



All together better

EUROCELL PLC
ANNUAL GENERAL MEETING
19 MAY 2016

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek your own advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Eurocell plc, please send this document and the accompanying form of proxy at once to the purchaser or transferee; or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.



All together better

Eurocell plc
Fairbrook House
Clover Nook Road
Alfreton
Derbyshire
DE55 4RF

18 April 2016

Dear Shareholder

I am pleased to send you details of the forthcoming annual general meeting ("AGM") of Eurocell plc ("Company"), together with the annual report and accounts for the year ended 31 December 2015.

The AGM will be held on 19 May 2016 at our registered office (set out above) at 12:00pm. Shareholder registration will be available from 11:00am. Please write to me at the above address if you would like to ask a specific question at the meeting.

The following documents are enclosed with this letter:

- Notice of AGM
- Report and Accounts
- Form of proxy (and prepaid envelope)

Action to be taken

You are requested to complete and return the Form of Proxy in accordance with the instructions printed on it so that it arrives no later than 12:00pm on 17 May 2016. If you complete and return the Form of Proxy, you can still attend and vote at the AGM in person if you wish. Shareholders may also submit Proxy Forms through CREST, where applicable, in accordance with the instructions in the Notice of AGM.

Recommendation

Save for Resolution 21, the board considers the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings. In making this recommendation, each Director abstains in relation to the resolution for his own reappointment.

Other than Mark Kelly all of the current directors have an interest in the subject matter of Resolution 21 and, as a result, do not consider it appropriate that they make a recommendation in relation to that resolution. However, the Directors represented by Mr Kelly, being an independent Director with respect to Resolution 21 believes that Resolution 21 is in the best interests of shareholders as a whole and recommends that all shareholders vote in favour of that resolution.

Resolutions to be proposed at the AGM

Set out below is an explanation of the resolutions set out in the Notice of AGM.

Resolution 1 – to receive the annual report and accounts – ordinary resolution

The Chairman will present the Annual Report and Accounts for the year ended 31 December 2015 to the AGM. A copy of the Annual Report and Accounts accompanies this notice to shareholders.

Resolutions 2 and 3 – reappointment of auditors and auditors' remuneration – ordinary resolutions

Resolution 2 relates to the reappointment of PriceWaterhouseCoopers LLP as auditors of the Company to hold office until the next AGM of the Company.

Resolution 3 authorises the audit committee of the board to set the remuneration of the Company's auditors.

Resolution 4 – directors' remuneration policy – ordinary resolution

Resolution 4 is a resolution to approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report as set out on pages 39 to 46 of the Annual Report and Accounts. This Resolution is required to be put to shareholders in accordance with section 439A of the Companies Act 2006.

The vote is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved Directors' Remuneration Policy, or has otherwise been approved by a resolution of members. If Resolution 4 is passed, the Directors' Remuneration Policy will take effect immediately after the end of the AGM on 19 May 2016.

Shareholder approval for the remuneration policy must be sought at least every three years. Shareholder approval must additionally be sought if the Directors wish to change the remuneration policy within such three year period.

Resolution 5 – directors’ remuneration report – ordinary resolution

In accordance with section 439 of the Companies Act 2006, shareholders are requested to approve the Directors’ Remuneration Report. The Directors’ Remuneration Report, which is set out on pages 46 to 50 of the Annual Report and Accounts, gives details of the Directors’ remuneration for the financial year ended 31 December 2015.

The Company’s auditors, PriceWaterhouseCoopers LLP, have audited those parts of the Directors’ Remuneration Report capable of being audited (as set out on pages 46, 47 and 48 of the Annual Report and Accounts). The vote on the Directors’ Remuneration Report is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed.

Resolution 6 – declaration of a final dividend for the year ended 31 December 2015 – ordinary resolution

The Directors recommend a final dividend of 5.2 pence per ordinary share. If approved the dividend will be paid on 26 May 2016 to members whose names appear on the register of members at the close of business on 29 April 2016.

Resolutions 7 – 13 – reappointment of Directors – ordinary resolution

In line with the UK Corporate Governance Code and the Company’s articles of association, all of the Directors will retire and be proposed for re-election at the AGM. Resolutions 7 – 13 seek your approval to re-elect these individuals as Directors of the Company.

Save for Patrick Kalverboer, the Board considers that each of the Non-Executive Directors being put forward for re-election is independent and that there are no relationships or circumstances which are likely to affect their character or judgment. Patrick Kalverboer has been appointed by Coöperatief H2 Equity Partners Fund IV Holding W.A. (“H2 Fund”) pursuant to the terms of a relationship agreement with the Company dated 4 March 2015. The H2 Fund has the right to appoint a Non-Executive Director to the board for so long as it and its associates control or are entitled to control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the Company.

As previously announced to shareholders it is intended that Patrick Bateman will retire at the end of June 2016, with Mark Kelly having been recruited to replace Patrick. Mark is currently working with Patrick in order to help make the transition as smooth as possible. Matthew Edwards will also leave the board to seek new opportunities by the end of June 2016, with the search for a successor well underway.

Resolution 14 – Authority to allot share capital – ordinary resolution

The Companies Act 2006 provides that Directors shall only allot shares with the authority of shareholders in general meeting. If passed, Resolution 14 will give the Directors’ general authority to issue shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £33,333.33, representing approximately one third of the current issued share capital of the Company. In addition, the resolution seeks authority for the Directors to allot shares by way of a pre-emptive rights issue up to an aggregate nominal amount of £33,333.33, representing a further third of the current issued share capital of the Company (excluding treasury shares). The Directors have no present intention of exercising either of these authorities which will expire at the conclusion of the next annual general meeting of the Company.

The Company held no shares in treasury as at 12 April 2016 being the last practicable date prior to publication of this document.

Resolution 15 – Disapplication of pre-emption rights – special resolution

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders’ holdings, unless such provisions are disapplied under section 570 of the Companies Act 2006.

Resolution 15 is for the renewal of the Directors’ authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561(1) of the Companies Act 2006 and authorises other allotments of up to a maximum aggregate nominal amount of £10,000.00 representing approximately 10 per cent of the current issued ordinary share capital of the Company. This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury. The Directors have no present intention of exercising this authority.

This disapplication authority is in line with institutional shareholder guidance, and in particular with the Pre-emption Group’s Statement of Principles (the “Pre-emption Principles”). The board confirms, in accordance with the Pre-emption Principles, that to the extent that the authority in paragraph (ii) of Resolution 15 is used for an issue of Ordinary Shares with a nominal value in excess of 5 per cent (that is 5 per cent of the Company’s issued share capital as at 12 April 2016 (the last practicable date prior to the publication of this letter), it intends that it 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 Board also confirms, in accordance with the Pre-emption Principles, 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.

This authority granted under Resolution 15 will expire at the next Annual General Meeting or on 18 August 2017, whichever is the earlier.

Resolution 16 - Market purchase of own shares – special resolution

Resolution 16 is for the renewal of the Company's authority to purchase its own shares in the market during the period until the next Annual General Meeting of the Company for up to 10,000,000 Ordinary Shares, representing approximately 10 per cent of the issued ordinary share capital of the Company. The price payable shall not be more than 105 per cent the average market value of an ordinary share in the Company taken from 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 and in any event not higher than an amount equal to the higher of the price of the last independent trade of an ordinary share in the Company and the highest current independent bid for an ordinary share in the Company as derived from the Daily Official List of London Stock Exchange plc and not less than 0.1 pence per share, being the nominal value of the shares.

It is the Directors' intention only to exercise the authority to purchase the Company's shares for the purpose of employee share schemes or where it would increase the earnings per share of those Ordinary Shares that are not re-purchased. This power will only be used if the Directors consider that to do so would be in the best interests of shareholders generally. Save to the extent purchased pursuant to the regulations concerning treasury shares any Ordinary Shares purchased in this way will be cancelled and the number of shares in issue will be accordingly reduced. The Company may hold in treasury any of its own Ordinary Shares that it purchases pursuant to the relevant regulations and the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base.

As at 12 April 2016 (the last practicable date prior to the publication of this document) options to subscribe for a total of 661,986 Ordinary Shares were outstanding under the Company's employee share schemes representing 0.662 per cent of the issued share capital of the Company at that date and 0.736 per cent of the issued share capital of the Company if the authority sought by this resolution were to be exercised in full.

Resolution 17 – calling General Meetings on 14 clear days' notice – special resolution

Section 307A of the Companies Act 2006 provides that a general meeting of a "traded company" must be called by at least 21 days' notice but may be called by at least 14 days' notice if three conditions are met.

The three conditions are that:

- a. the meeting is not an annual general meeting;
- b. the company offers "the facility for shareholders to vote by electronic means accessible to all shareholders". This condition is met if there is a facility to appoint a proxy by means of a website; and
- c. shareholders have approved the holding of general meetings on 14 clear days' notice by passing a special resolution at the previous Annual General Meeting or at a general meeting held since then.

The Directors consider it desirable that they have the option to call general meetings of the Company, other than the Annual General Meeting, on at least 14 clear days' notice if there are circumstances where that is appropriate. If passed, Resolution 17 will implement this proposal and the authority of this resolution will expire at the conclusion of the next Annual General Meeting.

Resolution 18 – approval of the making of political donations – ordinary resolution

Resolution 18 will authorise the making of political donations and political expenditure. Part 14 of the Companies Act 2006 requires companies to obtain the approval of shareholders before such political donations or expenditure can be made.

Although the Company does not make what were usually regarded as political donations, it may incur expenditure on items such as sponsorship or attendance at political discussions or business liaison events organised by political parties within the EU on a non-partisan basis in order to make them aware of industry trends and key arguments affecting the industry in which the Company operates, as well as supporting the work of think tanks. Some of the Company's activities may be caught by the extended definitions of the Companies Act 2006 and this resolution is being proposed on a precautionary basis to allow the Company to continue its current activities. The policy of not giving any cash contribution to political parties or independent election candidates will continue.

Resolution 19 – approval of Eurocell Plc Save As You Earn Scheme 2016 – ordinary resolution

This resolution seeks approval to introduce a new all-employee Save As You Earn Scheme for the purpose of incentivising and engaging eligible employees and aligning their interests with those of the Company's shareholders, by giving them the opportunity to acquire shares in the Company.

The principal terms of the Eurocell Plc Save As You Earn Scheme 2016 are summarised in Appendix 1 to the Notice of AGM. The Eurocell Plc Save As You Earn Scheme 2016 has been designed to satisfy the statutory requirements of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003.

Resolution 20 – approval of Eurocell Plc Share Incentive Plan 2016 – ordinary resolution

This resolution seeks approval to introduce a new all-employee Share Incentive Plan for the purpose of incentivising and engaging eligible employees and aligning their interests with those of the Company's shareholders, by giving them the opportunity to acquire shares in the Company.

The principal terms of the Eurocell Plc Share Incentive Plan 2016 are summarised in Appendix 2 to the Notice of AGM. The Eurocell Plc Share Incentive Plan 2016 has been designed to satisfy the statutory requirements of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003.

Resolution 21 – ratification of 2015 interim dividend – special resolution

The Directors have become aware of a technical issue in respect of the Company's procedures for the payment of the interim dividend of 2.7 pence per Ordinary Share which was paid on 9 October 2015 (the "Interim Dividend") which resulted in the Interim Dividend being made otherwise than in accordance with the Companies Act 2006.

The Directors have taken steps to ensure that, in future, the issues referred to below do not arise in relation to the payment of dividends.

The consequences of the Interim Dividend having been made otherwise than in accordance with the Companies Act 2006.

The Company has been advised that, as a consequence of the Interim Dividend having been made otherwise than in accordance with the Companies Act 2006, it may have claims against past and present shareholders who were recipients of the Interim Dividend and against persons who were directors of the Company at the time of payment of the Interim Dividend. The Directors note, however, that the Company has no intention of bringing any such claims.

Shareholder Resolution

In order to remedy the potential consequences of the Interim Dividend having been made otherwise than in accordance with the Companies Act 2006 and to put all potentially affected parties so far as possible in the position in which they were always intended to be had the Interim Dividend been made in accordance with the requirements of that Act, the Company is proposing Resolution 20.

If passed, the effect of Resolution 21 will be to:

- a. authorise the appropriation of the distributable profits of the Company to the payment of the Interim Dividend having a total value of £2,700,000.00;
- b. waive any and all claims which the Company has or may have in respect of the payment of the Interim Dividend against its shareholders who appeared on the register of shareholders on the record date for the Interim Dividend (or the personal representatives and their successors in title of the estate of any deceased shareholders), such waiver to be effected by way of the entry by the Company into a deed of release related these shareholders ("Shareholders' Deed of Release"); and
- c. waive any and all claims which the Company may have against the Directors who approved the Interim Dividend, such waiver to be effected by way of the entry by the Company into a deed of release in favour of these Directors ("Directors' Deed of Release").

The approach that the Company is proposing by way of this Resolution is consistent with the approach taken by other UK incorporated companies whose shares are admitted to the UK Listing Authority's Official List and to trading on the London Stock Exchange plc's main market and that have also made corporate distributions otherwise than in accordance with the Companies Act 2006, having failed to comply with the procedural requirement to file interim accounts specifically prepared for the purposes of the payment of a dividend.

The authorisation of the appropriation of the Company's distributable profits and deeds of release.

The approach that the Company is proposing involves the authorisation of the appropriation of the distributable profits of the Company to the payment of the Interim Dividend. As a matter of common law, it is necessary for the appropriation of distributable profits to be approved by shareholders.

Shareholders are being asked to approve the entry into of the Shareholders' Deed of Release as the Company has been advised that it is preferable to do so as the release of all and any claims which the Company may have for repayment of the Interim Dividend against recipients who remain shareholders will comprise a shareholder distribution.

Under the Company's articles of association, it is necessary for shareholders to approve the Company's waiver of any rights of the Company to make claims against the relevant Directors given the potential conflict of interest those Directors would have in relation to this matter. Accordingly, each of the relevant Directors and their associates are precluded from voting on the Resolution and the relevant Directors have undertaken to abstain, and to take all reasonable steps to ensure that their associates abstain, from voting on Resolution 21.

Related party transaction

The entry by the Company into the Directors' Deed of Release and consequential waiver of any rights of the Company to make claims against the relevant Directors in respect of the Interim Dividend ("Transaction"), constitutes a related party transaction (as defined in the Listing Rules) as each of the Directors is a related party for the purposes of the Listing Rules. The Transaction benefits from the modified requirements for small related party transactions set out in Listing Rule 11.1.10 and as such, Resolution 21 is not required as a result of the Listing Rules but is being proposed for the reasons outlined above.

The effect of the appropriation of the Company's distributable profits and deeds of release.

The proposed authorisation of the appropriation of the Company's distributable profits to the payment of the Interim Dividend and the entry by the Company into the Shareholders' Deed of Release will not have any effect on the Company's financial position. This is because the aggregate amount of the Interim Dividend is equal to and offset by the release of each relevant shareholder from the liability to repay the amount already paid, and the Company will not be required to make any further payments to shareholders in respect of the Interim Dividend.

In addition, the Company has not recorded or disclosed the potential right to make claims against relevant shareholders or Directors as an asset or a contingent asset in its financial statements. Under the Company's accounting policies, it could only record such a right as an asset when an inflow of economic benefits in favour of the Company as a result of such claim or claims being brought was virtually certain. The value of any economic benefit which the Company may derive from bringing claims against relevant shareholders and Directors is uncertain (and, in any case, incapable of reliable estimation) on the basis that it may be possible for defences to be established or reliefs granted in relation to such claims and there can be no certainty as to the amounts which could be recovered by the Company.

Therefore, the Company's entry into the Directors' Deed of Release and Shareholders' Deed of Release will not result in any decrease in the Company's net assets or the level of its distributable reserves. Copies of the Directors' Deed of Release and Shareholders' Deed of Release are available for inspection in the manner described in note 9 to the Notice of AGM.

The tax position of shareholders

The Company does not consider that the procedural irregularity in the payment of the Interim Dividend and its subsequent ratification pursuant to Resolution 21 should affect the tax position of shareholders. If any shareholder has any doubts about his or her tax position, he or she should consult with an independent professional adviser.

Documents available for inspection

The following documents are available for inspection at the registered office of the Company and at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS during usual business hours on any weekday (public holidays excepted) from the date of Notice of AGM until the conclusion of the AGM:

- Copies of the Directors' service contracts and letters of appointment
- copies of the draft Shareholders Deed of Release and draft Directors' Deed of Release; and
- copies of the draft rules of the Eurocell Plc Save As You Earn Scheme 2016 and the Eurocell Plc Share Incentive Plan 2016.

Yours Sincerely

Bob Lawson
Chairman

EUROCELL PLC (The 'Company')

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Fairbrook House, Clover Nook Road, Alfreton, Derbyshire DE55 4RF on 19 May 2016 at 12:00pm to consider and if thought fit pass resolutions 1-14, 18, 19 and 20 as ordinary resolutions and resolutions 15, 16, 17 and 21 as special resolutions.

1. To receive and adopt the accounts for the year ended 31 December 2015, together with the Reports of the Directors and of the Auditors thereon.
2. To re-appoint PriceWaterhouseCoopers LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Audit Committee of the Company to determine the remuneration of the auditors of the Company.
4. To approve Part A of the Directors' Remuneration Report for the year ended 31 December 2015 comprising the directors' remuneration policy for the Company as set out in the Company's annual report and accounts for the year ended 31 December 2015, such policy to take effect immediately following the conclusion of the meeting.
5. To approve Part B of the Directors' Remuneration Report for the year ended 31 December 2015 as set out in the Company's annual report and accounts for the year ended 31 December 2015.
6. To declare a final dividend for the year ended 31 December 2015 of 5.2p per ordinary share, to be paid on 26 May 2016 to members whose names appear on the register of members at the close of business on 29 April 2016.
7. To re-elect as a Director Patrick Bateman, who retires in accordance with Article 112 of the Company's Articles of Association.
8. To re-elect as a Director Martyn Coffey, who retires in accordance with Article 112 of the Company's Articles of Association.
9. To re-elect as a Director Matthew Edwards, who retires in accordance with Article 112 of the Company's Articles of Association.
10. To re-elect as a Director Patrick Kalverboer, who retires in accordance with Article 112 of the Company's Articles of Association.
11. To re-elect as a Director Mark Kelly, who retires in accordance with Article 112 of the Company's Articles of Association.
12. To re-elect as a Director Robert Lawson, who retires in accordance with Article 112 of the Company's Articles of Association.
13. To re-elect as a Director Francis Nelson, who retires in accordance with Article 112 of the Company's Articles of Association.
14. THAT:
 - (i) subject to and in accordance with Article 15 of the Articles of Association of the Company, the board be and it is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (in substitution for any existing authority to allot shares) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £33,333.33 provided that such authority shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry, and the board may allot shares and grant rights to subscribe or convert securities into shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired, and further,
 - (ii) the board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the said Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £33,333.33 provided that this authority shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
15. THAT, subject to the passing of resolution 14 as set out in the notice of this meeting, and in accordance with Article 16 of the Articles of Association of the Company, the board be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the said Act) for cash pursuant to the general authority conferred by resolution 14 as set out in the notice of this meeting as if section 561(1) of the said Act did not apply to such allotment, provided that this power shall be limited to allotments of equity securities:
 - (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
 - (ii) otherwise than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £10,000, and such power shall expire on the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution (whichever is the earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the board may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

16. THAT, the Company be generally and unconditionally authorised, pursuant to Article 9 of the Articles of Association of the Company and pursuant to section 701 of the Companies Act 2006, to make market purchases (as defined in section 693(4) of the Companies Act 2006) of up to 10,000,000 Ordinary Shares of 0.1p each in the capital of the Company (being approximately 10 per cent of the current issued ordinary share capital of the Company) on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:
- (i) the amount paid for each share (exclusive of expenses) shall not be more than the higher of:
 - a) 105 per cent of the average market value of an ordinary share in the Company taken from 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; and
 - b) an amount equal to the higher of the price of the last independent trade of an ordinary share in the Company and the highest current independent bid for an ordinary share in the Company as derived from the Daily Official List of London Stock Exchange plc;
 - (ii) the minimum price which may be paid for each ordinary share is 0.1p per share; and
 - (iii) the authority herein contained shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or on 18 November 2017, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred hereby had not expired.
17. THAT, as permitted by section 307A of the Companies Act 2006 any general meeting of the Company (other than the Annual General Meeting of the Company) shall be called by notice of at least 14 clear days in accordance with the provisions of the Articles of Association of the Company provided that the authority of this Resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2017.
18. That the Company be authorised to make donations to political parties, to independent election candidates and to political organisations and to incur political expenditure (in each case as defined in Part 14 of the Companies Act 2006) not exceeding £100,000.00 in total during the period of one year beginning with the date of the 2016 annual general meeting.
19. THAT, the rules of the Eurocell Plc Save As You Earn Scheme 2016 ("SAYE Scheme"), the principal terms of which are summarised at Appendix 1 to this notice, be approved and the Directors be authorised to do all such acts and things as they may consider necessary or expedient to establish the SAYE Scheme and carry it into effect.
20. That the rules of the Eurocell Plc Share Incentive Plan 2016 ("SIP"), the principal terms of which are summarised at Appendix 2 to this notice, be approved and the Directors be authorised to do all such acts and things as they may consider necessary or expedient to establish the SIP and carry it into effect.
21. THAT:
- (i) the appropriations of distributable profits of the Company (as shown in the annual accounts of the Company made up to 31 December 2015) to the payment of the interim dividend of 2.7 pence per ordinary share paid on 9 October 2015 ("Interim Dividend"), by reference to the same record date as the original accounting entry for the Interim Dividend be and is hereby authorised;
 - (ii) any and all claims which the Company has or may have arising out of or in connection with the payment of the Interim Dividend against its shareholders who appeared on the register of shareholders on the record date for the Interim Dividend (or the personal representatives and their successors in title (as appropriate) of a shareholder's estate if he or she is deceased) be waived and released, and a deed of release in favour of such shareholders (or the personal representatives and their successors in title (as appropriate) of a shareholder's estate if he or she is deceased) be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for the purposes of identification and any Director in the presence of a witness, any two Directors or any Director and the Company Secretary be authorised to execute the same as a deed poll for and on behalf of the Company; and
 - (iii) any and all claims which the Company has or may have against each of its Directors, arising out of or in connection with the approval, declaration or payment of the Interim Dividend be waived and released and that a deed of release in favour of each of such Directors, be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for purposes of identification and any Director in the presence of a witness, any two Directors or any Director and the Company Secretary be authorised to execute the same as a deed poll for and on behalf of the Company.

Dated: 18 April 2016

By Order of the Board

Registered Office:
Fairbrook House
Clover Nook Road
Alfreton
Derbyshire
DE55 4RF

Gerald Copley
Secretary

NOTES

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and, on a poll, to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
3. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's Registrars, Equiniti Limited, Aspect House, Spener Road, Lancing, West Sussex BN99 6DA or to proxy.votes@equiniti.com not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting.

CREST shareholders who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 19 May 2016 and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST personal shareholders or other CREST sponsored shareholders, and those CREST shareholders 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 the appointment of a proxy or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's 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, the revocation in 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 issuer's agent (ID RA19) by the latest time(s) for receipt of appointments of proxy specified 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to the appointed proxy by other means.

CREST shareholders (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear 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 shareholder concerned to take (or, if the CREST shareholder is a CREST personal shareholder or sponsored shareholder or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) 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 shareholders (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.

4. 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.
5. Any member attending the general meeting is entitled, pursuant to section 319A of the Companies Act 2006 to ask any question relating to the business being dealt with at the meeting. The Company will answer any such questions unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
6. From the date of this notice and for the following two years the following information will be available on the Company's website and can be accessed at www.eurocell.co.uk:
 - (i) the matters set out in this notice of meeting;
 - (ii) the total numbers of shares in the Company and shares of each class, in respect of which members are entitled to exercise voting rights at the meeting; and
 - (iii) the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class.

Any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.

7. A form to be used for appointing a proxy or proxies for this meeting to vote on your behalf is enclosed with this notice.
8. The right of members to vote at the Annual General Meeting is determined by reference to the register of members. As permitted by section 360B(3) of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold shares in uncertificated form) must be entered on the Company's share register at 6:00pm on 17 May 2016 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

9. Copies of the service contracts and letters of appointment of each of the Directors and the Directors' Deed of Release and Shareholders' Deed of Release will be available for inspection at the registered office of the Company and at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS during usual business hours on any weekday (Saturdays and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
10. Copies of the draft rules of the Eurocell Plc Save As You Earn Scheme 2016 and the Eurocell Plc Share Incentive Plan 2016 will be available for inspection at the registered office of the Company and at the offices of Eversheds LLP at One Wood Street, London, EC2V 7WS during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the conclusion of the Annual General Meeting and also at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
11. Biographical details of each Director, other than Mark Kelly, who is being proposed for re-appointment or re-election by shareholders, including their membership of Board committees, are set out in pages 28 and 29 of the annual report and accounts.

Mark Kelly joined the Group as a Director on 29 March 2016 and will take up the position of Chief Executive on 1 May 2016. Mark was previously Chief Executive of Grafton Merchanting GB, a subsidiary of Grafton Group plc, a position he has held since 2012. He joined Grafton from BDR Thermea where he was CEO in the UK. Prior to this, Mark held a range of senior positions at IMI, Novar and Mars UK. This included experience of the uPVC windows and doors industry when he worked at Caradon-owned Celuform and Duraflex. It is intended that Mark will replace Patrick Bateman as a member of the nomination committee on 1 May 2016.

12. The total number of ordinary shares of 0.1p in issue as at 12 April 2016, the last practicable day before printing this document was 100,000,000 ordinary shares and the total level of voting rights was 100,000,000. As at 12 April 2016, there were no shares held in treasury.
13. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by either a member or members having a right to vote at the meeting and holding at least 5% of total voting rights of the Company or at least 100 members have a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, the Company must publish on its website, a statement setting out any matter that such member or members propose to raise at the Annual General Meeting relating to 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 Annual General Meeting.

Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website, and the statement may be dealt with as part of the business of the Annual General Meeting.

The request must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported, and be received by the Company at least one week before the Annual General Meeting.

14. Voting on all resolutions will be conducted by way of a poll. As soon as practicable following the AGM, the results of the voting at the meeting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website: www.eurocell.co.uk.
15. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.

APPENDIX 1

THE EUROCELL PLC SAVE AS YOU EARN SCHEME 2016 (“SAYE SCHEME”)

Status of the SAYE Scheme

The SAYE Scheme is designed to meet the requirements of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 (“Schedule 3”), so as to permit the grant of tax advantaged options to participants.

Eligibility

Participation in the SAYE Scheme will be offered to all employees, (including full-time executive directors) of the Company and its participating subsidiaries who satisfy certain criteria. The criteria are that:

- the employee must have been employed for a continuous period to be determined by the board of directors of the Company or a duly appointed committee thereof (“Board”) (not exceeding five years ending on the date of grant of the relevant option); and
- the employee’s earnings from employment are general earnings (or would be if there were any) for a tax year in which the employee is resident in the United Kingdom.

In addition, certain other employees of the Company or any subsidiary of the Company nominated by the Board may be permitted to participate in the SAYE Scheme.

Issue of Invitations

Invitations to apply for an option may be issued to eligible employees during the period of 42 days commencing on: (a) the date the SAYE Scheme is adopted by the Board; (b) the dealing day immediately following the date of the preliminary announcement of the Company’s annual results or the announcement of its half-yearly results in any year, provided that if the ordinary shares in the capital of the Company (“Shares”) are admitted to the main market of the London Stock Exchange (“Official List”) at the time in question, no invitations shall be issued during the first dealing day following the date of any such announcement; (c) any day on which a change to the legislation affecting Schedule 3 is proposed or takes effect; or (d) any day on which a new savings contract prospectus is announced or takes effect.

If the issue of an invitation during any of the above periods would be prohibited by virtue of the model code on directors’ dealings in securities as set out in the appendix to rule 9 of the Listing Rules (as amended or replaced from time to time) or any statute, order or regulation on dealing in the Company’s securities or the Company’s share dealing code, then such invitation may be issued during the period of forty-two days commencing immediately after the dealing day following the time that such prohibition shall cease to have effect.

Each eligible employee who receives an invitation may, within 21 days from the date of the invitation (or such shorter period not being less than 14 days as the Board may determine), apply for an option.

“Save-As-You-Earn” Contract and Grant of Options

An eligible employee who wishes to be granted an option must enter into a save-as-you-earn contract (“SAYE contract”) with an approved savings body selected by the Board. Under the SAYE contract, the eligible employee will save a regular sum each month for three or five years (such period to be selected at the discretion of the Board on or prior to issuing the invitations or where the Board allows, by the eligible employee) of not less than £5 nor more than £500 per month (or such greater amount as may from time to time be permitted by Schedule 3). Employees who complete an SAYE contract may be entitled to a bonus from the savings body, if such a bonus is payable in respect of the SAYE contract concerned.

An option to acquire Shares will be granted to each eligible employee who enters into an SAYE contract. The number of Shares subject to such an option will be the number of Shares which have an aggregate option price not exceeding the projected proceeds of the SAYE contract concerned (including the bonus, if available, subject to any scaling back as described below).

No consideration is payable for the grant of an option.

Scaling Back

If there are insufficient Shares available to satisfy in full all applications received for an option from eligible employees, the Board may scale down the applications by taking one or more prescribed steps set out in the rules of the SAYE Scheme to reduce the amount of savings made under each SAYE contract or otherwise reduce the proceeds derived from each SAYE contract so as to ensure that the options are granted over such number of Shares as does not exceed the number of Shares available to satisfy those options.

Exercise Price

Subject to the constraints set out below, the option price per Share subject to an option will be selected by the Board.

The option price must not be less than eighty per cent (or such other percentage as may from time to time be permitted by Schedule 3) of the market value of a Share on the day on which the invitations to apply for options are issued provided that, in the case of an option to subscribe for Shares, the option price per Share subject to an option selected by the Board shall not be less than the greater of: (i) the nominal value of a Share; and (ii) an amount equal to eighty per cent (or such other percentage as may from time to time be permitted by Schedule 3) of the market value of a Share on the day on which the invitations to apply for options are issued. While the Shares are traded on the Official List the market value of a Share will be the closing middle market price of a Share as derived from the Official List for the dealing day immediately preceding the date of the invitation.

The option price (as well as the number of Shares under option and their description) may be adjusted by the Board in the event of any capitalisation issue or rights issue (other than an issue of Shares pursuant to the exercise of an option given to the shareholders of the Company to receive Shares in lieu of a dividend) or open offer or any other variation in the share capital of the Company, including (without limitation) any consolidation, subdivision or reduction of capital. Any such adjustments may not be made if they would result in the requirements of Schedule 3 not being met in relation to the option and any adjustments made must secure that the total market value of the Shares which may be acquired by the exercise of the option and the total price at which those Shares may be acquired are immediately after such adjustments substantially the same as what they were immediately before the adjustments.

SAYE Scheme Limits

On any date, no option may be granted under the SAYE Scheme if as a result the aggregate nominal value of Shares issued or issuable pursuant to options or other rights granted during the previous ten years under the SAYE Scheme or any other employee's share scheme adopted by the Company would exceed 10 per cent of the nominal value of the ordinary share capital of the Company in issue at that date.

For the purposes of the limits set out above:

- any Shares which were subject to an option or other right (whether granted under the SAYE Scheme or any other employees' share scheme adopted by the Company) which has lapsed or been surrendered will not count towards the limits set out above;
- where an option (or other right granted under any other employees' share scheme operated by the Company) takes the form of a right to acquire Shares from an employee benefit trust established by the Company or from any other person, such Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to the trust or such other person for the purposes of the SAYE Scheme or any other employees' share scheme operated by the Company; and
- Shares held in treasury which are used to satisfy awards or other rights (whether under the SAYE Scheme or any other employees' share scheme adopted by the Company) shall be taken into account unless and until treasury shares are no longer required by the Investment Association to be so included for the purposes of such limits.

Exercise and Lapse of Options

Options are not transferable and (except in the circumstances described below) an option may normally only be exercised within a period of six months following the maturity of the relevant SAYE contract by a person who remains a director or employee.

Where an option holder dies before the maturity of his SAYE contract, his personal representatives may exercise his option within a period of twelve months from the date of his death. Where an option holder dies within a period of six months following the expiry of his SAYE contract without having exercised his option, his personal representatives may exercise his option within a period of twelve months from the date of expiry of the SAYE contract.

An option holder may exercise his option early within a period of six months following the date that he is no longer an employee of the Company or any "associated company" of the Company (as defined in Schedule 3) where the cessation occurs as a result of:

- injury, disability, redundancy (within the meaning of the Employment Rights Act 1996), retirement or a transfer of the option holder's employment within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE Transfer");
- his employing company ceasing to be under the control of the Company; or
- his office or employment being transferred to a company which is not under the control of the Company where such transfer does not amount to a TUPE Transfer.

Upon cessation of employment of the option holder in any other circumstances not referred to above:

- options granted three years or less prior to the date of cessation of employment will lapse; and
- options granted more than three years prior to the date of cessation of employment may be exercised within a period of six months following the date of cessation, unless they have lapsed previously under the SAYE Scheme.

An option holder may also exercise his option early within a limited period following a takeover, a scheme of arrangement under Part 26 of the Companies Act 2006 being sanctioned by the court, a non-UK company reorganisation or the voluntary winding up of the Company.

Where there is a change of control of the Company in certain circumstances option holders may release their rights under options in consideration of the grant to them of equivalent rights over Shares in the acquiring company which gains control of the Company.

Where an option is exercised early the number of Shares acquired on exercise will in any event be limited by reference to the proceeds accrued under the relevant SAYE contract up to the date of exercise.

Other Option Terms and issue of Shares

The SAYE Scheme provides the facility for the exercise of options to be satisfied by either the issue of Shares, the transfer of Shares held by an existing shareholder who has agreed to satisfy the exercise of the option or by the transfer of Shares held in treasury.

Options are not capable of transfer or assignment.

Until options are exercised, option holders have no voting or other rights in relation to the Shares subject to those options.

Shares allotted pursuant to the exercise of an option will rank *pari passu* in all respects with the Shares already in issue but shall not rank for any dividends or other distribution payable by reference to a record date preceding the date of allotment. Shares transferred on the exercise of an option shall be transferred without the benefit of any rights attaching to the Shares by reference to a record date preceding the date of that exercise. For so long as the Shares are listed on the Official List, the Company will use its best endeavours to procure that the Shares issued following exercise of any options are admitted to the Official List as soon as practicable after allotment.

Benefits obtained under the SAYE Scheme are not pensionable.

Amendments

The SAYE Scheme is administered by the Board. The Board may amend the provisions of the SAYE Scheme. However, no amendment to a key feature of the SAYE Scheme may be made which would result in the requirements of Schedule 3 not being met in relation to the SAYE Scheme.

Furthermore, the rules of the SAYE Scheme which relate to:

- the persons to whom options may be granted;
- the limits on the number of Shares which may be issued under the SAYE Scheme;
- the maximum entitlement of any option holder;
- the basis for determining an option holder's entitlement to Shares or options; and
- the basis for determining the adjustment of any option granted under the SAYE Scheme in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital of the Company,

cannot be amended to the advantage of any option holder or potential option holder without the prior approval of the Company in general meeting except for minor amendments to benefit the administration of the SAYE Scheme, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any option holder, the Company or any subsidiary undertaking of the Company from time to time.

In addition no amendment may be made to subsisting options which will have an adverse effect on such options except with the written consent of the option holders who hold options over at least 75% of the total number of Shares subject to all such affected subsisting options under the SAYE Scheme or unless the amendment is a minor amendment to benefit the administration of the SAYE Scheme, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any option holder, the Company or any subsidiary undertaking of the Company from time to time.

Overseas employees

The Board may adopt supplemental rules to the SAYE Scheme to facilitate the granting of options to individuals not resident in the UK provided that such supplemental rules will, so far as the Board in its discretion considers reasonably practicable, follow the rules of the SAYE Scheme.

Termination

The SAYE Scheme may be terminated at any time by resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption by the Company so that no further options can be granted under the SAYE Scheme after such termination. Termination shall not affect the outstanding rights of existing option holders.

APPENDIX 2

THE EUROCELL PLC SHARE INCENTIVE PLAN 2016 (“SIP”)

Status of the SIP

The SIP is designed to meet the requirements of Schedule 2 of the Income Tax (Earnings and Pensions) Act 2003 (“Schedule 2”), so as to permit the acquisition of shares by participants.

Eligibility

Subject to some limited exceptions set out in the rules of the SIP, the SIP is open to all UK employees of the Company, or any subsidiary or jointly owned company of the Company which is participating in the SIP. The SIP may (at the discretion of the board of directors of the Company or a duly appointed committee thereof (“Board”)) be used in relation to non-UK employees.

As noted below, the Board can exclude employees who have not completed a qualifying period of service.

How the SIP may be operated

The SIP provides that the Company can offer employees any of the following types of awards over ordinary shares in the capital of the Company (“Shares”):

- “Free Shares” - being an allocation of Shares to employees without charge;
- “Partnership Shares” - being an allocation of Shares paid for by employees out of deductions made from pre-tax salary;
- “Matching Shares” - being an allocation of Shares to employees without charge, the number of which is proportionate to the number of Partnership Shares acquired;
- “Dividend Shares” - being Shares acquired using dividends paid in respect of any Shares acquired under and held within the SIP.

Any combination of the above awards may be utilised in any year (except that Matching Shares can only be made if a corresponding award of Partnership Shares is made and Dividend Shares can only be acquired using dividends paid on Shares obtained by a participant under the SIP whilst such Shares are held in the SIP).

The SIP operates in conjunction with the trust established for the purposes of the SIP (“Trust”) which is administered by the trustee of the Trust (“Trustee”) under the direction of the Company. No director of the Company is a trustee of the Trust or has any interest in the Trustee.

The SIP is structured to allow the Trustee to subscribe for, or purchase, Shares. The money to acquire the Shares is provided by the Company or the relevant employing company (or, in the case of Partnership Shares, from the employees themselves).

Partnership Shares

The Company may provide employees with the opportunity to enter into an agreement with the Company to enable such employees to use part of their pre-tax salary to acquire Partnership Shares (“Partnership Share Agreement”).

Deductions

An employee may allow the Company to make deductions from his salary up to a maximum of 10 per cent of his salary in any tax year or £1,800 in any tax year (or such other maximum amount as specified in Schedule 2), whichever is less, for the purpose of acquiring Partnership Shares. The Company may impose lower maximum limits. In addition, the Company may set a minimum deduction (but such minimum cannot exceed £10 per month).

The money deducted from an employee’s salary will be held by the Trustee and shall be applied by the Trustee in purchasing Partnership Shares.

Accumulation Period

If the Board so chooses, deductions in relation to Partnership Shares may be accumulated over an accumulation period not exceeding 12 months.

If no accumulation period is set, any deduction from salary must be used by the Trustee to acquire Partnership Shares within 30 days from the date on which it was deducted. Any surplus money remaining after the acquisition of Partnership Shares may be added to the next deduction or paid over to the participant.

If an accumulation period is set, the deductions from salary will be accumulated throughout the period. At the end of the period, the accumulated deductions from salary must be used by the Trustee to acquire Partnership Shares within 30 days from the end of the accumulation period. Partnership Shares will be allocated to participants using one of three methods set out in the rules of the SIP which accord with Schedule 2 and which is specified in the Partnership Share Agreement. Any surplus money remaining after the acquisition of Partnership Shares may be carried forward to the next deduction or paid over to the participant.

Qualifying Period

In relation to each award of Partnership Shares, the Board may (at its discretion) set a qualifying period during which an individual must have been employed in order to be eligible to participate in the award.

If there is an accumulation period, the qualifying period cannot exceed six months before the starting date of the accumulation period.

If there is no accumulation period, the qualifying period cannot exceed 18 months before the deduction of money from the individual's salary in respect of the award (and, for these purposes, each individual acquisition of Shares will constitute an award).

Forfeiture

Partnership Shares shall not be subject to forfeiture and may be withdrawn from the SIP at any time.

Notwithstanding the fact that Partnership Shares shall not be subject to forfeiture, Partnership Shares may be subject to a provision requiring Partnership Shares acquired on behalf of an employee to be offered for sale provided that the consideration at which the Partnership Shares are required to be offered for sale must be at least equal to the amount of partnership share money applied in acquiring the Partnership Shares on behalf of the employee or, if lower, the market value of the Partnership Shares at the time they are offered for sale.

Free Shares

The Company may give Free Shares up to a maximum value, calculated at the date of the award of such Free Shares, of £3,600 per employee in a tax year (or such other amount as specified in Schedule 2).

Qualifying Periods

In relation to each award of Free Shares, the Board may (at its discretion) set a qualifying period during which an individual must have been employed in order to be eligible to participate in the award. The qualifying period cannot exceed a period of 18 months before the date of the award.

Timing of Awards

Awards of Free Shares may only be made within the period of 42 days commencing on the date of the preliminary announcement of the Company's annual results or the announcement of its half-yearly results in any year, provided that if the Shares continue to be admitted to the official list of the UK Listing Authority at the time in question, no award shall be made on the first dealing day following the date of any such announcement.

If the award during the period set out above would be prohibited by virtue of the model code on directors' dealings in securities as set out in the appendix to rule 9 of the Listing Rules (as amended or replaced from time to time) or any statute, order or regulation on dealing in the Company's securities or the Company's share dealing code, then such award may be made during the period of forty-two days commencing immediately after the dealing day following the time that such prohibition shall cease to have effect.

Performance Conditions

An award of Free Shares can (at the discretion of the Board) be made subject to the prior satisfaction of performance conditions. If the Board determines to use performance conditions it must follow one of the two methods of applying performance conditions set out in the rules of the SIP which accord with Schedule 2.

Holding Period

In relation to each award of Free Shares, the Board must set a holding period determined in its discretion of between three and five years from the date of the award of such Free Shares. Once set, the holding period cannot be increased.

Whilst individuals remain employed by the Company, or one of its subsidiaries, they must generally leave their Free Shares within the hands of the Trustee throughout the holding period.

Restrictions

The Board may determine prior to the making of an award of Free Shares that such award of Free Shares will be subject to restrictions. In the event that the Board determines that Free Shares will be subject to any restrictions, the terms of such restrictions must be notified to the participant. The same restrictions must apply to all Free Shares awarded at the same time.

Free Share Agreement

Each employee who wishes to be made an award of Free Shares shall first be required to enter into an agreement (“Free Share Agreement”) with the Company. The Free Share Agreement shall set out the details relating to the award of Free Shares including, but not limited to, the length of the relevant holding period and whether the Free Shares are subject to any restrictions (including any risk of forfeiture).

Matching Shares

If employees acquire Partnership Shares, the Board can also (at its discretion) give such employees Matching Shares. In such case, each employee will acquire Matching Shares in proportion to the number of Partnership Shares acquired by that employee. The maximum ratio for an award of Matching Shares to Partnership Shares is 2:1 (or such other maximum ratio as specified in Schedule 2).

Holding Period

In relation to each award of Matching Shares, the Board must set a holding period determined at its discretion of between three and five years from the date of the award of Matching Shares.

Whilst participants remain employed by the Company, or one of its subsidiaries, they must generally leave their Matching Shares within the hands of the Trustee throughout the specified holding period. Once set, the holding period cannot be increased.

Restrictions

The Board may determine prior to the making of an award of Matching Shares that such award of Matching Shares will be subject to restrictions. In the event that the Board determines that Matching Shares will be subject to any restrictions, the terms of such restrictions shall be set out in the relevant Partnership Share Agreement relating to the award of Matching Shares concerned. The same restrictions must apply to all Matching Shares awarded at the same time.

Details of Matching Share Awards

Details of the length of the holding period, any restrictions that apply to Matching Shares (including any risk of forfeiture) and the ratio of Matching Shares to Partnership Shares will be set out in the Partnership Share Agreement which employees enter into in order to be awarded Partnership Shares.

Dividends and Dividend Shares

In relation to any dividends paid on Shares held within the SIP, the Board may direct that:

- they are all paid out in cash;
- some or all are re-invested in Dividend Shares; or
- the participants are given an individual choice to take either cash or Dividend Shares or a combination of shares and cash.

Amount to be reinvested

There is no limit on the amount of dividends that may be reinvested in Dividend Shares.

Surplus Cash Dividends

Any surplus cash after Dividend Shares have been acquired may be retained by the Trustee and carried forward to acquire further Dividend Shares in the future.

Holding Period

The rules for the SIP provide that Dividend Shares must be held in the SIP for a period of three years from acquisition.

Forfeiture

Dividend Shares shall not be subject to forfeiture. Notwithstanding the fact that Dividend Shares shall not be subject to forfeiture, Dividend Shares may be subject to a provision requiring Dividend Shares acquired on behalf of an employee to be offered for sale provided that the consideration at which the Dividend Shares are required to be offered for sale must be at least equal to the amount of cash dividends applied in acquiring the Dividend Shares on behalf of the employee or, if lower, the market value of the Dividend Shares at the time they are offered for sale.

SIP Limits

In any 10 year period, the number of Shares issued pursuant to awards granted under the SIP, when aggregated with the number of Shares issued or issuable pursuant to any other employees' share scheme operated by the Company, shall not exceed 10 per cent of the nominal value of the Company's issued ordinary share capital from time to time.

For the purposes of the limits set out above:

- any Shares which were subject to an option or other right (whether granted under the SIP or any other employees' share scheme adopted by the Company) which has lapsed or been surrendered will not count towards the limits set out above;
- where Shares are acquired or may be acquired pursuant to an award (or pursuant to an option or other right granted under any other employees' share scheme operated by the Company), such Shares will only be counted as "issued or issuable" to the extent to which they have been issued (or there is an intention for them to be issued) by the Company to an employee benefit trust established by the Company or to some other person for the purposes of the SIP or any other employees' share scheme operated by the Company; and
- Shares held in treasury which are used to satisfy awards or other rights (whether under the SIP or any other employees' share scheme adopted by the Company) shall be taken into account unless and until treasury shares are no longer required by the Investment Association to be so included for the purposes of such limits.

Other Award Terms

Awards under the SIP will not be pensionable.

Corporate Events and Share Reorganisations

A participant may direct the Trustee at any time whilst the Trustee holds Shares on the participant's behalf to:

- accept any offer for such shares, if the acceptance of such offer would result in a new holding of shares being equated with the original Shares for capital gains tax purposes;
- agree to a transaction which would if entered into be a scheme, compromise or arrangement applicable to all the Shares (or all the Shares of a particular class which have been appropriated to the participant) or all Shares (or Shares of the class in question) held by a class of shareholders identified otherwise than by reference to their employment or participation in a Share Incentive Plan that meets the criteria in Schedule 2; or
- accept an offer of cash (with or without other assets) or accept an offer of a qualifying corporate bond (whether alone or with other assets or cash or both) for such shares if such offer forms part of a general offer which is made on a condition that if satisfied will result in the person making the offer obtaining control of the Company.

In the event of a rights issue in respect of any Shares, each participant may instruct the Trustee in respect of all or any of the Shares appropriated to him and held by the Trustee to exercise the rights in respect of all or any of such Shares or to exercise some of the rights and sell the remainder of the rights nil paid (the sale proceeds to be used to take up the rights exercised) or to sell all of the rights in respect of some or all of such Shares.

In the event that the Trustee is offered the opportunity to acquire Shares pursuant to rights attaching to Shares which it holds on behalf of any participant, it shall take up such opportunity only on the instructions of the participant concerned.

Administration and Amendments

The SIP is administered by the Board. The Board may amend the provisions of the SIP. However, no amendment to a key feature of the SIP shall be made if the effect of such amendment would cause the requirements of Parts 2 to 9 inclusive of Schedule 2 not to be met in relation to the SIP. Furthermore, the rules of the SIP which relate to:

- the persons to whom awards may be made under the SIP;
- the limitations on the number or amount of Shares which may be used under the SIP;
- the maximum entitlement of any one participant under the SIP; and
- the basis for determining a participant's entitlement to Shares or awards and for the adjustment of awards under the SIP following any capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation in the share capital of the Company;

cannot be amended to the advantage of any participant or potential participant without the prior approval of the shareholders of the Company in general meeting, except for minor amendments to benefit the administration of the SIP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or potential participant in the SIP or for the Company or any of its subsidiaries.

In addition, no amendments shall be made which adversely affect the rights of subsisting participants without the prior written consent of three-quarters of such participants (by number) or, where in the reasonable opinion of the Board the amendments do not affect all the rights of subsisting participants, the prior written consent of three-quarters of the participants (by number) as hold subsisting rights that are affected, unless the amendments are minor amendments to benefit the administration of the SIP, to take account of any change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or potential participant in the SIP or for the Company or any of its subsidiaries.

Overseas Employees

The Board may adopt supplemental rules to the SIP to facilitate the granting of awards to individuals not resident in the UK provided that such supplemental rules will, so far as the Board in its discretion considers reasonable practicable, follow the rules of the SIP.

Termination

The SIP may be terminated at any time by a resolution of the Board and shall in any event terminate on the tenth anniversary of its adoption, unless the shareholders of the Company have previously resolved in general meeting to extend the life of the SIP. Following termination of the SIP, no further Shares may be awarded to individuals pursuant to the SIP.

