

WH Smith PLC

Notice of WH Smith PLC Annual General Meeting

Herbert Smith Freehills Kramer LLP
Exchange House, Primrose Street, London EC2A 2EG
on Monday 2 February 2026 at 9.30am

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the contents of this document or as to the action you should take in relation to the Annual General Meeting, you should consult your stockbroker, bank manager, solicitor, accountant or other professional independent adviser authorised pursuant to the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in WH Smith PLC you should pass this notice and other enclosures to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice of WH Smith PLC Annual General Meeting

Dear Shareholder

I have pleasure in sending you the Notice of our Annual General Meeting ("AGM") for shareholders which will be held at the offices of Herbert Smith Freehills Kramer LLP, Exchange House, Primrose Street, London EC2A 2EG on Monday 2 February 2026 at 9.30am. The formal Notice of Annual General Meeting is set out on pages 2 to 4 of this document.

The AGM is an important opportunity for all shareholders to express their views by raising questions and voting.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the Form of Proxy and return it to our registrars as soon as possible. Alternatively, you can register your proxy vote electronically by logging on to www.investorcentre.co.uk/eproxy or, if you are a member of CREST, via Computershare Investor Services PLC (ID 3RA50). The registrars must receive your proxy appointment by 9.30am on Thursday 29 January 2026.

Final dividend

Shareholders are being asked to approve a final dividend of 6p per ordinary share for the year ended 31 August 2025. If approved, the dividend will be paid on 12 February 2026 to shareholders on the register at the close of business on 23 January 2026.

If you have not already done so, may I take this opportunity to encourage you to arrange to have your dividends paid directly into your bank or building society account. Mandating your dividends is more secure than receiving a cheque by post and means that you will receive cleared funds automatically on the payment date. To receive future dividends directly into your bank or building society account, please register at www.investorcentre.co.uk using your Shareholder Reference Number which is printed on your Form of Proxy or contact our registrars, Computershare Investor Services PLC, on 0371 495 0100 for more information.

Notice of publication of annual report

The WH Smith PLC Annual report 2025 has been published on the Company's website www.whsmithplc.co.uk. It can be accessed at www.whsmithplc.co.uk/investors/results-reports-and-presentations/annual-reports or by going to the Company's home page, clicking on the Investors section of the website, then clicking on Results, Reports and Presentations and then clicking on Annual Reports. If you have elected to receive shareholder correspondence in hard copy, then the Annual report will accompany this Notice of Annual General Meeting. Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual report, you can do so by contacting our registrars.

Explanatory notes

Explanatory notes on each of the resolutions being proposed at the AGM appear on pages 5 to 8 of this document.

Independent Deloitte Review

An Independent Review was undertaken by Deloitte LLP following an internal review that had identified an overstatement of expected Headline trading profit in the North America division. The findings of the Deloitte Review were announced on 19 November 2025, details of which can be found on pages 94 and 95 of the Annual report 2025.

Board changes

On 19 November 2025, we announced that Carl Cowling would be stepping down as Group CEO and as a Board director with immediate effect. On behalf of the Board, I would like to thank Carl for his significant contribution to the Company over the last 11 years and we wish Carl every success in the future. Andrew Harrison, CEO of the WH Smith UK Travel business, has been appointed as Interim Group Chief Executive and a director of the Company with effect from 19 November 2025. The Board is undertaking a comprehensive search process for a new Group CEO, which will include consideration of internal and external candidates. The Board is committed to appointing the strongest candidate to lead the next phase and guide the Group's long-term growth strategy.

Nicky Dulieu has decided not to stand for re-election as a non-executive director at the AGM. I would like to thank Nicky for her valuable contribution and strong commitment to the Company.

The Company has commenced a search for Nicky's successor. As previously noted, the Company intends to strengthen the Board by including additional North America retail expertise.

WH Smith Long Term Incentive Plan (the "LTIP")

Resolution 14 proposes approval of the Company's new incentive plan, the WH Smith Long Term Incentive Plan. Further details are provided in the explanatory notes section on page 6.

WH Smith Sharesave Scheme ("Sharesave")

Resolution 15 proposes approval of amendments to the Company's WH Smith Sharesave Scheme. Further details are provided in the explanatory notes section on page 7.

Recommendation

The Board considers that each of the proposals detailed in this Notice of Annual General Meeting will be of benefit to, and in the best interests of, the Company and the shareholders as a whole. The directors intend to vote in favour of all resolutions in respect of their own beneficial holdings of ordinary shares in the Company and unanimously recommend other shareholders to do likewise.

Yours sincerely

Annette Court
Chair

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Notice is hereby given that the Annual General Meeting of WH Smith PLC (the "Company") will be held at the offices of Herbert Smith Freehills Kramer LLP, Exchange House, Primrose Street, London EC2A 2EG on Monday 2 February 2026 at 9.30am to consider and, if thought fit, to pass Resolutions 1 to 16 inclusive as ordinary resolutions and Resolutions 17 to 20 inclusive as special resolutions.

Report and accounts

Resolution 1: to receive the reports and accounts of the directors and auditors for the year ended 31 August 2025.

Remuneration report

Resolution 2: to approve the directors' remuneration report for the year ended 31 August 2025, as set out on pages 96 to 119 of the 2025 Annual report.

Final dividend

Resolution 3: to declare a final dividend of 6p per share, to be paid on 12 February 2026 to shareholders on the register at the close of business on 23 January 2026.

Directors

Resolution 4: to re-elect Colette Burke as a director of the Company.

Resolution 5: to re-elect Annette Court as a director of the Company.

Resolution 6: to re-elect Simon Emeny as a director of the Company.

Resolution 7: to elect Andrew Harrison as a director of the Company.

Resolution 8: to re-elect Max Izzard as a director of the Company.

Resolution 9: to re-elect Situl Jobanputra as a director of the Company.

Resolution 10: to re-elect Helen Rose as a director of the Company.

Auditors

Resolution 11: to re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting of the Company at which accounts and reports of the directors and auditor are laid.

Resolution 12: to authorise the Audit Committee of the Board to determine the auditors' remuneration.

Authority to make political donations

Resolution 13: to resolve that, in accordance with Section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised to:

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

during the period from the date of passing this resolution up to and including the conclusion of the next Annual General Meeting of the Company or up to and including 28 February 2027, whichever is the earlier.

For the purpose of this resolution the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in Sections 363 to 365 of the Companies Act 2006.

WH Smith Long Term Incentive Plan

Resolution 14: to approve the rules of the WH Smith Long Term Incentive Plan (the "LTIP"), in the form produced to the AGM and initialled by the Chair for the purposes of identification (a summary of which is set out in the Appendix to the Notice of AGM); and to authorise the directors of the Company to establish further plans based on the LTIP for the benefit of directors and employees of the Company and/or its subsidiaries who are located outside the United Kingdom, with such modifications as may be necessary or desirable in order to take account of local tax, exchange control or securities laws as they consider appropriate provided that any ordinary shares made available under such plans shall be treated as counting against any individual or overall limits contained in the LTIP.

WH Smith Sharesave Scheme

Resolution 15: to approve the amendments to the WH Smith Sharesave Scheme (the "Sharesave Scheme"), the rules of which are produced to the AGM and initialled by the Chair for the purposes of identification and the amendments to which are summarised in the explanatory notes to this Notice.

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Authority to allot shares

Resolution 16: to resolve that the directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or convert any security into, shares in the Company:

- (a) up to an aggregate nominal amount of £9,310,046; and
- (b) up to a further aggregate nominal amount of £9,310,046 provided that they are equity securities (within the meaning of Section 560 of that Act) and they are offered by way of a fully pre-emptive offer to holders of ordinary shares on the register of members on such record dates as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record dates, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter;

provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2027, save that the Company may, before such expiry, make offers and enter into agreements which would or might require equity securities to be allotted and treasury shares to be sold after such expiry and the directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

General disapplication of pre-emption rights

Resolution 17: to resolve that, if Resolution 16 above is passed, the directors be authorised in accordance with Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash pursuant to the authority conferred by Resolution 16 and by way of a sale of treasury shares as if Section 561(1) of that Act did not apply to any such allotment, provided that this authority shall be limited to:

- (a) the allotment of equity securities or sale of treasury shares in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 16 above by way of fully pre-emptive offer only) in favour of the holders of ordinary shares on the register of members on such record dates as the directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record dates, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter;

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) of this Resolution 17) to any person or persons up to a nominal amount not exceeding in aggregate £2,793,293; and
- (c) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) and paragraph (b) of this Resolution 17) up to an aggregate nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) of this Resolution 17, provided that the authority under this paragraph shall be used only for the purposes of making a follow-on offer which the directors determine to be of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2027, save that the Company may, before such expiry, make offers and enter into agreements which would or might require equity securities to be allotted and treasury shares to be sold after such expiry and the directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

Additional disapplication of pre-emption rights

Resolution 18: to resolve that, if Resolution 16 above is passed and in addition to any authority granted under Resolution 17, the directors be authorised in accordance with Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash pursuant to the authority conferred by Resolution 16 and by way of a sale of treasury shares as if Section 561(1) of that Act did not apply to any such allotment, provided that this authority shall be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the directors determine to be an acquisition or specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice and shall be limited to:

- (a) the allotment of equity securities or sale of treasury shares to any person or persons up to an aggregate nominal amount of £2,793,293; and
- (b) the allotment of equity securities or sale of treasury shares to any person or persons (otherwise than pursuant to paragraph (a) of this Resolution 18) up to an aggregate nominal amount equal to 20 per cent of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) of this Resolution 18, provided that the authority under this paragraph shall be used only for the purposes of making a follow-on offer which the directors determine to be of a kind contemplated by paragraph 3 of Part 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

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and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2027, save that the Company may, before such expiry, make offers and enter into agreements which would or might require equity securities to be allotted and treasury shares to be sold after such expiry and the directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

Market purchases of ordinary shares

Resolution 19: to resolve that, pursuant to Section 701 of the Companies Act 2006, the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006) of any of its own ordinary shares in such manner and on such terms as the directors may from time to time determine, provided that:

- (a) the maximum aggregate number of ordinary shares that may be purchased under this authority is 12,645,315 shares;
- (b) the minimum price which may be paid for each ordinary share is 22⁶/₆₇p (exclusive of all expenses);
- (c) the maximum price which may be paid for each ordinary share is an amount (exclusive of all expenses) equal to the higher of:
 - (i) 105 per cent of the average of the middle market quotations for an ordinary share in the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; and
 - (ii) the amount being the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 19 will be carried out; and
- (d) the authority shall, unless previously varied, revoked or renewed, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2027, save that the Company shall be entitled under such authority to make at any time before such expiry any contract or contracts to purchase its own shares which will or might be executed wholly or partly after such expiry and make a purchase of shares in pursuance of any such contract or contracts.

Notice of general meetings

Resolution 20: to resolve that a general meeting (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

Ian Houghton

Company Secretary

19 December 2025

Registered Office: Greenbridge Road, Swindon, Wiltshire SN3 3RX

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Explanatory notes

Resolution 1

Report and accounts

The Chair will present the reports and accounts of the directors and auditors for the year ended 31 August 2025 to the AGM.

Resolution 2

Remuneration report

In accordance with Section 439 of the Companies Act 2006 ("CA 2006"), shareholders are asked to approve the directors' remuneration report that appears on pages 96 to 119 of the 2025 Annual report. The report gives details of the directors' remuneration for the year ended 31 August 2025. This vote is advisory, and the directors' entitlement to any remuneration or loss of office payment is not conditional on it. At the Annual General Meeting held on 29 January 2025, the directors' remuneration policy was approved by shareholders. The directors' remuneration policy is not therefore required to be approved at the AGM this year. The policy will be put to shareholders again no later than the Company's Annual General Meeting held in 2028.

Resolution 3

Final dividend

A final dividend of 6p per share for the year ended 31 August 2025 is recommended for payment by the directors. If approved, the recommended final dividend will be paid on 12 February 2026 to all ordinary shareholders who were on the register of members at the close of business on 23 January 2026.

Resolutions 4 to 10

Election and re-election of directors

Andrew Harrison will stand for election at the AGM following his appointment to the Board in November 2025. In accordance with the UK Corporate Governance Code, all of the other directors will retire and those wishing to serve again shall submit themselves for re-election by the shareholders. The Board has confirmed that all directors standing for election or re-election continue to perform effectively and demonstrate commitment to their roles. Biographies of all the directors are as follows, including the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success:

Resolution 4: Colette Burke

Non-executive director

Date of appointment: 1 July 2023.

Committee membership: Member of the Audit Committee, ESG Committee, Nominations Committee and Remuneration Committee.

Skills and experience: Colette has significant US and retail experience. She is the Executive Vice President and Chief Commercial Officer of the LEGO Group, and was previously Global Head of Sales and Marketing at Bose Corporation.

Contributions and reasons for re-election: Colette has a broad range of skills, including significant retail and US experience and has proved to be a valuable member of the Board and its Committees.

Resolution 5: Annette Court

Chair

Date of appointment: 1 September 2022. Annette Court was appointed as Chair on 1 December 2022.

Committee membership: Chair of the Nominations Committee.

Skills and experience: Annette has a proven track record as a Chair of a publicly quoted company and brings a wealth of experience from her Board appointments. She is the Senior Independent Director of Sage Group plc and a non-executive director of Admiral Europe Compañía de Seguros S.A. She was previously the Chair of Admiral Group plc, CEO of Europe General Insurance for Zurich Financial Services, CEO of Direct Line Group (formerly RBS Insurance) and a member of the Board of the Association of British Insurers.

Contributions and reasons for re-election: Annette brings a wealth of experience from her Board appointments and has a strong background in financial services and technology. She brings a considerable range of skills and experience to run the Board and contribute to its Committees.

Resolution 6: Simon Emeny

Senior Independent Director

Date of appointment: 26 February 2019.

Committee membership: Senior Independent Director and a member of the Audit Committee, ESG Committee, Nominations Committee and Remuneration Committee.

Skills and experience: Simon is Executive Chairman of Fuller, Smith & Turner PLC, a role he has held since July 2025, having previously held the role of Group Chief Executive since 2013. Simon was previously the Senior Independent Director of Dunelm Group PLC and is also a non-executive director of the National Gallery Global Limited.

Contributions and reasons for re-election: Simon has a wealth of consumer facing experience, including transport hub sites. He brings a broad range of skills and commercial expertise to the Board and its Committees.

Resolution 7: Andrew Harrison

Interim Group Chief Executive

Date of appointment: 19 November 2025.

Committee membership: None.

Skills and experience: Andrew joined WHSmith in May 2021 as Managing Director for the UK Travel division and became CEO of the UK division in January 2025. Prior to joining WH Smith, Andrew spent 15 years with Manchester Airports Group where he held various roles including Commercial Director and Managing Director of Manchester Airport, Managing Director of Stansted Airport, Chief Operating Officer and Chief Strategy Officer. He also spent a decade at Marks & Spencer.

Contributions and reasons for election: Andrew has considerable travel retail experience and a deep understanding of the Group and its strategy.

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Resolution 8: Max Izzard

Group Chief Financial Officer

Date of appointment: 1 December 2024.

Committee membership: None.

Skills and experience: Max is an accountant and highly experienced finance director with deep expertise in multi-site international consumer businesses. Previously, he was Senior Vice President Group and Corporate Finance at Burberry PLC where he held a variety of senior roles, helping to support the strategic transformation and development of the business, overseeing group finance functions, tax and treasury. Prior to Burberry, Max held several senior commercial and group finance roles at IHG PLC.

Contributions and reasons for re-election: Max has considerable experience in multi-site international consumer businesses and a strong background in strategic transformation and business development. His wealth of expertise in a variety of international businesses, combined with a deep understanding of operations and finance are a valuable asset to the Company.

Resolution 9: Situl Jobanputra

Non-executive director

Date of appointment: 1 March 2024.

Committee membership: Chair of the ESG Committee and a member of the Audit Committee, Nominations Committee and Remuneration Committee.

Skills and experience: Situl has significant financial and property expertise. He is an experienced corporate financier, having previously worked in mergers and acquisitions, equity capital markets, corporate broking and real estate investment banking, latterly at Deutsche Bank. He is Chief Financial Officer at Shaftesbury Capital PLC.

Contributions and reasons for re-election: Situl has considerable financial and property expertise. With his board and financial expertise, he has proved to be a valuable member of the Board and Chair of the ESG Committee.

Resolution 10: Helen Rose

Non-executive director

Date of appointment: 1 July 2024.

Committee membership: Chair of the Audit Committee and a member of the ESG Committee, Nominations Committee and Remuneration Committee.

Skills and experience: Helen is a chartered accountant and former senior finance and operations leader. She is a non-executive director of Greencore plc and is also a member of Chapter Zero.

Contributions and reasons for re-election: Helen has significant operational, financial, risk and UK retail experience and has proved to be a valuable member of the Board.

Resolutions 11 and 12

Auditors

Resolution 11 relates to the reappointment of PricewaterhouseCoopers LLP as the Company's auditor to hold office until the conclusion of the next general meeting of the Company at which accounts and reports of the directors and auditor are laid.

Resolution 12 authorises the Audit Committee of the Board to set the auditors' remuneration.

Resolution 13

Authority to make political donations

Part 14 of the CA 2006, amongst other things, prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Group of £5,000 or less in any 12-month period will not be caught.

Neither the Company nor any of its subsidiaries has any intention of making any political donations or incurring any political expenditure. However, the CA 2006 defines "political party", "political organisation", "political donation" and "political expenditure" widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be caught.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the CA 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred.

As permitted under the CA 2006, the resolution extends not only to the Company but also covers all companies which are subsidiaries of the Company at any time the authority is in place. The resolution reflects the three categories covered by the rules and authorises the Company and its subsidiaries to:

- make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- incur political expenditure not exceeding £50,000 in total, in the period up to the Company's next Annual General Meeting or up to and including 28 February 2027, whichever is the earlier.

As required by the CA 2006, the resolution is in general terms and does not purport to authorise particular donations.

Resolution 14

Adoption of the WH Smith Long Term Incentive Plan (the "LTIP")

The Remuneration Committee has determined that it is appropriate to seek shareholder approval for the implementation of the new LTIP. The new LTIP will replace both the WH Smith LTIP which was adopted by shareholders at the 2016 AGM (under which awards have been granted to the executive directors and other senior executives) and a non-shareholder approved WH Smith Performance Share Plan ("PSP") which was adopted by the Board in 2018 (under which awards have been granted to other executives of the Group).

The ability to grant both performance share awards and restricted share awards under the LTIP provides a balanced suite of long-term incentives that gives improved alignment with common practice in the US where we have a significant and growing business. Under the Company's Remuneration Policy, executive directors may currently only be granted performance share awards (other than to facilitate "buy-out" awards on recruitment).

A summary of the LTIP rules is set out in the Appendix to this document on pages 11 to 13.

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Resolution 15

Amendment of the WH Smith Sharesave Scheme (the "Sharesave Scheme")

Resolution 15 seeks approval for the renewal of, and certain administrative amendments to, the Sharesave Scheme.

The Company has operated a sharesave scheme for many years, with the rules of the current Sharesave Scheme having operated for the last ten years, having been approved by shareholders in January 2016.

The Sharesave Scheme is an HM Revenue & Customs tax-advantaged share plan, open to all eligible employees (including executive directors), which allows employees to save a fixed amount on a monthly basis in order to purchase Company shares at the end of their selected savings period (three or five years). The Sharesave Scheme continues to be popular with employees and has proved to be an attractive and successful incentive plan. The Company intends to continue to operate the Sharesave Scheme consistent with its existing practice.

The Board considers it appropriate to seek shareholder approval to extend the life of the Sharesave Scheme and to make minor amendments to reflect regulatory changes and to assist in the administration of the scheme. The proposed amendments do not alter employees' rights under the Sharesave Scheme. In particular, the following amendments are proposed:

- (a) updating the periods during which invitations to participate in the Sharesave Scheme may be sent to eligible employees to include the period of 42 days commencing on the date any change to bonus rates which apply to savings comes into effect, in line with normal market practice for UK-listed companies;
- (b) including specific tax provisions that apply to eligible employees subject to taxation under the laws of the United States of America; and
- (c) in line with institutional investor guidance, the removal of the need to seek further shareholder approval to extend the life of the Sharesave Scheme.

Resolution 16

Authority to allot shares

At the Annual General Meeting held on 29 January 2025, the shareholders authorised the directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company. This authority is due to expire at the end of the AGM. The directors propose to renew this authority.

The Investment Association ("IA") guidelines on directors' authority to allot shares state that IA members will regard as routine resolutions seeking authority to allot shares representing up to two-thirds of the Company's issued share capital, provided that any amount in excess of one-third of the Company's issued share capital is only used to allot shares pursuant to a fully pre-emptive offer.

In light of these guidelines, paragraph (a) of Resolution 16 would allow the directors to allot shares up to a maximum nominal amount of £9,310,046, representing approximately one-third (33.33 per cent) of the Company's issued share capital, calculated as at 9 December 2025 (being the latest practicable date prior to publication of this Notice). Paragraph (b) of Resolution 16 would allow the directors to allot shares up to a maximum nominal

amount of £9,310,046, representing approximately a further one-third (33.33 per cent) of the Company's issued share capital calculated as at 9 December 2025 (being the latest practicable date prior to publication of this Notice) which may only be allotted pursuant to a fully pre-emptive offer.

The authority would expire at the conclusion of the next Annual General Meeting of the Company or at close of business on 28 February 2027, whichever is the earlier.

Although the directors have no present intention of allotting new shares other than in connection with the Company's employee share schemes, it is considered prudent to maintain the flexibility it provides.

As at the date of this Notice, the Company does not hold any ordinary shares in the capital of the Company in treasury.

Resolutions 17 and 18

Disapplication of pre-emption rights

Resolutions 17 and 18 would give the directors authority to allot ordinary shares in the capital of the Company pursuant to the authority granted under Resolution 16 above for cash without complying with the pre-emption rights in the CA 2006 in certain circumstances.

At the Annual General Meeting held on 29 January 2025, two special resolutions were passed authorising the directors to allot equity securities for cash without first being required to offer such shares to existing shareholders. These authorities are due to expire at the end of the AGM. The directors propose to renew these authorities.

The disapplication authorities being sought are in line with institutional investor guidance, and in particular with the Pre-Emption Group's Statement of Principles on Disapplying Pre-emption Rights (the "Pre-Emption Principles"). The Pre-Emption Principles allow for an issue of shares for cash otherwise than in connection with a pre-emptive offer to include: (i) an authority up to 10 per cent of a company's issued share capital for use on an unrestricted basis; and (ii) an additional authority up to a further 10 per cent of a company's issued share capital for use in connection with an acquisition or specified capital investment announced contemporaneously with the issue, or which has taken place in the 12-month period preceding the announcement of the issue. In both cases, an additional authority of up to 2 per cent may be sought for the purposes of making a follow-on offer, as further explained below.

Resolution 17 will permit the directors to allot, pursuant to the authority to allot sought in Resolution 16, equity securities for cash and sell treasury shares:

- (a) to existing shareholders on a fully pre-emptive basis (subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the directors see fit); and
- (b) up to a maximum nominal value of £2,793,293, representing approximately 10 per cent of the issued ordinary share capital of the Company as at 9 December 2025 (being the latest practicable date prior to publication of this Notice) otherwise than in connection with an offer to existing shareholders; and as a follow-on offer, equity securities for cash and sell treasury shares up to an aggregate maximum nominal amount of 20 per cent of any allotment of equity securities or sale of treasury shares allotted pursuant to paragraph (b) of Resolution 17.

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Resolution 18 will permit the directors to allot additional equity securities for cash and sell treasury shares up to a maximum nominal value of £2,793,293, representing approximately a further 10 per cent of the issued ordinary share capital of the Company as at 9 December 2025 (being the latest practicable date prior to publication of this Notice), otherwise than in connection with a pre-emptive offer to existing shareholders for the purposes of financing or refinancing a transaction as contemplated by the Pre-Emption Principles described above.

In addition, paragraph (b) of Resolution 18 will permit the directors to allot, by way of a follow-on offer, equity securities for cash and sell treasury shares up to an aggregate maximum nominal amount of 20 per cent of any allotment of equity securities or sale of treasury shares allotted pursuant to paragraph (a) of Resolution 18. The proceeds of any follow-on offer under this authority can only be used for the purposes of financing or refinancing a transaction, as in the case of the authority under paragraph (a) of Resolution 18.

The directors consider that it is in the best interests of the Company and its shareholders generally that the Company should seek the maximum authority permitted by the Pre-Emption Principles and have the flexibility conferred by Resolutions 17 and 18 to conduct a pre-emptive offering without complying with the strict requirements of the statutory pre-emption provisions in order to react quickly and efficiently should the needs of the business require.

Whilst embracing the flexibility conferred by the authorities sought in Resolutions 17 and 18, the directors recognise that any existing shareholder may be keen to participate in a non pre-emptive offer carried out under these authorities. The directors are, therefore, supportive of the follow-on offer approach set out in the Pre-Emption Principles, which may be used to facilitate the participation of existing retail investors, who were not allocated shares in the non pre-emptive offer. The features of follow-on offers are set out in the Pre-Emption Principles but broadly a follow-on offer should: (i) be made to all existing shareholders (other than those who participated in the non pre-emptive offer); (ii) entitle shareholders to subscribe for shares up to a maximum of £30,000 each, at the same price (or lower than) the non pre-emptive offer; and (iii) be open for a period which allows shareholders to become aware of and make an investment decision in relation to the offer.

As noted in relation to Resolution 16 above, the directors have no current intention of issuing ordinary shares other than in relation to the Company's employee share schemes.

The directors confirm that they intend to follow the shareholder protections contained in Part 2B of the Pre-Emption Principles and that they intend to follow the expected features of a follow-on offer as set out in paragraph 3 of Part 2B of the Pre-Emption Principles.

The authority contained in Resolutions 17 and 18 will expire at the conclusion of the next Annual General Meeting of the Company or at close of business on 28 February 2027, whichever is the earlier.

Resolution 19

Market purchases of ordinary shares

With the authority of shareholders in general meeting, the Company may purchase its own ordinary shares in the market subject to the provisions of the CA 2006. The directors will only exercise the authority when satisfied that it is in the best interests of shareholders generally and that it would result in an increase in earnings per share.

The proposed authority would be limited to purchases up to 12,645,315 ordinary shares representing approximately 10 per cent of the issued ordinary shares in the Company as at 9 December 2025 (being the latest practicable date prior to publication of this Notice). The proposed authority would expire at the next Annual General Meeting of the Company or at close of business on 28 February 2027, whichever is the earlier. This resolution specifies that the minimum price which may be paid for each ordinary share is 22⁶⁷/₁₀₀p (exclusive of all expenses) and the maximum price which may be paid (exclusive of all expenses) is the higher of:

(a) 105 per cent of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; and

(b) the amount being the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 19 will be carried out.

As at 9 December 2025, (being the latest practicable date prior to publication of this Notice), there were outstanding 5,934,841 options to subscribe for ordinary shares, representing 4.7 per cent of the Company's issued ordinary share capital. If the Company's authority to purchase shares (existing and being sought) was exercised in full, the options would represent 5.2 per cent of the Company's issued ordinary share capital.

Under Part 17, Chapter 6 of the CA 2006, the Company is allowed to hold its own shares in treasury following a buyback as an alternative to cancelling them. Shares held in treasury may be subsequently cancelled, sold for cash or used to satisfy share options and share awards under employees' share schemes. However, all rights attaching to them, including voting rights and the right to receive dividends, are suspended while they are held in treasury. It is the Company's present intention to cancel any shares it buys back rather than hold them in treasury.

Resolution 20

Notice of general meetings

The notice period required by the CA 2006 for general meetings of the Company is 21 clear days, unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. Annual general meetings must always be held on at least 21 clear days' notice. At the Annual General Meeting held on 29 January 2025, shareholders authorised the calling of general meetings other than an Annual General Meeting on not less than 14 clear days' notice, and it is proposed that this authority be renewed. The authority granted by Resolution 20, if passed, will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The flexibility offered by Resolution 20 will only be used where, taking into account the circumstances, the directors consider this appropriate in relation to the business of the meeting and the interests of the Company and shareholders as a whole.

Notice of WH Smith PLC Annual General Meeting

Notes

1. Shareholders are entitled to appoint one or more proxies (who need not be shareholders) to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting provided that if more than one proxy is appointed, each proxy is appointed to exercise the rights attached to a different share or shares.
 2. Shareholders should use the Form of Proxy to make the appointment referred to in Note 1 above. Before completing the Form, shareholders should read the guidance notes on the Form.
 3. As an alternative to completing and returning the printed Form of Proxy, you may submit your proxy electronically by accessing www.investorcentre.co.uk/eproxy. For security purposes, you will be asked to enter the control number, your shareholder reference number ("SRN") and personal identification number ("PIN") to validate the submission of your proxy online. The control number and members' individual SRN and PIN are shown on the printed Form of Proxy or email notification.
 4. To be valid, any Form of Proxy and power of attorney or other authority, if any, under which it is signed or a duly certified copy of such power or authority or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC (at the address shown on the Form of Proxy) or at the electronic address provided on the Form of Proxy, in each case no later than 9.30am on 29 January 2026 (or if the meeting is adjourned, no later than 48 hours before the adjourned meeting (excluding any part of a day that is not a working day)). Completion and return of a Form of Proxy, or electronic proxy appointment, or any CREST Proxy Instruction (as described in Note 5) will not prevent you attending and voting at the meeting, if you wish. A member must inform the Company in writing of any termination of the authority of a proxy.
 5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available to CREST members via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
 6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Computershare (CREST participant ID 3RA50) by 9.30am on 29 January 2026 (or if the meeting is adjourned, no later than 48 hours before the adjourned meeting (excluding any part of a day that is not a working day)). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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 proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. 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, 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.
 8. 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.
 9. The Company specifies that only those ordinary shareholders registered in the register of members of the Company as at 8.00pm on 29 January 2026 (or 8.00pm on the day that is two business days before any adjourned meeting) shall be entitled to attend (either in person or by proxy) and vote at the meeting, or any adjourned meeting, in respect of the number of shares registered in their names at that time. Changes to the register of members after 8.00pm on 29 January 2026 (or 8.00pm on the day that is two business days before any adjourned meeting) shall be disregarded in determining the right of any person to attend and vote at the AGM.
 10. Copies of directors' service contracts and non-executive directors' letters of appointment with the Company and any of its subsidiaries are available for inspection at the registered office of the Company during normal business hours on any day, except Saturdays, Sundays and public holidays, and will be available at the offices of Herbert Smith Freehills Kramer LLP, Exchange House, Primrose Street, London EC2A 2EG on the date of the meeting for at least 15 minutes prior to and during the meeting. A copy of the WH Smith Long Term Incentive Plan and the amended rules of the WH Smith Sharesave Scheme are available for inspection on the National Storage Mechanism from the date of this Notice and will also be available for inspection at the place of the meeting from 15 minutes before it is held until its conclusion.
 11. Any person to whom this Notice of Annual General Meeting is sent who is a person nominated under Section 146 of the Companies Act 2006 ("CA 2006") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

Notice of WH Smith PLC Annual General Meeting

Notes

12. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 to 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
13. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
14. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
15. Under Section 527 of the CA 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the CA 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the CA 2006. Where the Company is required to place a statement on a website under Section 527 of the CA 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the CA 2006 to publish on a website.
16. As at 9 December 2025 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consists of 126,453,145 ordinary shares, carrying one vote each and no shares are held in treasury. Therefore, the total voting rights in the Company as at 9 December 2025 are 126,453,145.
17. You may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
18. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
19. A copy of this Notice, and other information required by Section 311A of the CA 2006, can be found at www.whsmithplc.co.uk.
20. Resolutions 1 to 20 at the AGM will be taken on a poll vote. This will result in a more accurate reflection of the views of shareholders by ensuring that every vote is recognised, including the votes of all shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.
21. The Company will process personal data that shareholders provide to the Company, including the personal data of a shareholder's proxy if a proxy is provided. Personal data includes all data provided by shareholders, or on behalf of shareholders, which relates to: (1) the shareholder, including name and contact details, the votes that the shareholder casts and any other personal data collected by the controller regarding the shareholder, e.g. the shareholder's reference/identification number; and (2) any person who is identified as a proxy by a shareholder via form of proxy, including their name and contact details. The Company will also process personal data of shareholders and/or their proxy to the extent that shareholders or their proxy attend meetings held by the Company and the Company documents or makes a recording of these meetings, in which case personal data processed by the data may include images and audio of the shareholder or their proxy which may be captured in the form of photographs and/or video and audio recordings. Please note that if shareholders either provide the personal data of a proxy, or send a proxy to a meeting in their place, the Company requires the shareholder to communicate this privacy information to such proxy. The Company and any third party to which it discloses the data (including the Company's registrar) may process such data for the purposes of maintaining the Company's records, meeting management, managing corporate actions, fulfilling the Company's obligations to shareholders, fulfilling the Company's legal obligations and communicating with shareholders. The Company's lawful bases for the processing described above, for the purposes described above, is that the processing is necessary in order for the Company to: (1) fulfil its legitimate interests; and (2) comply with its legal obligations. All of this data will be processed in accordance with the Company's privacy policy which can be accessed at www.whsmithplc.co.uk/investors/shareholder-centre/privacy-notice-shareholders.

Notice of WH Smith PLC Annual General Meeting

Appendix: Summary of the WH Smith Long Term Incentive Plan (“LTIP”)

The Board believes that it is important to attract, motivate and retain employees of the appropriate calibre and to align their interests with those of shareholders in the Company. Following a review by the Remuneration Committee (the **“Committee”**), it has been determined to introduce the new LTIP, which has been prepared taking account of the significant updates to best practice in corporate governance since the existing WH Smith LTIP was adopted. Accordingly, the Board is seeking shareholder approval for the new LTIP.

The LTIP incentivises executives to deliver superior returns to shareholders over a three-year period, by providing them with the opportunity to acquire ordinary shares in the Company (**“Shares”**) in the form of **“Performance Share Awards”** and/or **“Restricted Share Awards”** as set out below.

Terms of the proposed LTIP:

Administration

Awards may be granted, and the LTIP will be administered, by the Board, or a duly authorised committee of the Board. The current intention is that the LTIP will be administered and awards granted by the Committee (and this will always be the case in respect of awards for executive directors (**“Executive Directors”**) and other senior management of the Company). References in this summary to the Committee should be read to include the Board, as appropriate.

Eligibility

Awards may be granted to any of the employees of the Company or its subsidiaries (the **“Group”**), including the Executive Directors (**“Participants”**).

Executive Directors

Participation by the Executive Directors shall, unless and until approved otherwise by shareholders, be in accordance with the terms of the Company’s remuneration policy as approved by shareholders from time to time (the **“Remuneration Policy”**).

Form of awards

Under the LTIP, awards (**“Awards”**) will take the form of either:

1. a conditional right to receive Shares which will be automatically transferred to the Participant following vesting (a **“Conditional Award”**); or
2. a nil or nominal-cost option, exercisable by the Participant following vesting during a permitted exercise period (extending not later than the tenth anniversary of the date of grant) (an **“Option”**).

Individual limit

The maximum market value of the Shares over which a Participant may be granted an Award under the LTIP in any financial year, expressed as a percentage of an employee’s gross annual basic salary, shall be set in accordance with the maximum percentage of salary in respect of which an award may be granted to the Chief Executive Officer of the Company as provided for under the Company’s prevailing Remuneration Policy (currently 350% of gross annual basic salary). The LTIP may, in addition, be used to facilitate “buy-out” Awards granted on the recruitment of a Participant.

For Executive Directors, unless or until otherwise approved by shareholders, Award levels will always be in accordance with the Company’s prevailing Remuneration Policy.

When granting Restricted Share Awards, the Committee will consider whether to apply a discount to reflect the fact that the vesting of such awards does not require the achievement of performance conditions.

Plan limit

Shares may be newly issued, transferred from treasury or market purchased for the purposes of the LTIP.

Awards may not be granted under the LTIP on terms capable of being satisfied by newly issued Shares where to do so would cause the number of Shares which may be issued pursuant to outstanding Awards granted within the previous ten years under the LTIP and any other employees’ share scheme adopted by the Company, when added to the number of Shares issued for the purpose of any such Awards, to exceed 10 per cent of the Company’s ordinary share capital in issue immediately prior to the proposed date of grant.

This limit does not include rights to Shares which have been released, lapsed or otherwise become incapable of exercise or vesting.

Treasury shares will count as new issue Shares for the purpose of this limit for so long as institutional investor bodies consider that they should be so counted.

Timing of grant of awards

Awards may, save in exceptional circumstances, only be granted within a period of 42 days following the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant Awards during such period). Awards made in connection with the recruitment of a Participant can be made as soon as reasonably practicable thereafter.

In circumstances where there is a dealing restriction, the Board may determine that the grant date of the Award shall be the date on which the Award would have been granted but for such a restriction having arisen.

Awards may not be granted more than ten years after the date of approval of the LTIP by shareholders.

Performance share awards

Awards may be granted as performance-related share awards (**“Performance Share Awards”**) requiring performance conditions to be satisfied as a condition of vesting.

The Committee will determine the performance conditions which will apply to Performance Share Awards and which will ordinarily be measured over a period (the **“Performance Period”**) of not less than three years. The Committee may specify a shorter Performance Period where a Performance Share Award is granted in connection with the recruitment or promotion of a Participant or in circumstances which the Committee considers to be exceptional. There will be no provision for re-testing. In determining the extent to which the performance conditions are met and the number of Shares that vest, the Committee may override the formulaic outcomes, either positively or negatively, to ensure a fair outcome for both Participants and shareholders.

Notice of WH Smith PLC Annual General Meeting

Appendix: Summary of the WH Smith Long Term Incentive Plan (“LTIP”)

The Committee may alter the performance conditions attaching to a Performance Share Award if events happen after the date of grant that cause the Committee to consider that any element of the performance conditions is no longer a fair measure of the Company’s performance, provided that the revised target is not considered to be materially less challenging than was intended in setting the original conditions. Where a Performance Share Award vests prior to the normal vesting date, the Committee will assess performance using such information as it determines to be appropriate.

Performance conditions for Executive Directors will be set in line with the Remuneration Policy, and will be set out in the annual Directors’ remuneration report.

Restricted share awards

The Board may determine that the vesting of awards granted to eligible employees shall not be subject to performance conditions as set out above for Performance Share Awards but shall be subject to one or more (or no) performance underpin(s) (“**Restricted Share Awards**”).

Until such time as it is permitted under the Company’s Remuneration Policy, Restricted Share Awards shall not be granted to Executive Directors other than to facilitate buy-out awards on recruitment. For other eligible employees, different performance underpins may be applied to awards granted to different eligible employees, and the Board may apply different performance underpins for different award grants.

The Board shall factor any performance underpins into its determination as to whether the vesting of a Restricted Share Award is appropriate, while also having regard to the underlying performance of the Group, the Participant’s individual performance and the experience of the Company’s shareholders and other stakeholders over the vesting period. The Board may reduce the extent to which a Restricted Share Award vests if it considers this to be appropriate having considered these factors and reviewed any performance underpins.

Vesting

All Awards (whether a Performance Share Award or a Restricted Share Award) will require continued service as a condition of vesting.

Awards granted to an Executive Director will normally only vest after a minimum of three years from the date of grant, while the Executive Director remains in office or employment with the Group.

Awards granted to participants who are not Executive Directors will vest on such basis as the Board shall determine (which may, for example, include annual vesting on a phased basis over the three years from the date of grant while the participant remains in office or employment with the Group).

In all cases, a shorter vesting period may apply in exceptional circumstances or where an Award is granted in connection with the recruitment or promotion of an eligible employee.

The Board has the discretion to apply a vesting period of longer than three years to an Award.

Holding period

Awards granted to Executive Directors (and others at the discretion of the Board) will be subject to a holding period following the vesting of an Award during which a participant shall not be permitted to exercise an option or dispose of shares acquired on vesting (other than to cover tax liabilities or in the event of a corporate action).

For Awards granted to Executive Directors, a holding period of two years will apply to all of the shares in respect of which an Award vests, unless otherwise specified under the Company’s Remuneration Policy.

For Awards granted to other eligible employees or in connection with the recruitment or promotion of an Executive Director, a holding period may apply to such number of the shares which vest and for such period as the Board may determine.

Shares (or share certificates) may be deposited with a custodian in order to enforce a holding period.

Non-Transferable And Non-Pensionable

Awards are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

Leavers

An Award will normally lapse where the Participant ceases to hold office or employment with the Group. Awards will not lapse where the cessation of office or employment with the Group is due to injury, ill-health or disability (evidenced to the satisfaction of the Committee), redundancy, retirement (in agreement with the Company), the transfer of the Participant’s employment in connection with a business sale, the company with which the Participant holds office or employment ceasing to be a member of the Group, death, or any other reason if the Committee so determines (a “**Good Leaver**”).

Where a Participant ceases employment for a Good Leaver reason before the normal vesting date, the Award will continue to remain capable of vesting on its normal vesting date, provided that the Committee may determine that the Award will instead vest on or at any time following the date of cessation (in each case subject to assessment of the performance conditions).

Where an Award remains outstanding in circumstances where the Participant has become a Good Leaver, the Committee may impose additional terms on the vesting of such Award, including terms preventing Awards vesting in whole or in part if the Participant takes up a new executive role with another company.

An Option will be exercisable during a period of twelve months from the later of the vesting date and the expiry of any applicable holding period (or such other period as the Committee may permit) or 12 months in the case of death.

On the death of a Participant, Awards shall immediately vest (subject to assessment of the performance conditions).

Holding periods will apply unless waived by the Committee.

Any exercise of discretion in respect of Awards granted to Executive Directors shall be undertaken in accordance with the terms of the prevailing Remuneration Policy.

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Corporate actions

In the event of a change of control, Conditional Awards will normally vest and Options may be exercised for a period of six months (subject to assessment of the performance conditions). The Committee may, however, instead determine that an Award shall not vest and instead will be replaced with an Award of equivalent value over shares in the new controlling company.

In the event of the passing of a resolution for the voluntary winding-up of the Company, Conditional Awards will vest and Options will be exercisable for a period of two months. In the event of a demerger of a substantial part of the Group’s business, a special dividend or a similar event affecting the value of the Shares to a material extent, Awards may be adjusted as set out in the section headed “Variation of capital” below or the Committee may allow Awards to vest, in which case Options may be exercised for a period of two months, or such longer period as the Committee may permit.

Where the corporate action forms part of an internal re-organisation, unless the Committee determines otherwise, an Award shall not vest, and instead will be replaced with an Award of equivalent value over shares in the new controlling company and will continue to be subject to performance conditions.

Time pro-rating

Where, prior to the normal vesting date, a Participant ceases employment, or gives or receives notice, for a Good Leaver reason, or there is a corporate action, the number of Shares in respect of which an Award vests will, unless the Committee determines otherwise, be pro-rated on the basis of the number of months which have elapsed from the date of grant (for Restricted Share Awards) or the beginning of the Performance Period (for Performance Share Awards) to the date of cessation (or, unless the Board determines otherwise, notice) or the corporate action (as applicable), relative to the vesting period and subject to the Committee’s assessment of any underpins for Restricted Share Awards and relative to the performance period and based on satisfaction of the performance condition for Performance Share Awards.

Dividend equivalents

Participants may receive additional Shares or a cash payment with equal value to the dividends which would have been paid during the vesting period (or, in the case of an Option that is subject to a holding period, during the period from the date of grant to expiry of the holding period) on the number of Shares that vest.

Cash alternative

If the Committee so determines, an Award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of Shares.

Variation of capital

The number of Shares subject to Awards and, where applicable, any Option exercise price may be adjusted, in such manner as the Committee may determine, following any variation of share capital of the Company or a demerger of a substantial part of the Group’s business, a special dividend or a similar event affecting the value of Shares to a material extent.

Alterations

The Committee may amend the rules of the LTIP as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on Participants relating to eligibility, the plan limit, the basis of individual entitlement, any price payable for the acquisition of Shares and the provisions for the adjustment of Awards without prior shareholder approval, except in relation to performance conditions or for amendments which are minor amendments 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 the Company (or other Group Companies).

Malus and claw-back

The Committee may apply malus and claw-back (as applicable) if it determines that: (a) at any time before the third set of audited accounts are published following vesting, the financial results of the Company were misstated or an error was made in any calculation or in assessing performance, in each case resulting in the number of Shares in respect of which the Award was granted or vested being more than it should have been; or (b) at any time, there has been conduct by a Participant which results or is reasonably likely to result in significant reputational damage to the Company, there has been misconduct by the Participant which would justify summary dismissal or service of notice, or there has been a significant corporate failure within the Group affecting Group value, in each case provided that the relevant event occurs prior to the later of the vesting of an Award, the expiry of any Holding Period or the exercise of an Option.

A malus or claw-back may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future awards, by reducing the number of Shares under any vested but unexercised Option and/or by either one or both of a requirement to make a cash payment or transfer of Shares to the Company.

The claw-back provisions will not apply following the occurrence of a takeover or similar corporate event.

Overseas plans

The LTIP contains provisions which permit the Board to establish further LTIPs for the benefit of overseas Participants based on the LTIP but modified as necessary or desirable to take account of overseas tax, exchange control or securities laws. Any new Shares issued under such LTIPs would count towards the individual and overall LTIP limits outlined above.

Employee benefit trust (the “EBT”)

The Company may use the existing EBT, or may establish a new EBT, to operate in conjunction with the LTIP and otherwise to benefit Participants and former Participants of the Company and its subsidiaries.

The Company and its subsidiaries may fund the EBT by loan or gift to acquire Shares by market purchase, by subscription or from treasury. Any Shares issued to the EBT (where the trust does not acquire Shares by market purchase) will be treated as counting against the limits contained in the rules of the LTIP.

The EBT is, or will be, constituted by a trust deed between the Company and an offshore independent professional trustee. The power to appoint and remove the trustee rests with the Company. The EBT will not, without prior shareholder approval, be able to make an acquisition of Shares where it would then hold more than 5 per cent of the Company’s issued share capital from time to time.