

**THIS DOCUMENT AND ANY ACCOMPANYING APPENDICES ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, IF YOU ARE IN THE UNITED KINGDOM, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE TAKING ADVICE IN A TERRITORY OUTSIDE THE UNITED KINGDOM.**

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*To holders of certain options granted in 2019 under the Clipper Sharesave Plan approved by Clipper Shareholders on 29 September 2014 and amended by the board of Clipper on 20 July 2018 (the "Sharesave Plan").*

**Private and Confidential**

23 March 2022

Dear Colleague

**RECOMMENDED CASH AND SHARE OFFER FOR CLIPPER LOGISTICS PLC ("CLIPPER") BY GXO LOGISTICS, INC. ("GXO")**

**PROPOSALS TO HOLDERS OF OPTIONS OVER ORDINARY SHARES OF 0.05 PENCE EACH IN CLIPPER GRANTED UNDER THE 2019 SHARES SAVE PLAN – PROPOSAL APPLICABLE TO 2019 OPTIONS WITH AN EXPECTED MATURITY DATE ON OR BEFORE 1 APRIL 2022 (EACH, A "2019 OPTION")**

As you may know, on 28 February 2022, the boards of directors of Clipper and GXO announced that they had agreed the terms of a recommended cash and share offer pursuant to which GXO will acquire the entire issued and to be issued share capital of Clipper (the "**Acquisition**"). The Acquisition is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006.

### **Why are we writing to you?**

We are writing to explain how the Acquisition affects your 2019 Option and set out the proposals being made by GXO in respect of your 2019 Option.

Details of your outstanding 2019 Option are available at <https://www.esp-portal.com/clients/clipper>. This communication relates only to your 2019 Option granted to you under the Sharesave Plan. If you participate in the Sharesave Plan for other years (i.e. for 2021 and/or 2022) or other Clipper share plans, Clipper and GXO are writing to you separately about the effect of the Acquisition on your other awards.

If you already hold Clipper Shares you should have received, or will shortly receive, a copy of the Scheme Document in your capacity as a Clipper Shareholder. This letter does not address the steps you can take in relation to Clipper Shares you already hold, and you should refer to the Scheme Document for a full description of your rights in respect of your Clipper Shares.

Appendix 1 to this letter provides details of the principal financial advisers to Clipper on the Acquisition. Appendix 2 contains a brief summary of the UK tax (and U.S. withholding tax) consequences of accepting the proposals outlined below. Appendix 3 contains the terms and conditions of the GXO CSN (as defined below).

Words and expressions defined in the Sharesave Plan and the Scheme Document have the same meanings in this letter unless otherwise stated.

## 1. INTRODUCTION

### 1.1 Details of the Acquisition

It is intended that the Acquisition will be effected by way of a Court-approved scheme of arrangement (the "**Scheme of Arrangement**"). If the Scheme of Arrangement is approved, the effect is that the Clipper Shares in issue will be acquired by GXO. In return, Clipper shareholders will receive:

**for each Clipper Share**

- (1) **690 pence in cash; and**
- (2) **0.0359 New GXO Shares.**

If you participate in the Scheme of Arrangement as a Scheme Shareholder, then under the Mix and Match Facility you may elect to vary the proportions in which you receive New GXO Shares and cash in respect of your Clipper Shares that are Scheme Shares. Further details are in paragraph 4 below.

Amongst other conditions relating to the Acquisition, the Scheme of Arrangement has to be approved by Clipper's shareholders and then sanctioned by the Court (the date of such sanction by the Court being the "**Court Sanction Date**"). Assuming shareholders' approval and the Court's sanction are obtained (and that the other conditions relating to the Acquisition are satisfied), the Scheme of Arrangement will become effective upon delivery of the Court's sanction order to the Registrar of Companies (the "**Scheme Effective Date**").

### 1.2 Timing of the Acquisition

The timing of the Acquisition will depend upon a number of factors, including certain regulatory clearances. Subject to certain conditions relating to the Acquisition being satisfied it is currently expected that the Scheme Effective Date will take place in the summer of 2022. From the Scheme Effective Date Clipper will be fully owned by GXO. Any Clipper Shares in issue at the Scheme Record Time will be transferred under the Scheme of Arrangement. The Scheme Record Time is currently expected to be 6.00 p.m. on the business day before the Scheme Effective Date.

More information about the Acquisition is set out in the Scheme Document sent to Clipper Shareholders on 17 March 2022 (the "**Scheme Document**"), which is available, together with this letter, to download from GXO's website at <https://www.gxo.com/information-regarding-possible-offer-for-clipper-logistics-plc/> and from Clipper's website at <https://www.clippergroup.co.uk/possible-offer/>. However, if you require a hard copy of the Scheme Document, please contact Clipper's registrars, Equiniti, on 0371 384 2917 from within the UK or +44 371 384 2917 if calling from outside the UK (calls are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). Equiniti's helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays.

## 2. THE EFFECT OF THE ACQUISITION ON YOUR 2019 OPTION

### 2.1 How does the Acquisition affect your 2019 Option under the Sharesave Plan?

You were granted a Sharesave Plan option on 8 February 2019 and have completed, or will by the end of March 2022 complete, the total number of monthly contributions specified under the applicable Savings Contract. The date that you have paid all the required monthly contributions

under the applicable Savings Contract, and when your 2019 Option becomes exercisable is called the “**Maturity Date**”.<sup>1</sup>

Your 2019 Option may be exercised from the relevant Maturity Date in accordance with its terms. It is not impacted by the Scheme of Arrangement other than GXO making the below proposal to you in respect of your 2019 Option.

There is no need to take any further action in respect of this letter if you have already exercised your 2019 Option. However, if you have exercised your 2019 Option and hold resulting Clipper Shares, you should review the terms of the Scheme Document (including the provisions regarding the Mix and Match Facility), as your Clipper Shares will, in due course, be affected by the Scheme of Arrangement.

**Your 2019 Option will lapse if not exercised within six months following the relevant Maturity Date (the “Normal Lapse Date”). The relevant Maturity Date for your 2019 Option can be confirmed via your Equiniti Employee Share Plans Portal online account. The Equiniti Employee Share Plans Portal is available at <https://www.esp-portal.com/clients/clipper>.**

## **2.2 Earlier or later lapse of your 2019 Option**

If you no longer hold or cease to hold employment with a member of the Clipper Group or you are the personal representative of a deceased Eligible Employee, this may affect your 2019 Option and the dates on which your 2019 Option may be exercised and may lapse in accordance with the rules of the Sharesave Plan. These dates may be different from, and earlier or later than, the dates given above.

Your 2019 Option may also lapse for other reasons in accordance with its terms and the rules of the Sharesave Plan. Lapse of your 2019 Option as a result of the lapse provisions of the Sharesave Plan other than those relating to the Acquisition may occur at a date different from, and earlier than, the dates given above.

## **3. THE PROPOSAL**

### **3.1 The Proposal for your 2019 Option**

**You may choose to exercise your 2019 Option conditional on the Court's sanction of the Scheme of Arrangement (the “Proposal”).**

If you choose to accept the Proposal then you will receive Clipper Shares in accordance with the rules of the Sharesave Plan on or shortly after the Court's sanction of the Scheme of Arrangement and before the Scheme Record Time, and these will be acquired by GXO.

Exercise of your 2019 Option will be conditional on the Court's sanction of the Scheme of Arrangement and Clipper receiving your completed exercise instructions as described at paragraph 3.2. Your exercise instructions will amount to your authority to Clipper, the Sharesave Plan administrator and the Savings Provider (and any person acting on any such person's behalf) to withdraw and apply monies from your Savings Contract equal to the total exercise price payable in respect of the Clipper Shares over which the applicable 2019 Option is to be exercised.

All Clipper Shares which you receive as a result of exercising your 2019 Option will be automatically transferred to GXO in accordance with the Scheme of Arrangement for the consideration in paragraph 1.1 upon the Scheme Effective Date.

Note that if you wish to exercise your 2019 Option prior to the Court Sanction Date, you should not accept the Proposal for your 2019 Option and should instead exercise your 2019 Option on its terms through the Equiniti Employee Share Plan Portal at <https://www.esp-portal.com/clients/clipper>.

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<sup>1</sup> Note that the Maturity Date is referred to as the “Bonus Date” in the Sharesave Plan rules. For consistency with other documentation you may have received in relation to the Sharesave Plan, the term “Maturity Date” has been used in this letter.

## How will you receive your consideration?

### *Cash*

The cash payment for your Clipper Shares will be made to you through the next reasonably practicable payroll following the Scheme Effective Date, and you irrevocably agree to Clipper receiving the cash consideration due in respect of your Scheme Shares on your behalf.

### *Shares*

If you accept the Proposal, the default position is that any GXO Shares you receive in consideration for your Clipper Shares will be held for you in a Corporate Sponsored Nominee service by Computershare (the “**GXO CSN**”). This is to help you hold and sell your interests in the GXO Shares (which will be in the form of “**GXO Dis**”) in a simple way directly through a UK based registrar rather than the US transfer agent. The terms and conditions of the GXO CSN are provided at Appendix 3.

If you use the GXO CSN, then to sell your interests in GXO Shares free of dealing charges during the eight month period following the Scheme Effective Date, you would need to complete a dealing form instructing Computershare to sell your interests in GXO Shares. Computershare will provide you with a copy of this form, and further information, once you receive your interests in GXO Shares. You would then be paid the proceeds by cheque. You would not need to find a buyer or appoint a stockbroker. Alternatively an online service will be available through Computershare, which will incur fees.

If you do not want to hold your GXO Shares through the GXO CSN then you can choose to hold your GXO Shares through DTC’s Direct Registration System, a method of share recording commonly used in the United States. However you should be aware that this may result in additional complexity and cost in how you hold and deal in your GXO Shares. If you wish to opt-out of the GXO CSN and hold through DTC’s Direct Registration System then you should contact Equiniti on 0371-384-2030 from the UK or +44 121-415-7047 from outside the UK (calls are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays.

The GXO CSN will only be available if you have a registered address in a GXO CSN Permitted Jurisdiction (as set out in the Scheme Document). These jurisdictions include the UK, so if your registered address is in the UK then you will be able to hold your GXO Shares through the GXO CSN. If your registered address is not in the UK, or another GXO CSN Permitted Jurisdiction, you will receive your GXO Shares through DTC’s Direct Registration System, as described above.

If you accept the Proposal and exercise your 2019 Option upon the Court’s sanction of the Scheme of Arrangement you will be able to make an election under the Mix and Match Facility as described in paragraph 4 below.

If you choose to accept the Proposal and, contrary to Clipper and GXO’s current expectations of the Acquisition timetable, the Normal Lapse Date is expected to occur before the Court’s sanction of the Scheme of Arrangement, then you will receive further communications prior to the lapse of your 2019 Option. If this happens you will be able to exercise your 2019 Option on its terms as normal, even if you had accepted the Proposal.

## **3.2 How do I accept the Proposal and exercise my Option?**

You should consider the Proposal carefully, keeping in mind your financial position and the tax consequences of accepting the Proposal. If you are in any doubt about what you should do, you should immediately seek your own independent financial advice before taking any action.

**If you wish to accept the Proposal explained above then you should make your election via the Form of Instruction for 2019 Options (Maturity Date on or before 1 April 2022) which will be provided to you in a separate email (it is currently expected that this email will be sent on or before 25 March 2022). This should be returned to Equiniti at [ClipperSchemeElections@equiniti.com](mailto:ClipperSchemeElections@equiniti.com). Please note your completed Form of Instruction for 2019 Options (Maturity Date on or before 1 April 2022) must be received by Equiniti**

by no later than 19 April 2022.<sup>2</sup> You cannot use the Equiniti Employee Share Plans Portal to accept the Proposal.

If you take no action at all in respect of your 2019 Option or fail to take action promptly, your 2019 Option will lapse six months following the relevant Maturity Date. The relevant Maturity Date for your 2019 Option can be confirmed via your Equiniti Employee Share Plans Portal online account. The Equiniti Employee Share Plans Portal is available at <https://www.esp-portal.com/clients/clipper>.

#### **4. MIX AND MATCH FACILITY**

##### **4.1 What is the Mix and Match Facility?**

As stated above, if you:

- (a) accept the Proposal and exercise your 2019 Option upon the Court's sanction of the Scheme of Arrangement; or
- (b) otherwise participate in the Scheme of Arrangement by virtue of being a Scheme Shareholder,

you will be able make an election, if you so choose, under the Mix and Match Facility. Below is a brief summary of the Mix and Match Facility. You should refer to the Scheme Document (in particular, paragraph 2 of Part One and paragraph 2 of Part Two) for further details.

Under the Mix and Match Facility, eligible Scheme Shareholders may elect to vary the proportions in which they receive New GXO Shares and cash as consideration for their Scheme Shares. The extent to which any election will be satisfied will depend on the elections being made by other Scheme Shareholders. This means that you may be able to receive more cash (and fewer New GXO Shares) or more New GXO Shares (and less cash) in return for your Scheme Shares.

The total number of New GXO Shares to be delivered pursuant to the Acquisition and the maximum aggregate amount of cash to be paid pursuant to the Acquisition will not be varied as a result of elections made under the Mix and Match Facility. Satisfaction of elections made by Scheme Shareholders under the Mix and Match Facility will depend on the extent to which other Scheme Shareholders make elections. To the extent that elections cannot be satisfied in full, they will be scaled down on a pro-rata basis. As a result, Scheme Shareholders who make an election under the Mix and Match Facility will not necessarily know the exact number of New GXO Shares or the amount of cash they will receive until settlement of the consideration due to them under the Acquisition.

You should consider your own personal circumstances when deciding whether to make an election under the Mix and Match Facility. You are strongly recommended to seek your own independent financial, tax and legal advice in light of your own particular circumstances and investment objectives before deciding whether and how to make an election under the Mix and Match Facility. Any decision should also be based on a full consideration of the Scheme Document, the Announcement and other relevant information.

##### **4.2 How do I make an election under the Mix and Match Facility?**

If you accept the Proposal, and in doing so exercise your 2019 Option conditional upon the Court's sanction of the Scheme, you will be able to make an election under the Mix and Match Facility at the same time as your election to accept the Proposal for your 2019 Option through the Form of Instruction for 2019 Options (Maturity Date on or before 1 April 2022). The deadline for making an election under the Mix and Match Facility in this way will be the same as the deadline for accepting the Proposal and returning the Form of Instruction for 2019 Options (Maturity Date before 1 April 2022).

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<sup>2</sup> Please note that if the Form of Instruction is sent to you after 25 March 2022, this deadline will be extended if you would have less than 21 days to return your Form of Instruction.

**I want to exercise my 2019 Option before the Court's sanction of the Scheme. Can I still make an election under the Mix and Match Facility?**

Yes. If, rather than accepting the Proposal, you exercise your 2019 Option sufficiently in advance of the Court's sanction of the Scheme (for example, if you exercise your 2019 Option on its terms following the relevant Maturity Date), you will be able to make an election under the Mix and Match Facility once you receive your Clipper Shares. In this case, you should follow the instructions for Scheme Shareholders set out in the Scheme Document. You will not be able to make this election through the Equiniti Employee Share Plans Portal or the Form of Instruction for 2019 Options (Maturity Date on or before 1 April 2022).

**I want to exercise my 2019 Option later than set out in the Proposal. Can I still make an election under the Mix and Match Facility?**

No. If you exercise your 2019 Option on a date later than set out in the Proposal, such that you will not own Clipper Shares at the Scheme Record Time, you will not be able to make an election under the Mix and Match Facility. You will receive the default cash/New GXO Shares mix as set out in paragraph 1.1 of this letter.

**Can I make multiple elections under the Mix and Match Facility in respect of the Clipper Shares I acquire on settlement of my Option?**

You are only able to make an election for either "More Cash" or "More Shares" under the Mix and Match Facility through the Form of Instruction for 2019 Options (Maturity Date on or before 1 April 2022) that you will receive. Any election made through such Form of Instruction will apply to all of the Clipper Shares acquired in respect of the Option to which the election relates. If you wish to make an election for "More Cash" and "More Shares" in respect of a specific number of your Clipper Shares you should contact Equiniti on 0371 384 2030 from the UK or +44 121 415 7047 from outside the UK (calls are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). For the avoidance of doubt, any election under the Mix and Match Facility for both "More Cash" and "More Shares" must, in aggregate, be in respect of your entire holding of Clipper Shares.

**5. YOUR OTHER CHOICES FOR YOUR UNEXERCISED 2019 OPTION**

If you do not wish to accept the Proposal outlined above, your other choices for your unexercised Option are:

**5.1 Exercise your 2019 Option earlier, in accordance with its terms**

You may exercise your 2019 Option by using the current online process via the Equiniti Employee Share Plans Portal at <https://www.esp-portal.com/clients/clipper>. If you exercise your 2019 Option and are issued Clipper Shares prior to the Scheme Record Time you will become a Scheme Shareholder. This means that your Clipper Shares will be acquired by GXO under the Scheme of Arrangement for the consideration set out in paragraph 1.1 above.

If you exercise your 2019 Option and choose to sell your Clipper Shares in the market (rather than retaining your Clipper Shares and selling them to GXO pursuant to the Scheme of Arrangement) then you will incur dealing costs and will not receive the Scheme of Arrangement consideration set out in paragraph 1.1 above.

**5.2 Exercise your 2019 Option later**

If you elect to exercise your 2019 Option later than the last date to exercise your 2019 Option in time for settlement prior to the Scheme Record Time, and receive your Clipper Shares after the Scheme Record Time, then an amendment is expected to be made to the Articles of Association of Clipper which means that any Clipper Shares issued to you will be automatically transferred to GXO in exchange for the same default consideration other shareholders are receiving under the Scheme of Arrangement. However, you will receive your consideration at

a later date than if you exercise conditional on the Court's sanction of the Scheme of Arrangement, and you will not be able to make an election under the Mix and Match Facility.

### 5.3 Do nothing

If you hold a 2019 Option (which you have not already exercised) and choose to do nothing and take no further action, **your 2019 Option will lapse if not exercised within six months following the relevant Maturity Date and you will not receive any Clipper Shares, GXO Shares or any cash payment other than repayment of your savings.**

Your savings will be returned to you.

## 6. WHAT IF THE ACQUISITION DOES NOT COMPLETE?

If the Acquisition does not proceed, and the Court does not sanction the Scheme of Arrangement, for whatever reason, any election you make through the Form of Instruction for 2019 Options (Maturity Date on or before 1 April 2022) will not count and you will continue to keep saving until the end of your Savings Contract and then decide if you want to use your savings to buy Clipper Shares.

## 7. RECOMMENDATION

The board of directors of Clipper (the "**Clipper Directors**"), who have been so advised by Numis Securities Limited ("**Numis**") as to the financial terms of the Proposal, consider the terms of the Proposal to be fair and reasonable in the context of the Acquisition. In providing its advice to the Clipper Directors, Numis has taken into account the commercial assessments of the Clipper Directors. Numis is providing independent financial advice to the Clipper Directors for the purposes of Rules 3.1 and 15(b) of the Code

The Clipper Directors recommend that you accept the Proposal. You should consider your own personal circumstances, including your tax position, when deciding your preferred timing for exercising your 2019 Option.

If you have any questions about the effect of the Acquisition on your 2019 Option and accepting the Proposal please contact Equiniti by calling 0371 384 2030 (if calling from the UK) or +44 121 415 7047 (if calling from outside the UK). However, please note that they will not be able to give you any financial or tax advice. Please note that calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom are charged at the applicable international rate.

Yours faithfully

Yours faithfully

*David Hodkin*

*Maryclaire Hammond*

for and on behalf of

for and on behalf of

**Clipper Logistics plc**

**GXO Logistics, Inc.**

## APPENDIX 1

- i. If you are in any doubt as to the action you should take in connection with the letter to which this note is annexed, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice outside the United Kingdom.
- ii. The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.
- iii. Numis Securities Limited ("**Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Clipper and no one else in connection with the matters referred to in this document and will not regard any other person as its client in relation to the matters in this document and will not be responsible to anyone other than Clipper for providing the protections afforded to clients of Numis nor for providing advice in relation to any matter referred to herein. Neither Numis, nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person other than Clipper in connection with this document, any matter contained herein or otherwise.
- iv. Numis has given, and not withdrawn, its consent to the inclusion in this document of the references to its name and the advice it has given to Clipper in the form and context in which they appear.
- v. The directors of Clipper whose names appear in paragraph 2.1 of Part Twelve (*Additional Information of Clipper and GXO*) of the Scheme Document accept responsibility for the information contained in this letter concerning Clipper and the directors of Clipper accept responsibility for all the information contained in this letter (other than where responsibility is taken by others) relating to Clipper and the PSP. To the best of such directors' respective knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the letter to which this note is annexed for which such directors are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- vi. The directors of GXO whose names appear in paragraph 2.2 of Part Twelve (*Additional Information of Clipper and GXO*) of the Scheme Document accept responsibility for the information contained in this letter (other than where responsibility is taken by others). To the best of such directors' respective knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the letter to which this note is annexed for which such directors accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- vii. Accidental omission to despatch this letter to, or any failure to receive the same by, any person to whom the Proposal is made or should be made, shall not invalidate the Proposal in any way.
- viii. Please note, neither Clipper nor GXO, nor any of their directors or advisers are providing you with legal advice in connection with this letter, the Scheme or the Acquisition. If you feel that you need legal advice you should seek your own personal advice immediately from an independent legal adviser.
- ix. This document shall be governed by and construed in accordance with English law and any dispute arising in connection therewith, including non-contractual disputes, is subject to the exclusive jurisdiction of the courts of England and Wales.



## APPENDIX 2

### TAXATION

Set out below is a brief summary of the UK tax (and U.S. withholding tax) consequences of the Proposal under current UK (and U.S. tax) law and tax authority published practice (in either case, as at the date of this letter) for holders of the 2019 Options who are domiciled and resident for tax purposes and liable to tax solely in the UK at all relevant times.

**If this does not apply to you, or you are in any doubt about your tax position you should immediately seek your own advice from an appropriately qualified independent professional adviser before taking any action.**

This brief summary is intended as a general guide only, does not constitute legal or tax advice and does not purport to be a complete analysis of all relevant tax considerations relating to the Proposal. It also does not apply to Clipper Shares, New GXO Shares or GXO DIs held in an individual savings account.

#### **Exercise of your 2019 Option**

There should be no UK income tax or National Insurance contributions payable on the exercise of your 2019 Option.

#### **The Acquisition**

The UK capital gains tax ("**CGT**") implications of the Scheme of Arrangement for those UK resident individuals who acquire Clipper Shares on exercise of their 2019 Options are summarised below.

##### *Cash consideration*

To the extent that you receive cash consideration for the transfer of Clipper Shares under the Scheme of Arrangement, the transfer will be treated as a disposal for the purposes of CGT. You may therefore be liable to CGT to the extent that the cash consideration exceeds your base cost attributable to such Clipper Shares at a rate of 10% or 20% depending on your particular circumstances. This is subject to the availability of exemptions (such as the annual exempt amount of £12,300 (2022/23 tax year)), reliefs, and/or allowable losses. As you should not be paying income tax on the value of the Clipper Shares you acquire on exercise of your 2019 Option, we would expect CGT to be payable (subject to exemptions, reliefs and/or allowable losses). You should be aware, however, that there are complicated share matching rules which will apply if you are also selling existing Clipper Shares as well as Clipper Shares you acquire on the exercise of your 2019 Option and you are recommended to take your own independent advice if this applies to you.

##### *Share consideration*

Subject to one exception explained below, to the extent that you receive New GXO Shares or GXO DIs in exchange for your Clipper Shares under the Scheme of Arrangement, you will not be treated as having made a disposal of Clipper Shares for CGT purposes. Instead the New GXO Shares or GXO Shares represented by the GXO DIs should be treated as the same asset, acquired at the same time and for the same consideration, as such Clipper Shares. Consequentially any gain or loss which would otherwise arise for CGT purposes is "rolled over" into the New GXO Shares or the GXO Shares represented by the GXO DIs acquired, as explained below.

This "roll-over" treatment will not however apply if you hold (together with persons connected with you) more than 5 per cent of, or of any class of, the shares in, or debentures of, Clipper and your transfer of Clipper Shares for New GXO Shares or GXO DIs forms part of a scheme or arrangements for tax avoidance purposes. If this applies to you, you will be treated as making a disposal for CGT purposes of your Clipper Shares which are exchanged for New GXO Shares or GXO DIs such that you may be liable to CGT, as in the case of the cash consideration.

##### *Stamp duty and stamp duty reserve tax ("**SDRT**")*

No UK stamp duty or SDRT is payable by you on the transfer of Clipper Shares pursuant to the Scheme of Arrangement.

#### **Holding New GXO Shares or GXO DIs**

Dividends received by you on New GXO Shares or GXO DIs are not subject to UK withholding tax and, subject to certain exceptions, U.S. withholding tax on such dividends will be limited to 15% of the gross amount of the dividend (i.e. the dividend amount before U.S. withholding tax) by virtue of the UK-U.S. double tax treaty.

Such dividend income is subject to UK tax unless the dividend falls within the nil rate band (broadly, the first £2,000 of non-exempt dividend income in any tax year). The rate is 7.5% or, if it falls above the threshold for the higher rate income tax, 32.5% (higher rate band) or 38.1% (additional rate band). These rates are applicable for the tax year 2021/22 and are expected to increase by 1.25% from April 2022. In determining which band is applicable, dividend income is treated as the highest part of an individual's income and dividends within the nil rate band which would (were there no nil rate band) be taxable count in determining whether the threshold for higher rate or additional rate income tax is exceeded. Credit is available for any U.S. withholding tax against UK tax payable but any excess is an absolute cost.

Any subsequent disposal or deemed disposal for CGT purposes of New GXO Shares or GXO DIs by you may (subject to any available exemption or relief such as the annual exempt amount above) give rise to a gain or loss for CGT purposes. Where any such gain or loss which would otherwise have arisen on the transfer of Clipper Shares has been "rolled over" into New GXO Shares or GXO DIs received by you, any gain or loss on a subsequent disposal of those New GXO Shares or GXO DIs should be calculated by reference to your base cost in the relevant Clipper Shares transferred in return for such New GXO Shares or GXO DIs should, subject to alternative treatment under the share matching rules referred to above, be the exercise price of such Clipper Shares.

No UK stamp duty or SDRT is payable by you on the issue of New GXO Shares or GXO DIs to you or on any subsequent disposal of New GXO Shares or GXO DIs, based on the relevant assumptions included in paragraph 1 of Part Nine of the Scheme Document.

**APPENDIX 3**

**GXO CSN TERMS AND CONDITIONS**

# Key information about this Service

## CORPORATE SPONSORED NOMINEE ACCOUNT TERMS AND CONDITIONS

### 1.1 What Service are we providing?

We agree to provide you with access to the GXO Logistics Inc. corporate sponsored nominee account (Service). The type of Security held in the corporate sponsored nominee account for you by our Nominee will be Depositary Interests. We are authorised and regulated by the Financial Conduct Authority. These legally binding terms explain to you the relationship between you and us in relation to the Service.

The price of Securities can go down as well as up and the income from Securities is not guaranteed. You may suffer a loss and receive back less than you originally invested. Remember that past performance is no guide to future performance.

Please read these terms and conditions carefully. If there is anything you do not understand, please contact us or seek independent professional advice. We may change these terms and conditions, if we do so, we will let you know beforehand.

We only make the Service available to people over 18 years old living in one of the Permitted Countries and to companies in one of the Permitted Countries. You may not use this Service unless you live in a Permitted Country or (for companies) you are registered in a Permitted Country. In any event, you may not use this Service in a country where it would be either illegal to do so or that would require us to observe regulatory procedures or legal formalities in addition to those required in England and Wales. The *Permitted Countries* section has further details.

### 1.2 How much will it cost you to use the Service?

We will not charge you for holding your Securities. The Company is charged an annual administration fee for the provision of the Service. We may charge you a fee for transferring your Securities, or for using some of the services provided under these terms and conditions. If the Company makes a distribution or pays a cash dividend then where we carry out a currency conversion for you, we will charge a fee of up to 1.5% of the distribution or cash dividend. So for example if we converted a cash dividend of £100 into another currency for you, you would be charged £1.50.

If, following your instructions, we transfer your Securities to a central securities depository (CSD), a third party brokerage account or you, we will charge you £50.00. We may deduct our fees directly from your Account before arranging for monies to be sent to you by one of the methods set out in these terms and conditions, or we may request you send us a cheque or make payment to us by another means. You may request an itemised breakdown of total costs and charges. Further information on our charges is available in the *What are our Costs* section.

### 1.3 Are we providing you with any advice?

We will not provide you with any investment, taxation or legal advice in relation to either the Service or the purchase, sale or transfer of Securities. We will not assess the suitability or appropriateness of any product, service or transaction and we will not recommend or invite you to sell, transfer or hold your Securities. You will not benefit from the protection of the FCA Rules on assessing appropriateness.

It is your responsibility to make sure the Service is right for you and you may wish to seek independent professional advice before using it.

### 1.4 How do you contact us?

You can contact us by e-mail at [web.queries@computershare.co.uk](mailto:web.queries@computershare.co.uk) or by post. You can also telephone us on 0370 702 0003 between 08:30 to 17:30 on Business Days. The *Contacting Each Other* section has further details.

### 1.5 How do you keep your personal information up to date?

When we contact you we will use the most recent contact details we have for you on our records. Where we make a payment to you it will be to the bank account details we have for you on our records or by cheque that we will send to the most recent address we have for you on our records. You must tell us immediately if you change your contact details or your bank account.

### 1.6 What happens if you are unhappy with the Service?

We will always aim to provide the Service with reasonable care and skill. If you are not happy with any aspect of the Service, please contact us. The *Complaints and Compensation* section has further information. Please note that we limit our liability to you under these terms and conditions. Further information is contained in the *Limits on our Liability* section.

## List of technical words used in these terms and what they mean

When a word appears in these terms that starts with a capital letter, check to see if it appears in the list of defined terms below for its specific meaning.

<b>"Account"</b>	means the account managed by our Nominee who shall use it to hold Securities on your behalf;
<b>"Business Day"</b>	means any day on which the London Stock Exchange ("LSE") is open for business;
<b>"Company"</b>	means the company in which we hold Securities on your behalf and any other company it has control of or that is controlled by the same people who also control the company, as the context requires;
<b>"CSD"</b>	means a central securities depository which is a computer-based system enabling securities to be held and transferred electronically. Relevant depositories include CREST in the UK, the Depository Trust Company in the USA, Nominatif Pur in France and Issuer Sponsored Subregister in Australia;
<b>"FCA"</b>	means the UK Financial Conduct Authority;
<b>"FCA Rules"</b>	means the rules, guidance and principles set out in the FCA Handbook;
<b>"Nominee"</b>	means one of our group companies which we may nominate to provide the Service, and whose business shall consist solely of acting as a nominee holder of shares or other securities on behalf of others. This company shall initially be Computershare Company Nominees Limited;
<b>"Security"</b>	means financial instruments issued by the Company which may include: <ul style="list-style-type: none"><li>• stock, or shares which are a unit of share capital;</li><li>• depository interests or CREST Depository Interests which represent shares and can be held and settled electronically through a CSD; and</li><li>• debenture, loan note, right, warrant, or any other type of financial instrument.</li></ul> and <b>"Securities"</b> shall mean any one or combination of these.
<b>"us", "we", "our" or "Computershare"</b>	means Computershare Investor Services PLC (Company No: 3498808) whose registered address is The Pavilions, Bridgwater Road, Bristol, BS13 8AE, Financial Services Register No. 188534;
<b>"you"</b>	means the person holding an interest in the Security. Where our Nominee holds your Security for more than one person, references to "you" in these terms and conditions are to be treated as references to each joint holder jointly and severally.

**Interpretation** We have referred to some statutes, regulations or other rules. References to them include references to them as amended or replaced from time to time. Where we have referred to a time of day this means UK time, unless we say otherwise. Where we start a phrase with the words 'including' or 'include', the phrase is to be construed as illustrative only and does not limit the sense of the words preceding those terms.

# How the Service will operate

## 2. Nominee Arrangements

- 2.1 Our Nominee normally holds your Securities electronically in a relevant CSD. Nothing in these terms varies in any way any of the rights or duties our Nominee has as legal owner in relation to the Company.
- 2.2 Our Nominee will hold your Securities on trust for you which means that they will be the legal owner of the Securities and you will remain the beneficial owner.
- 2.3 You agree that the Company may issue Securities to our Nominee and require our Nominee to hold the Securities. Under these terms neither we nor our Nominee will have any claim over or interest in your Securities other than where we use them as security against a debt you owe to us (subject to FCA Rules), or where we do so under a separate agreement.
- 2.4 You agree that you alone have all interests and rights in the Securities and that you will not pledge or charge the Securities to any third party. Therefore you must not give any other person rights over your Securities, or give them any benefits or rights under these terms. We will not recognise any duty or responsibility to any third party. We will only recognise our responsibilities to you under these terms and conditions. You must tell us immediately if someone is claiming an interest in your Securities or may try to stop you from transferring them.
- 2.5 We will only accept instructions from you in writing or via your online account, and which contain your Shareholder Reference Number ("SRN"). We put this number on all statements we send to you. You must keep the SRN secure and maintain the security of your account at all times. You must use your SRN in all communications you send to us about your Securities. If you lose or fail to quote your SRN we may delay acting upon your instruction. If you ask us we will acknowledge your instructions to transfer by an amended statement of holdings. We will confirm any other instructions by simply following them. We will not write to you to tell you we have done so.

## 3. Company meetings and communications

- 3.1 Where we are reasonably able to, we will let you know about the Company's annual meetings and other shareholder meetings. We will also send you a form you can give to our Nominee with your voting instructions to vote by proxy, on a poll, or by show of hands. If you want to attend a shareholders' meeting we will appoint you as our proxy in respect of your Securities (as long as this is permitted by the Company's constitutional documents), provided you have sent us the relevant form correctly filled out and on time, with your instructions. We can only offer you these services in so far as they are allowed by the CSD. We will let you know when we are able to offer this service.

## 4. Entitlements attaching to Securities and corporate actions

- 4.1 In the event of a corporate action (for example a takeover or rights issue) we will treat you as far as reasonably possible as if you were a registered shareholder. Where you want to exercise any rights over your Securities we will follow your reasonable written instructions, provided you instruct us following these terms and conditions and in accordance with any instructions we provide you with at that time. Where a payment is required on your behalf, we will not act on your instructions until you have sent us money to cover that payment.
- 4.2 Where our Nominee holds Securities or other rights in the Securities for other investors, our Nominee will share them among

all investors on a pro rata basis. If any fractions in the Securities arise as a result of our Nominee holding the Security for a number of investors then our Nominee will aggregate the fractions and sell them with the sale proceeds shared among all investors on a pro rata basis.

- 4.3 If the Company offers a dividend reinvestment plan, it will be subject to separate terms and conditions which will be provided to you when the dividend reinvestment plan becomes available.
- 4.4 If you choose to take part in any currency election that we offer you, we will convert any distribution or cash dividend payable and attributable to your account with our Nominee into any other available currency. We will pay you this money by cheque or by electronic transfer into your nominated UK bank account, at about the same time as this happens for other Company shareholders.
- 4.5 We will hold this money in a client money bank account in our name which will be governed by the FCA rules on client money. We will not pay you interest. We will charge you a currency conversion fee every time we convert your cash dividend or distribution into another currency, which we will deduct from your dividend or distribution before sending to you. Refer to the *What are our Costs* section for more information.
- 4.6 We will carry out the currency conversion using a competitive rate based on a wholesale exchange rate. The wholesale rate is a point in time rate that is updated throughout the day subject to the availability of currencies for online trading. It will be derived from a reliable foreign exchange feed such as Reuters or Bloomberg and will also be dependent upon the ability to buy and/or sell currencies and the bulk buying position.
- 4.7 We may combine a number of foreign currency conversion instructions for payments denominated in the same currency, in order to provide a more favourable exchange rate than if each order were carried out separately. We will not accept from you any instruction that the conversion must be carried out at a minimum currency exchange rate.
- 4.8 You agree that the currency exchange rate may vary after you send us your instructions but before we are able to convert the currency, which may reduce the value of the proceeds we send you. We accept no liability for any losses or expenses which you may suffer as a result of any such movement in the currency exchange rate.
- 4.9 The payment of any cash dividends or other distributions from your Securities may attract withholding tax, a tax required to be applied by us on any dividend or other distribution payable to you. We may deduct any withholding tax from the cash dividend or other distribution payable to you, and pay it to the relevant tax authority. We may appoint a "Withholding Agent" to send any withholding tax to the tax authorities for you. We may require you to send us a dividend withholding form or such other information as we require to work out exactly how much withholding tax you owe.

## 5. Statements

- 5.1 When we open an Account for you we will send you a statement setting out how many Securities you have in the Account. After that we will send you a statement at least quarterly i.e. at regular intervals not less than four times a year for as long as we hold assets or cash for you. You may request statements more frequently, but we may charge you for providing these.
- 5.2 You must check your statements and if anything is wrong or you have any questions about the statement you must contact us straightaway.

## 6. What are our Costs?

- 6.1 Our fees are set out in the *Key Information* section.
- 6.2 We will not charge you for holding your Securities in the Account and taking care of much of the administration.

- 6.3 We may charge you for other ancillary services provided under these terms and conditions such as providing duplicate tax vouchers, acquisition costs, withdrawal and statutory fees or other charges associated with carrying out your instructions. Our current fees and charges for these other services are available upon request from us.
- 6.4 We may increase our charges and we will notify you in writing at least 20 Business Days in advance of any proposed new charge or before we increase our charges. If we do this, you may withdraw from the Service within the notice period without incurring any penalties. We may increase our charges for any reason, which may include:
- (a) increases in inflation;
  - (b) changes in interest rates;
  - (c) increases in our running costs of the Service;
  - (d) additional charges imposed by parties we work with in connection with the provision of the Service;
  - (e) new services being offered under the Service;
  - (f) alterations in the provision of the Service being provided; and/or
  - (g) tax or legal changes.
- 6.5 All applicable UK Value Added Tax (VAT) on our fees, commissions and charges is payable by you to us. All our fees, commissions and charges are inclusive of any applicable VAT unless specifically stated otherwise. Our dealing and currency conversion fees are exclusive of VAT, but currently no VAT is applicable to these fees. If that situation changes in the future we will charge you VAT without notifying you beforehand.
- 6.6 If you instruct us to transfer any of your Securities you agree to indemnify us and our Nominee against any liabilities or costs we or the Nominee may suffer, because of anything you have done that stops the transfer from completing.

## 7. Purchases and Sales of Securities

- 7.1 If the Company permits it, you may buy more Company Securities and put them in your Account at any time. There may be other instances where we will permit our Nominee to accept additional Securities into your Account.
- 7.2 If you take part in a dividend reinvestment plan you will have more Securities added to your Account.
- 7.3 You can only buy or sell your Securities through a facility we may provide, which will be subject to its own terms and conditions.

## 8. How to Exit or Transfer from the Service

### Transfer

- 8.1 You may instruct us to arrange for our Nominee to hold your Securities for someone else or to add someone else as a joint holder of the Securities with you. We will only do this if you send us the correct form confirming that this transfer is a gift from you to them. We will not charge you for this transfer.
- 8.2 We may reject any transfer instruction provided using the wrong or incorrectly filled in form. You may not amend or cancel any transfer instruction once you have sent it to us.
- 8.3 We will not accept transfer of Securities into our Nominee unless the Company allows us to do so.
- 8.4 We may choose to reject an instruction to transfer Securities into the Nominee's name (provided we have a reasonable basis to do so, for example, if you owe us money or your transfer request is incompatible with these terms and conditions or our legal and regulatory obligations).

### Cancellation Rights

- 8.5 You may cancel participation in the Service up to fourteen calendar days after activation (the Cancellation Period). However, you will lose your cancellation right if you ask us during the Cancellation Period to process any payment to you or sell any of your Securities for you, in accordance with separate dealing terms and conditions.
- 8.6 If you want to cancel your participation in the Service you must tell us before the Cancellation Period ends. We will not charge you any fees when you cancel. After you have cancelled and we have transferred any Securities these terms and conditions will cease to apply to you. If you do not cancel then we will provide the Service in accordance with these terms and conditions.

### Withdrawal Rights

- 8.7 You may end this agreement for the Service with us at any time. You will have to pay any fees and taxes associated with withdrawing.

### What you need to know about both your Withdrawal and Cancellation Options.

- 8.8 When you cancel or decide to withdraw from the Service we will, depending on your instructions and the options available to you as set out in the *Key Information* section, transfer your Securities from the Service to:
- (a) you, so that you may hold a share certificate and be named directly on the Company share register;
  - (b) you, so that you may hold your Securities through a relevant CSD; or
  - (c) a third party stock brokerage account.
- 8.9 You can end the Service by either writing to us, or by using the form we send you. You must give details of the full name and SRN of the account you wish to end and if you wish to end an account in the name of joint holders, then the form must be signed by all joint holders.

## 9. Our Right to end this Agreement

- 9.1 We may stop you using the Account at any time on five days' notice if:
- (a) we think you are in material breach of these terms and conditions; or
  - (b) we or our Nominee is unable to comply with any obligation we or our Nominee are subject to in relation to your Securities.
- 9.2 If this happens or if the agreement between us and the Company governing the Account ends (in whole or in part) or if you or we choose to end this agreement for the Service or if the Account closes for any other reason then we will, depending on your instructions and the options available, transfer your Securities from the Account to either:
- (a) you, so that you may hold a share certificate and be named directly on the Company share register;
  - (b) you, so that you may hold your Securities through a relevant CSD; or
  - (c) a third party stock brokerage account.
- 9.3 Even if we end this Service for any of the reasons set out above we will still honour any instructions which you have already sent to us, subject to these terms and conditions. When this Service ends for whatever reasons yours and our rights and responsibilities to each other that continue afterwards, in relation to the Service, shall still be governed by these terms and conditions.
- 9.4 Whenever we transfer Securities into your name on the Company share register, the Company may apply any mandates or other instructions given by you under the Service to your registered holding.

- 9.5 You agree to appoint us to be your agent for the purpose of issuing any instructions to the relevant CSD to give effect to the transfers referred to in these terms and conditions.

## **10. Joint holders**

- 10.1 We will send all notices and other documents under these terms and conditions to the first named holder on the nominee register, which will then be treated as sent to all of the other joint holders. The first named joint holder who receives the notices or other documents agrees to notify the other joint holders. Only one joint holder may be nominated as proxy to attend, speak and vote at meetings of the Company's shareholders (where that proxy facility is made available by the CSD and where it is possible under the Company's constitutional documents).
- 10.2 Each joint holder therefore agrees that:
- (a) we and our Nominee are liable to the joint holders taken together and not separately; and
  - (b) the joint holders are liable to us and the Nominee together and not separately.
- 10.3 We will only accept transfer instructions given by or on behalf of all of the joint holders, but we may accept other instructions signed by one or more joint holders which means the joint holder(s) giving the instructions warrant(s) to us that they have the necessary authority to act on behalf of all joint holders. We will only hold Securities for up to four joint holders.
- 10.4 Where we receive transfer instructions from a corporate holder, we will assume the signatory has the necessary authority to act on behalf of the corporate holder.



# General information

## 1. Limits on our liability

- 1.1 We and our Nominee will provide the Service with reasonable care and skill.
- 1.2 We are not liable for losses unless they are foreseeable by each of us at the time we enter into an agreement governed by these terms and conditions and are caused by our or our Nominee's breach of these terms and conditions, negligence, wilful default or fraud.
- 1.3 We are not liable for losses or expenses suffered by you that are caused by:
- (a) your failure to obey the law;
  - (b) third parties (which for this purpose includes banks, custodians the Nominee and CSDs but otherwise excludes our own sub-contractors) subject to the provisions of these terms and conditions;
  - (c) documents getting lost or delayed in the post;
  - (d) delays over the internet before your communication reaches the Computershare website;
  - (e) your online communication being intercepted or hacked before it reaches the Computershare website;
  - (f) any planned maintenance that we have to carry out which will normally take place outside Business Hours;
  - (g) fraudulent instructions;
  - (h) us acting on your instructions; and/or
  - (i) unclear instructions.
- 1.4 We are not liable for any indirect losses or consequential loss of any kind and in any event we are not liable for:
- (a) loss of opportunity (including investment opportunity);
  - (b) loss of potential future income, revenue, or increase in value;
  - (c) loss of income including interest;
  - (d) loss of goodwill;
  - (e) loss of anticipated savings; or
  - (f) any wasted time,

whether they amount to direct or indirect loss.

- 1.5 Nothing in these terms and conditions excludes or limits in any way our liability for:
- (a) death or personal injury caused by our negligence; or
  - (b) fraud or fraudulent misrepresentation; or
  - (c) any other matter for which it would be illegal or unlawful for us to exclude or limit or attempt to exclude or limit our liability.
- 1.6 We shall not be responsible for delays or failure to perform the Service due to circumstances beyond our reasonable control which may include for example market conditions, halts on trading in a market, power failures or natural disasters. Where we do suffer such delays we will try to resume the Service as soon as reasonably possible.
- 1.7 You accept responsibility for all instructions you send to us or arrange to be sent to us on your behalf.

## 2. Contacting Each Other

- 2.1 When you write to us you must send all correspondence to:

Computershare Investor Services PLC,  
The Pavilions, Bridgwater Road,  
Bristol BS99 6ZZ

and include the full name and SRN of your Account.

- 2.2 When we send documents by post to you we will treat them as delivered two Business Days after we have sent them if you live in the UK, or five Business Days after if you live outside the UK. Where we send documents by courier, we will treat them as received by you on delivery.
- 2.3 If we send you an email or communicate with you via the Computershare website we shall regard the communications as being delivered instantly.
- 2.4 We will not accept any instructions from you by fax, email or photocopied forms.
- 2.5 Ours and your obligations under these terms and conditions shall be binding on us and you and your successors, executors, administrators and other legal representatives.
- 2.6 Where we are reasonably satisfied someone has proved they are authorised to act on your behalf in relation to your Securities, we will be entitled to rely and act upon any instructions they give us on your behalf as if they came from you. We will only act on an instruction sent under a power of attorney if you send the original power of attorney or a copy certified by a solicitor or notary public to us by post, which will be inspected and returned to you.
- 2.7 We provide these terms and conditions in English and we will only communicate with you in English when providing the Service.

## 3. General

- 3.1 These terms and conditions and the Service are governed by the laws of England. You agree that any claim under these terms must be brought before an English court.
- 3.2 You agree under these terms and conditions that your Securities and your rights and interests in your Securities are provided to us as security. You will indemnify us against any losses and expenses we suffer because:
- (a) you fail to give us sufficient funds to carry out your instructions;
  - (b) you are in breach of these terms and conditions; or
  - (c) we have had to pay taxes on your behalf arising out of your use of the Service.
- 3.3 Where we owe you money and you owe us money under the Service, we will deduct the monies you owe us from the monies we owe you, and only send you the net amount (if any).
- 3.4 We will round down any money payable to you to the nearest penny and keep the difference for our own benefit.
- 3.5 Unless we waive any of our rights in writing you cannot take any conduct or delay on our part to mean we have given up those rights.
- 3.6 We reserve the right to reject instructions from you. We may do this if we think we need to:
- (a) obtain further information from you;
  - (b) comply with any legal requirements (for example: obtaining evidence of identity to comply with anti-money laundering regulations);
  - (c) investigate any other issues we may have with your instructions;
  - (d) check that you are not breaching money laundering legislation; and/or
  - (e) carry out a credit check against you.

Where you fail to provide us with the evidence we need we may stop holding Securities and/or stop making payments to you. We may also notify the relevant authorities. We will notify you in writing as soon as possible if we decide not to accept an instruction from you. By agreeing to use this Service, you give us permission to check your identity using electronic identity checking services where necessary.

3.7 Neither we nor our Nominee will lend your Securities to any third party or borrow money using them as security.

3.8 When we arrange for the sale of Securities for you we could be:

- (a) acting for an associated company which is dealing as principal for its own account by buying Securities from you;
- (b) buying Securities where an associated company is involved in a new issue, rights issue, takeover or similar transaction concerning the Company Security; or
- (c) otherwise in a position where we have a material interest in the transaction.

3.9 Conflicts of interest which may be detrimental to you may arise between us, our agents, our other corporate clients, our employees and those who use the Service. We will make every effort to identify and prevent such conflicts. Where this is not possible, we will manage and mitigate the conflicts. Where we cannot prevent, manage or mitigate such conflicts we will disclose details to you. You may obtain a copy of our Conflicts of Interest Policy, which we update regularly, on our website or you may request a copy by writing to us at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom.

3.10 In performing the Service we may on occasion employ agents to carry out certain activities. Before doing so we will satisfy ourselves that they are able to do the job we are asking them to do.

3.11 The Service (and as a result all or some client money and assets) may at any time be moved to another provider. You will be notified in advance of when this will occur (the transfer date). The new provider may notify you of any changes to the scope of the Service and details of their terms and conditions as well as any associated information such as changes of address and banking details. Rights you may have against us which relate to the period before the transfer date will not be affected, but we and the Nominee shall have no liability to you in respect of the period after the transfer date.

3.12 We may at any time move all or part of our business (and as a result all or some client money and assets) to another provider, including for example as part of a restructure or amalgamation. The new provider will assume our rights and obligations under these terms and conditions and we will notify you in advance of when this will occur (the transfer date). This notice will include details of any changes to the Service and to these terms and conditions necessary because of the transfer, for example changes of address and banking details. Rights you may have against us which relate to the period before the transfer date will not be affected, but we and the Nominee shall have no liability to you in respect of the period after the transfer date.

Subject to the contents of the notice referred to above, from the transfer date:

- (a) these terms and conditions will be treated for all purposes as being entered into by you and the new provider rather than us;
- (b) references to us will be read as references to the new provider and references to the Nominee will be read as references to the new provider or its new nominee; and
- (c) we and the Nominee will be released and discharged from all of our obligations under these terms and conditions.

3.13 In these circumstances, we will satisfy ourselves that the new provider will hold monies in accordance with the FCA Rules on client money or if not, we will exercise due skill, care and diligence in assessing whether the new provider will apply

adequate equivalent measures to protect your client money. You agree that from the transfer date we will no longer hold your money in a client money bank account and we will no longer treat it as client money under the FCA Rules.

3.14 In offering the Service we will treat you as a "retail client". As a retail client you are protected by the FCA Rules and you may be eligible for compensation under the FSCS, as described further in the *Complaints and Compensation* section.

3.15 Only you or we have any right to enforce these terms and no third party has right to enforce any of the terms by virtue of the Contracts (Rights of Third Parties) Act 1999.

3.16 We will not do anything which we think would or might break any relevant laws, rules, regulations or codes, or risk exposing us to criticism for behaving improperly or not acting in accordance with good market practice.

3.17 We will notify you when we change these terms and conditions and if we make any changes that are to your material disadvantage, we will give you not less than twenty Business Days' notice before such change becomes effective, and you will be able to withdraw from the Service without suffering any penalty during this period of twenty Business Days if you disagree with the change.

3.18 We may change these terms and conditions without telling you beforehand if we need to change them because the law or regulation changes.

## 4. Client Money and Assets

4.1 When we provide you with the Service you agree that we can hold your money in a UK bank chosen by us. The money will be held in a separate pooled client money bank account together with other clients' monies but separate from our money. You will still have the same rights to your money. The account will be governed by the FCA Rules on client money. All money belonging to clients will be held on trust for the sole benefit of clients. We will not pay interest on monies we hold for you.

4.2 Assets will be segregated and held with assets of other customers of our nominee services. You agree that by pooling your Securities with those of other shareholders you retain all rights you have as the legal owner of your assets, but that your entitlement will not be identifiable by separate share certificates or other physical or electronic records of title.

4.3 We will not be responsible for anything a UK bank or any sub-custodian in relation to the assets, does or fails to do with your money or assets.

4.4 Under the FCA Rules, if we, a bank or any sub-custodian becomes insolvent and cannot repay all the money or assets owed to clients this could result in a shortfall. In that case, we will treat money or assets as pooled, which means that any shortfall will be shared equally and proportionally with other shareholders of the Company and other customers of ours who are affected by the shortfall. You may not recover all of your money or assets. In this situation, you may be eligible to claim under the Financial Services Compensation Scheme (FSCS). For more information, please see the *Complaints and Compensation* section.

4.5 Sometimes, in exceptional circumstances we may hold your money or assets in a bank or sub-custodian based outside of the UK. If we do so, we will take all reasonable steps to protect your money or assets in line with local laws, which may be different from the laws in the UK, and your rights in the event of insolvency of the bank or sub-custodian may be reduced.

4.6 If you hold client money with us and there has been no movement in your balance for at least six years, other than charges we may have levied, we may remove this money from the client money bank account and donate it to a registered

charity of our choice. You may later claim this sum of money back from us, but you will not be entitled to claim any interest on it. We will let you know at least 28 days before we do this by writing to you at the last email or postal address we have for you. Where the amount is no more than £25 (or equivalent) and you fail to claim it before the 28 day notice period expires, we will donate the money without attempting to contact to you again. If the amount is more than £25 (or equivalent), after the 28 day notice period expires, we will make at least one further attempt to contact you using other means, before donating the money to charity.

- 4.7 If we have not received any instructions from you for at least twelve years, we may sell assets we hold for you at market value if the law and applicable regulations allow it. You may later claim from us a sum equal to the value of the proceeds at the time your assets were sold. You will not be entitled to claim any interest on this sum. We will let you know at least 28 days before we do this by writing to you at the last email or postal address we have for you. If we have not heard from you within the 28 days' notice period, we will make at least one further attempt to contact you using other means. After a further 28 day period, we will donate the assets or proceeds to a registered charity of our choice.

## 5. Permitted Countries

- 5.1 The Permitted Countries list may be updated from time to time with the current list displayed on our website. If you are resident in another territory you will be excluded from the Service. If you are unsure of your status please call us.

## 6. Data Protection

- 6.1 In order to provide the Service to you we need to use your personal information. We may also transfer your personal information to other countries which have different data protection laws. We will only do this if we are satisfied that there are adequate safeguards in place to protect your personal information.
- 6.2 For full details about how we use and share your personal information please see our Privacy Policy, which is available on our website. The Privacy Policy also explains your rights in relation to your personal information and how you can exercise them.

## 7. Complaints and Compensation

- 7.1 If you are dissatisfied with the Service we have provided you or wish to receive a copy of our complaints procedure please write to us or find a copy of our complaints procedure on the Computershare website. If we cannot resolve your complaint, you may refer it to the Financial Ombudsman Service, Telephone: +44 (0)800 023 4567 (free from UK landlines) or 0300 123 9123 (from UK mobiles) or at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).
- 7.2 Under the FSCS you may be entitled to compensation if we cannot meet our financial obligations. You may be covered for up to 100% of the first £85,000 (or equivalent) of your investments (i.e. a maximum of £85,000 per person). Where we hold your money in a client bank account and the relevant UK approved bank becomes insolvent, you may be covered under the FSCS for up to £85,000 of the money on deposit with that bank. Details about our external banking partners are available on request. These amounts may be subject to change. Where we are required to hold your client money in a jurisdiction outside the UK, your rights in the event of insolvency may be reduced. Further details of your rights under the FSCS can be found here: [www.fscs.org.uk](http://www.fscs.org.uk).

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