on 29 September 2016 for the Company to make on-market purchases of ordinary shares of 0.25 pence each in the Company ("**Ordinary Shares**") (for subsequent cancellation) of up to 10 per cent. of the existing issued share capital of the Company. The Board seeks the authority of the Shareholders to allow the Company to do so; such authority to expire on the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the date of the passing of this resolution.

The Board believes that it is in the best interests of all Shareholders that the Company has the flexibility to undertake market purchases of its own shares.

At 15 August 2017 (being the latest practicable date prior to publication of this letter), share options to subscribe for 13,965,480 Ordinary Shares are subsisting, which represent 5.5 per cent. of the issued share capital of the Company at such date. If the full authority to purchase Ordinary Shares is used, such subsisting share options would represent 5.9 per cent. of the issued share capital of the Company.

The maximum price (exclusive of expenses) that may be paid for any on-market purchase by the Company of Ordinary Shares (derived from the London Stock Exchange Daily Official List) will not exceed 105 per cent. of the average of the middle market quotations for those Ordinary Shares for the five business days immediately preceding the date on which such purchase is made. The minimum price (exclusive of expenses) which may be paid is 0.25 pence per Ordinary Share. Ordinary Shares which are purchased by the Company will be cancelled.

Resolution 12: New Performance Share Plan

Resolution 12 is a resolution to approve the introduction of a new long term Eckoh plc Performance Share Plan ("**PSP**"). The Company's existing long term incentive plan is the 2012 Eckoh plc Long Term Incentive Plan ("**2012 LTIP**"). The Remuneration Committee has undertaken a review of the components of executive remuneration, including the 2012 LTIP. The main conclusion of that review was that, while fixed pay levels and the structure of the annual bonus remain appropriate, a new long-term incentive arrangement should be introduced to incentivise and retain the executive Directors and senior executive team and align them with shareholders during the next phase of the Company's development. In formulating its proposals, the Remuneration Committee has taken independent advice from FIT Remuneration Consultants LLP and has also consulted with the Company's major shareholders. As an AIM quoted company, there is no regulatory requirement to seek shareholder approval for long term incentive schemes. However, in line with corporate governance best practice, the Board has decided that it is important to put the new proposed scheme, the PSP, to a shareholder vote. If the PSP is approved, the Remuneration Committee reserves the right to make minor changes to ensure that the PSP operates effectively and continues to align executive directors' goals with shareholders' interests. There will, however, be no material change to performance conditions underlying the PSP without reference to shareholders.

The main provisions of the PSP are summarised in Appendix 1 at the end of the notice of annual general meeting.

Annual general meeting

As indicated in the attached notice of annual general meeting, the twelve resolutions will be proposed to the Shareholders at the annual general meeting. The annual general meeting will be held at 11.00 a.m. on 20 September 2017 at the offices of Eckoh plc, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire HP3 9HN.

Action to be taken – proxy forms

You will find enclosed a form of proxy for use at the annual general meeting (together with notes for its completion which are attached to the notice of the annual general meeting and the proxy form). If you will not be attending the meeting, please complete, sign and return the form of proxy or use the CREST electronic proxy appointment service as soon as possible in accordance with the instructions printed on the form and the notes to the notice of the annual general meeting. Forms of proxy should be returned to the Company's registrar, Capita Asset Services, as soon as possible and in any event so as to be received no later than 48 hours before the time of the annual general meeting. If you return a form of proxy, this will not preclude you from attending the annual general meeting and voting in person if you so wish. Further details relating to the appointment of proxies is contained in the notes to the enclosed notice of annual general meeting.

Recommendation

The Board believes that the proposals being put to the Shareholders as described in this letter are in the best interests of the Shareholders. Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions to be proposed at the annual general meeting. The Directors intend to vote in favour of the resolutions in respect of their own beneficial holdings amounting to 7,426,285 Ordinary Shares (representing approximately 2.9 per cent. of the Company's issued share capital as at 15 August 2017).

Yours faithfully

C Batterham
Chairman

Eckoh plc
Telford House
Corner Hall
Hemel Hempstead
Hertfordshire
HP3 9HN

NOTICE OF ANNUAL GENERAL MEETING

Eckoh plc

(Incorporated in England and Wales with registered number 3435822)

Notice is hereby given that the annual general meeting ("Meeting") of Eckoh plc (the "Company") is to be held at the offices of Eckoh plc, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire HP3 9HN at 11.00 a.m. on 20 September 2017.

You will be asked to consider and vote on the resolutions below. Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 9 and 12 will be proposed as ordinary resolutions and resolutions 10 and 11 will be proposed as special resolutions.

Ordinary resolution

Annual report and accounts

1. THAT the Company's annual accounts for the financial year ended 31 March 2017, together with the directors' report and auditor's report on those accounts, be received and adopted.

Declaration of dividend

2. THAT a final dividend recommended by the Directors for the year ended 31 March 2017 of 0.48p per ordinary share of 0.25p each in the capital of the Company (the "**Ordinary Shares**"), be declared payable on 27 October 2017 to holders of Ordinary Shares registered as such at the close of business on 29 September 2017.

Re-appointment of directors

3. THAT NB Philpot, who retires by rotation and offers himself for re-appointment by general meeting, be re-elected as a director of the Company.

4. THAT C Herbert, who was appointed as director of the Company since the last annual general meeting, be elected as a director of the Company.

5. THAT P Simmonds, who was appointed as director of the Company since the last annual general meeting, be elected as a director of the Company.

6. THAT G Millward, who was appointed as director of the Company since the last annual general meeting, be elected as a director of the Company.

7. THAT C Humphrey, who was appointed as director of the Company since the last annual general meeting, be elected as a director of the Company.

Re-appointment and remuneration of auditors

8. THAT KPMG LLP be reappointed as the Company's auditors to hold office from the conclusion of this Meeting until the conclusion of the next meeting at which accounts are laid before the Company and that the Directors be authorised to agree the remuneration of the auditors.

Authority to allot shares

9. THAT the Directors be generally and unconditionally authorised and empowered pursuant to and in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares and/or grant rights to subscribe for or to convert any security into shares ("**Rights**")

a. up to an aggregate nominal value of £209,936 (being the nominal value of approximately one third of the issued share capital of the Company); and

b. up to an aggregate nominal value of £419,873 (being the nominal value of approximately two thirds of the issued share capital of the Company) (such amount to be reduced by the nominal amount of any shares allotted or Rights granted under paragraph a) in connection with an offer by way of a rights issue or other pre-emptive offer to:

i. the holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them; and

ii. holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary, such authorities to expire on the earlier of the next annual general meeting of the Company held after the date on which this resolution is passed and the date 15 months after the passing of this resolution, save that the Company may at any time before such expiry make any offer(s) or enter into any agreement(s) which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

Special resolutions

Disapplication of pre-emption rights

10. THAT subject to and conditional upon the passing of resolution number 9 above, the Directors be generally authorised in accordance with section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) of the Company for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this authority shall be limited to:

a. the allotment of equity securities in connection with an offer by way of rights in favour of the holders of equity securities in proportion (as nearly as may be possible) to the respective number of Ordinary Shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems in respect of overseas holders or otherwise;

b. the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) above) up to a maximum aggregate nominal value of £62,981 (being the nominal value of approximately 10 per cent. of the issued share capital of the Company), and this authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company held after the date on which this resolution becomes unconditional and the date 15 months after the passing of this resolution save that the Company may make any offer(s) or enter into any agreement(s) before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer(s) or agreement(s) as if the authority conferred hereby had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

Purchase of own shares

11. THAT the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of that Act) of any of its Ordinary Shares on such terms and in such

manner as the Directors may from time to time determine, provided that:

- a. the maximum number of Ordinary Shares which may be purchased is 25,192,352 representing approximately ten per cent. of the issued ordinary share capital of the Company at 15 August 2017;
- b. the minimum price (exclusive of expenses, if any) that may be paid for an Ordinary Share is 0.25 pence being the nominal price of an Ordinary Share;
- c. the maximum price (exclusive of expenses, if any) that may be paid for an Ordinary Share is an amount equal to 105 per cent. of the average of the middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased;
- d. unless previously renewed, revoked or varied, this authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company held after the date on which this resolution is passed and the date 15 months after the passing of this resolution; and
- e. the Company may, before this authority expires, make a contract to purchase Ordinary Shares that would or might be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares pursuant to it as if this authority had not expired,

and so that all previous authorities of the Directors pursuant to section 701 of the Act be revoked.

12. THAT the Directors be authorised to adopt and establish the Eckoh plc Performance Share Plan, the principal terms of which are summarised in Appendix 1 to this notice of meeting, and to do all such acts and things which they may consider necessary or desirable to establish and carry it into effect.

Dated 15 August 2017

By order of the Board

C Herbert
Company Secretary

Eckoh plc
Telford House
Corner Hall
Hemel Hempstead
Hertfordshire
HP3 9HN

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

- the close of business on 18 September 2017; or,
- if this Meeting is adjourned, at the close of business on the date which is 2 business days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which he or she is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate 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. Failure to specify the number of shares to which each proxy appointment relates or specifying more shares than the number of shares held by you at the time set out in note 1 above will result in the proxy appointments being invalid.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxies using hard copy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his or her vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company's registrar Capita Asset Services in accordance with the reply paid details or by hand or courier only to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Asset Services no later than 48 hours prior to the time set for the start of the Meeting.

CREST members should use the CREST electronic proxy appointment service and refer to note 8 below in relation to the submission of a proxy appointment via CREST.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the Meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or notarially certified copy of such authority) under which it is signed.

Appointment of proxies via the web

7. As an alternative shareholders may cast their vote online via the registrars website at www.signalshares.com

Appointment of proxies through CREST

8. As an alternative to completing the hardcopy proxy form, CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it 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.

In order for a proxy appointment made by means of CREST 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. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA 10) by not later than 48 hours prior to the time appointed for the Meeting or adjourned meeting. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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 system 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.

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.

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

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 the Company Secretary, Chrissie Herbert at Eckoh plc, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire HP3 9HN.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company Secretary, Chrissie Herbert at Eckoh plc, Telford House, Corner Hall, Hemel Hempstead, Hertfordshire HP3 9HN. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company Secretary not less than 48 hours before the time for holding the Meeting or adjourned meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

13. As at 15 August 2017, the Company's issued share capital comprised 251,923,520 ordinary shares of 0.25p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 15 August 2017 is 251,923,520.

Communication

14. Except as provided above, members who have general queries about the Meeting should use the following means of communication:

- calling the Company Secretary on 0800 916 50 50; or
- emailing the Company Secretary at chrissie.herbert@eckoh.com

You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.

Appendix 1

A summary of the principal features of the proposed PSP

Operation

The Remuneration Committee of the Board of directors of the Company (the "Committee") will supervise the operation of the PSP.

Eligibility

Any employee (including an executive director but excluding any non-executive director) of the Company and any of its subsidiaries will be eligible to participate in the PSP at the discretion of the Committee.

Grant of awards

The Committee may grant an award in one of two forms:

- (i) nil or nominal cost options, where a participant can decide when to exercise his/her award over ordinary shares in the Company ("Shares") during a limited period of time after it has vested; or
- (ii) a conditional award, where a participant will receive free Shares on the vesting of his/her award.

The Committee may normally grant awards within six weeks following: (i) the Company's announcement of its results for any period; (ii) the Company's annual general meeting; or (iii) the lifting of restrictions on dealing in Shares that prevented grant of awards under (i) or (ii). The Committee may also grant awards when there are exceptional circumstances which the Committee considers justifies the granting of awards.

No awards will be granted after the tenth anniversary of the 2017 AGM.

No payment will be required for the grant of an award. Awards are not transferable (other than to the participant's personal representatives in the event of death). Any benefits obtained under the PSP are not pensionable.

Individual limit

It is expected that initial awards will be made to the Executive Directors and selected senior executives following the 2017 AGM over a total of 8,000,000 shares ("Initial Awards"). No further awards shall be made to any of the recipients of the Initial Awards until 2022 (when the Initial Awards are expected to vest, as set out below).

Except for the Initial Awards, the market value of Shares subject to an award on the grant date will not normally exceed 120% of the individual's base salary (although award levels may exceed this in exceptional circumstances, up to a limit of 200% of salary p.a.).

If in any financial year no grant may be made to an individual because of legal or regulatory constraints that year's award capacity may be rolled forward in order to increase the individual limit for the following financial year. Any award capacity attributable to a recipient of an Initial Award will not be rolled forward until such award has either vested or lapsed.

Overall PSP limits

The PSP may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In the ten year period from the 2017 AGM, the Company may not issue (or have the possibility to issue) more than 10% of the issued ordinary share capital of the Company under the PSP and any other employees' share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of this limit but they will also cease to count towards this limit if institutional investor bodies decide that they need not count.

Vesting of awards

Except for the Initial Awards, awards will normally vest on the later of the expiry of the third anniversary of the date of grant

of the award and the date that the Committee determines the extent to which the applicable performance conditions (see below) have been satisfied, and provided the participant is still a director or employee in the Company's group.

An award in the form of an option will normally remain exercisable until the tenth anniversary of the date of grant.

The Committee may allow awards to be settled in cash (in whole or part) where the Committee considers it appropriate to do so.

Performance conditions

It is expected that the Initial Awards to be made after the 2017 AGM shall be subject to a Total Shareholder Return (TSR*) performance measure as follows:

- measured over a c.5 year Performance Period (from the 2017 AGM to 30 days after the publication of the 2022 Full Year Results). In line with standard practice, a 30 day averaging period prior to the start and end of the Performance Period will be used to calculate TSR
- 25% of an award will vest for compound growth in TSR of 10% p.a.
- 100% vesting for compound growth in TSR of 25% p.a.
- Straight line vesting for intermediate performance between threshold and maximum performance

* Share price performance plus dividends payable (based on ex-dividend dates falling within the performance period).

For future awards, the Committee may impose such performance conditions as it considers appropriate which must be satisfied before any award will vest.

A performance condition may be altered if circumstances or events are such that the Committee, acting fairly and reasonably, considers that it would be appropriate to do so. Any altered performance condition shall not be materially less difficult to satisfy than the original performance condition.

Payment on account of dividends

Unless the Committee decides otherwise prior to the normal vesting date, a participant will receive a payment (in Shares or cash), on or shortly following vesting of his conditional share award or exercise of his option, of an amount equivalent to the dividends that would have been paid on the Shares vested under the award between the time when the award was granted and the time when it vested (and assuming reinvestment in Shares on the relevant ex dividend dates).

Leaving employment

As a general rule, an award will lapse upon a participant leaving the employment of the Company's group. However, if before the vesting of an award a participant ceases to be a director or employee within the Company's group by reason of death, injury, ill-health or disability, statutory redundancy, retirement with the agreement of his or her employer, the sale of the participant's employing business by the group or other circumstances which the Committee determines in its discretion, then the award will be retained and may vest on the normal vesting date to the extent determined by the performance conditions measured over the full performance period, unless determined otherwise by the Committee.

The Committee may, at its discretion, allow awards to vest in such circumstances at the time of cessation of employment, in which case awards would normally be subject to the performance conditions as measured over the shorter period to the date of cessation of employment.

In either case, there will also be a pro-rata reduction in the size of the award for the time that has elapsed up to the date of cessation compared to the vesting period unless the Committee determines that it would be inappropriate to apply a pro-rata reduction in the particular circumstances.

Where an individual holding a vested award leaves the Company's employment, the individual will be able to exercise

that vested award within 12 months of the date of cessation of employment, unless the reason for such cessation is the individual's misconduct in which case the award will lapse.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation), all awards may vest early to the extent that the performance conditions have, in the opinion of the Committee, been satisfied at that time. The awards will normally be pro-rated to reflect the shorter than normal period of time between the date of the award and the time of vesting. The Committee can decide not to pro-rate awards if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on the same basis as described above.

Awards may also vest on the same basis if a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

Malus and Clawback

The Committee retains a power to reduce the potential vesting of unvested awards (including to zero) (often referred to as 'malus') or to recoup the value of previously vested awards from an individual within 2 years of the date of vesting if it considers it appropriate to do so (often referred to as 'clawback').

The Committee may choose to exercise this power in circumstances of:

- misconduct of the participant (equivalent to summary dismissal);
- a material misstatement of financial results for any company in the group;
- material reputational damage to a company in the group; or
- an error is detected in the assessment or calculation of a performance condition.

Participants' rights

Awards will not confer any shareholder rights on participants until the awards have vested and the participants have received their Shares.

Rights attaching to Shares

Any Shares allotted when an award vests (or for an award structured as an option, when it is exercised) will rank equally with all other Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, payment of a special dividend or other similar event which materially affects the market price of the Shares, the Committee may make such adjustments as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

Alterations

The Committee may alter the PSP or any terms of an award at any time in any respect. No alterations may be made to the material disadvantage of any participant or in respect of any rights already acquired by him (other than a change in any performance condition) without the consent of a majority of participants responding to any relevant request.