NOTICE OF MEETING

APPENDIX 1
FURTHER INFORMATION ON RESOLUTION 14: SUMMARY OF THE PRINCIPAL TERMS OF THE NEXT LONG TERM INCENTIVE PLAN ("LTIP")

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

Eligibility
Any employee (including an executive director) of the Company and any of its subsidiaries will be eligible to participate in the LTIP at the discretion of the Committee.

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

(i) a conditional award, where a participant will receive free ordinary shares in the Company ("Shares") on the vesting of his/her award; or

(ii) nil or nominal cost options, where a participant can decide when to exercise his/her award over Shares during a limited period of time after it has vested.

The Committee may also allow the grant of cash-based awards of an equivalent value to share–based awards or may allow share-based awards to be settled in cash (in whole or part) where the Committee considers it appropriate to do so.

The Committee may normally grant awards within six weeks following the Company’s announcement of its results for any period. The Committee may also grant awards when there are exceptional circumstances which the Committee considers justifies the granting of awards.

Awards may only be granted within 10 years of the 2015 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). Awards are not pensionable.

Individual limit
The maximum number of Shares that may be awarded to a participant in any financial year will be limited so that the market value of such Shares when awarded and in the aggregate will not exceed 200% of the individual’s base salary. However, if the Committee decides that exceptional circumstances exist in relation to the recruitment or retention of an individual, then the individual may be granted awards over Shares with a market value of up to 300% of the individual’s base salary in a financial year. In calculating these limits, the average closing share price over the 3 months preceding the start of the period over which performance conditions are measured (or such later date as specified by the Committee) will be used.

Overall LTIP limits
The LTIP may operate over new issue Shares, treasury Shares or Shares purchased in the market. The current intention is that all awards will be satisfied using shares purchased in the market.

In any period of ten years the Company may not issue (or have the possibility to issue) more than:

a) 10% of the issued ordinary share capital of the Company under the LTIP and any other employees’ share plan adopted by the Company; and

b) 5% of the issued ordinary share capital of the Company under the LTIP and any other executive 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.
NOTICE OF MEETING

Vesting of awards
Awards will normally vest on the later of: (a) the expiry of the vesting period; (b) the third anniversary of the grant date; (c) the date that the Committee determines the extent to which the applicable performance conditions (see below) have been satisfied; and (d) such later date (within three months of the third anniversary of the grant date) as specified by the Committee; and provided the participant is still a director or employee in the Company’s group.

Performance conditions
The performance conditions for awards will be set each year in line with the Company’s approved directors’ remuneration policy. The Committee will also have the power to vary the terms of existing performance conditions if an event occurs that causes the Committee to consider that the performance condition would not, if left unamended, achieve its original purpose. However, the amended performance condition will have to be, in the Committee’s view, no less difficult to satisfy as a result of the change.

Reduction of vesting of awards
If at any time before an award vests a participant has been either suspended for a disciplinary matter or the subject of an investigation in relation to a disciplinary matter, or if the participant has performed in a manner considered by the Committee to be unsatisfactory (as evidenced by notifying the participant in writing) then the Committee may reduce the vesting of that award in such manner as it considers appropriate or withhold the vesting of that award pending further investigation.

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 or in other circumstances which the Committee in its absolute discretion determines are exceptional circumstances, 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. 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.

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 a three-year vesting period unless the Committee determines that it would be inappropriate to apply a pro-rata reduction in the particular circumstances. The Committee may also apply further restrictions on the vesting of awards held by individuals who cease employment.

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 would vest early to the extent that the performance conditions have, in the opinion of the Committee, been satisfied at that time. The awards would 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.

Participants’ rights
Awards structured as conditional awards and options will not confer any shareholder rights on participants until the awards have vested and the participants have received their Shares. The LTIP does not credit participants with additional value in respect of dividends paid over any vesting period (except that the Committee has discretion to award such credit for special dividends).
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 to the LTIP
The Committee may, at any time, amend the provisions of the LTIP in any respect, provided that the prior approval of shareholders must be obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on individual participation, the overall limits on the issue of Shares or the transfer of Shares held in treasury, the basis for determining a participant’s entitlement to, and the terms of, the Shares or cash to be provided under the LTIP and the adjustment of awards or options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company’s group.

Overseas plans
The Board may at any time without further shareholder approval establish further plans in overseas territories, any such plan to be similar to the LTIP, but modified to take account of local tax, exchange control or securities laws. Any Shares made available under such further plans will count against the LTIP’s limits on individual and overall participation.