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If you have sold or otherwise transferred all of your AO World Plc ordinary shares, please send this document, together with the accompanying documents (but not the personalised Form of Proxy), as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

This document is also available at [ao-world.com](http://ao-world.com).



## **AO World Plc**

**(incorporated and registered in England and Wales under number 05525751)**

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice of the Annual General Meeting of AO World Plc to be held at 8am on Thursday 20 August 2020 at 5A The Parklands, Lostock, Bolton, BL6 4SD is set out at the end of this document.

**Please note that in light of the current UK Government measures around COVID-19 and the Company's desire to protect the health and safety of our shareholders and employees, we hope that you will understand that our AGM this year will be run as a closed meeting and shareholders will not be permitted to attend in person. We strongly urge that shareholders vote by using the Form of Proxy, enclosed.**

**To be valid, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 8 am on Tuesday 18 August 2020.**

**Please note that the Form of Proxy can be delivered in hard copy form by post, by courier or by hand to Link Asset Services at the address printed on the back of the Form of Proxy or, if preferred, in an envelope to FREEPOST PXS, 34 Beckenham Road, BR3 9ZA (please note delivery using this service can take up to five business days) or by completing it online at [www.aoshareportal.com](http://www.aoshareportal.com). CREST members may utilise the CREST electronic proxy appointment service.**

# AO World Plc (“the Company”)

(incorporated and registered in England and Wales under number 05525751)

## Registered Office:

5A The Parklands  
Lostock  
Bolton  
BL6 4SD

## Directors:

Geoff Cooper  
John Roberts  
Mark Higgins  
Marisa Cassoni  
Chris Hopkinson  
Shaun McCabe  
Luisa Delgado

21 July 2020

To the holders of AO World Plc ordinary shares

## Notice of Annual General Meeting

Dear Shareholder

I am pleased to be writing to you with details of our Annual General Meeting (“AGM”) which we are holding at 8am on Thursday 20 August 2020 at 5A The Parklands, Lostock, Bolton BL6 4SD.

### AGM Attendance

In light of the current UK Government measures around Covid-19 and the Company’s desire to protect the health and safety of our shareholders and employees, we hope that you will understand that our AGM this year will be run as a closed meeting and **shareholders will not be permitted to attend in person**. The Company will make arrangements such that the legal requirements to hold the meeting will be satisfied through the attendance of a minimum number of directors and the format of the meeting will be purely functional. The AGM will comprise of only the formal votes on each resolution as set out in the Notice, without any business update or Q&A. Shareholders have the opportunity to submit questions on the AGM resolutions electronically before the meeting and such questions, limited to matters relating to the business of the AGM itself, should be sent to [2020AGM@ao.com](mailto:2020AGM@ao.com) and these will be responded to on an individual basis. Our normal channels of shareholder engagement are open and shareholders can contact the investor relations team at [ir@ao.com](mailto:ir@ao.com) or any member of the Board through our company secretary at [cosec@ao.com](mailto:cosec@ao.com).

Shareholders are therefore strongly encouraged to vote by taking advantage of our registrar’s secure online voting service (using the identification numbers stated on the enclosed Form of Proxy) which is available at [www.aoshareportal.com](http://www.aoshareportal.com) or by completing the enclosed Form of Proxy and returning it by post to the Company’s Registrars, Link Asset Services at the address printed on the back of the Form of Proxy or, if preferred, in an envelope to FREEPOST PXS, 34 Beckenham Road, BR3 9ZA (please note delivery using this service can take up to five business days). Given the restrictions on attendance, shareholders are advised to appoint the Chairman of the meeting as their proxy rather than a named person who will not be permitted to attend the meeting. CREST members may utilise the CREST electronic proxy appointment service.

**To be valid, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive not later than 8am on Tuesday 18 August 2020.**

This situation could change and the UK Government may change the current restrictions related to holding meetings. Any changes to the AGM will be communicated to shareholders before the meeting through our website [www.ao-world.com](http://www.ao-world.com) and where appropriate, by RNS announcement. We trust that all our shareholders will understand the need for these precautions in light of Government public health guidelines on Covid-19.

### Notice of Meeting

The formal notice of meeting and the resolutions to be proposed are set out on pages 3 to 4 of this document. Resolutions 1 to 12 (inclusive) and 16 and 18 are proposed as ordinary resolutions, while Resolutions 13 to 15 (inclusive) and 17 will be proposed as special resolutions. The ordinary resolutions will be passed if more than 50% of the votes cast are in favour and the special resolutions will be passed if at least 75% of the votes cast are in favour. Explanatory notes on all the proposed resolutions can be found on pages 4 to 7 of this document. This Notice of AGM and the Form of Proxy are also available on our website, [www.ao-world.com](http://www.ao-world.com) and are located in the Investor Relations section of the website under Reports and Presentations.

### Recommendation

The Board considers the Resolutions are in the best interests of the Company and its shareholders as a whole, and are therefore likely to promote the success of the Company. The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to shares representing approximately 27.3% of the existing issued share capital of the Company.

Thank you for your continuing support of AO World Plc.

Yours sincerely

**Geoff Cooper**  
Chairman

# Notice of AGM

## AO World Plc (“Company”)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 5A The Parklands, Lostock, Bolton, BL6 4SD on Thursday 20 August 2020 at 8am to consider and, if thought fit, to pass Resolutions 1 to 12 (inclusive), and 16 and 18 as ordinary resolutions and Resolutions 13 to 15 (inclusive) and 17 as special resolutions.

### Report and Accounts

- 1 To receive the accounts and the reports of the Directors and Auditors for the year ended 31 March 2020.

### Directors’ Remuneration Report

- 2 To receive and approve the Directors’ Remuneration Report, other than the part containing the Directors’ Remuneration Policy, in the form set out in the Company’s Annual Report and Accounts for the year ended 31 March 2020.

### Directors

- 3 To re-elect Geoff Cooper as a Director.
- 4 To re-elect John Roberts as a Director.
- 5 To re-elect Mark Higgins as a Director.
- 6 To re-elect Chris Hopkinson as a Director.
- 7 To re-elect Marisa Cassoni as a Director.
- 8 To re-elect Shaun McCabe as a Director.
- 9 To re-elect Luisa Delgado as a Director.

### Auditor

- 10 To reappoint KPMG LLP as Auditors of the Company to hold office until conclusion of the Annual General Meeting of the Company to be held in 2021.
- 11 To authorise the Audit Committee to determine the remuneration of KPMG LLP.

### Authority to allot shares

- 12 THAT the Directors be and they are hereby 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 to convert any security into, shares in the Company:
  - (a) up to an aggregate nominal amount of £398,282.46; and
  - (b) up to a further aggregate nominal amount of £398,282.46 provided that (i) they are equity securities (within the meaning of section 560(1) of the Companies Act 2006) and (ii) they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record date 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 date, 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 end of the next Annual General Meeting of the Company or, if earlier, on 19 November 2021, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or such rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights pursuant to any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant rights be and are hereby revoked.

### Disapplication of pre-emption rights

- 13 THAT, if Resolution 12 is passed, the Directors be and they are hereby empowered pursuant to 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 13 above and/or 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 power shall be limited to:
  - (a) the allotment of equity securities in connection with an offer of securities (but in the case of the authority granted under paragraph (b) of Resolution 12 above by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record dates as the Directors may determine and other persons entitled to participate therein 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 ordinary shares being represented by depositary receipts or any other matter; and
  - (b) the allotment (otherwise than pursuant to subparagraph (a) of this Resolution<sup>13</sup>) to any person or persons of equity securities up to an aggregate nominal amount of £59,742.37,

and shall expire upon the expiry of the general authority conferred by Resolution 12 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

14 THAT, if Resolution 12 is passed and in addition to the power conferred by Resolution 13 above, the Directors be and they are hereby empowered pursuant to 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 12 above and/or by way of a sale of treasury shares as if section 561(l) of that Act did not apply to any such allotment, provided that this power shall:

- (a) be limited to the allotment of equity securities to any person or persons up to an aggregate nominal amount of £59,742.37; and
- (b) only be used for the purposes of financing (or refinancing, if the authority is to be used within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other 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 document, and shall expire upon the expiry of the general authority conferred by Resolution 12 above, save that the Company shall still be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

### Purchase of own shares

15 THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 0.25p each of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be acquired is 47,793,895 representing approximately 10% of the issued ordinary share capital of the Company as at 13 July 2020;
- (b) the minimum price (excluding expenses) which may be paid for any such ordinary share is 0.25p;
- (c) the maximum price (excluding expenses) which may be paid for any such ordinary share is the higher of (i) an amount equal to 105% 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 such share is contracted to be purchased and (ii) 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 15 will be carried out;

- (d) the authority hereby conferred shall expire at the end of the next Annual General Meeting of the Company or, if earlier, on 19 November 2021, unless previously renewed, varied or revoked by the Company in general meeting; and
- (e) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

### Authority to make political donations

16 THAT in accordance with sections 366 and 367 of the Companies Act 2006 the Company and all companies which are subsidiaries of the Company during the period when this Resolution 16 has effect be generally and unconditionally 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,

(as such terms are defined in the Companies Act 2006) during the period beginning with the date of the passing of this resolution and ending at the end of the next Annual General Meeting of the Company or, if earlier, on 19 November 2021 provided that the authorised sum referred to in paragraphs (a), (b) and (c) above, may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the date on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day in which the Company enters into any contract or undertaking in relation to the same provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this Resolution shall not exceed £150,000.

## General meetings

17 THAT a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

## Adoption of the AO World plc Value Creation Plan and amendment of the AO 2018 Incentive Plan

18 THAT:

- (a) the rules of the AO World plc Value Creation Plan (the "VCP") in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification, the principal terms of which are summarised in Appendix 2, be and are hereby approved and the Directors be and are generally authorised to adopt the VCP and to do all acts and things that they consider necessary or expedient to give effect to the VCP; and
- (b) the Directors be and are hereby authorised to adopt further plans based on the VCP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any cash or shares made available under such further plans are treated as counting against any limits on individual or overall participation in the VCP; and
- (c) payments to executive directors of the Company under the VCP be approved; and
- (d) that the rules of the AO 2018 Incentive Plan be amended in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification, the principal amendments being summarised in Appendix 2 and the Directors be and are generally authorised to adopt the amendments and to do all acts and things that they consider necessary or expedient to give effect to them.

### By order of the Board

Julie Finnemore,  
Company Secretary  
21 July 2020

### Registered office

AO World Plc  
5A The Parklands,  
Lostock, Bolton,  
BL6 4SD

# Explanatory Notes to the Resolutions

## Resolutions 1 to 12 (inclusive), 16 and 18 as ordinary resolutions and Resolutions 13 to 15 (inclusive) and 17 as special resolutions.

Ordinary resolutions require more than half of the votes cast to be in favour of the resolution in order for the resolution to be passed. To pass special resolutions, three quarters or more of the votes cast must be in favour.

### Resolution 1 – Annual Report and Accounts

The Chairman will present the Annual Report and Accounts for the year ended 31 March 2020 (the “Annual Report”) to the AGM. The Annual Report accompanies this document.

### Resolution 2 Directors’ Remuneration Report

The Directors’ Remuneration Report is set out in the Annual Report on pages \*\* to \*\*.

Resolution 2 is the ordinary resolution to approve the Directors’ Remuneration Report other than the part containing the Directors’ Remuneration Policy. Resolution 2 is an advisory resolution and does not affect the future remuneration paid to any Director.

The report gives details of the Directors’ remuneration for the year ended 31 March 2020. The report also includes details of the Remuneration Committee’s representations and activities. The Company’s Auditors KPMG LLP have audited those parts of the Remuneration Report which are required to be audited and their report is issued in the Annual Report.

### Resolutions 3 to 9 inclusive – Re-election of Directors

Resolutions 3 to 9 inclusive are to approve the election and re-election of the Directors. In accordance with the requirements of the UK Corporate Governance Code (the “Code”) all of the Directors are subject to annual re-election by the shareholders at this year’s AGM.

The Board has confirmed following a performance review that all Directors standing for re-election continue to perform effectively and demonstrate commitment to their roles. The Board has considered whether each of the independent Non-Executive Directors is free from any relationship that could materially interfere with the exercise of his or her independent judgment and has determined that each continues to be considered independent. Chris Hopkinson, whilst not independent for the purposes of the Code, is considered to provide a significant contribution to the Board.

Biographical details of each of the Directors standing for election and re-election are set out on page \*\* of this document.

### Resolutions 10 and 11 – Auditors and Auditors’ Remuneration

Resolution 10 is to reappoint KPMG LLP as the Company’s Auditors, to hold office until the conclusion of the next AGM of the Company.

Resolution 11 authorises the Audit Committee of the Board to set their remuneration.

### Resolution 12 – Allotment of share capital

Resolution 12 deals with the Directors’ authority to allot ordinary shares in the capital of the Company without the prior consent of shareholders for a period expiring at the conclusion of the next AGM of the Company.

At the last AGM of the Company held on 17 July 2019, the Directors were given authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £393,236.32 equal to one-third of the Company’s then issued ordinary share capital and up to a maximum aggregate nominal value of £786,472.64 equal to two-thirds of the issued share capital of the Company where an offer is made in connection with a fully pre-emptive rights issue. This authority expires at the end of this year’s AGM. Resolution 12 will, if passed, renew this authority to allot, on the same terms save that it reflects the increase in the Company’s issued share capital during the year.

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 rights issue.

In light of these guidelines, the Board considers it appropriate that Directors be granted authority to allot ordinary shares in the capital of the Company up to a maximum nominal amount of £796,564.92 representing two-thirds of the Company’s issued ordinary share capital as at 3 July 2020 (the latest practicable date prior to publication of this document). Of this amount a nominal amount of £398,282.46 (representing approximately one-third of the Company’s issued ordinary share capital) can only be allotted pursuant to a rights issue. The power will last until the end of the next AGM of the Company or, if earlier, on 19 November 2021.

The Directors have no present intention of allotting new ordinary shares other than in relation to the Company’s employee share schemes. However, the Directors consider it appropriate to maintain the flexibility that this authority provides.

As at 13 July 2020 (being the latest practicable date prior to the publication of this document) the Company does not hold any shares in the capital of the Company in treasury.

## **Resolutions 13 and 14 – Disapplication of statutory pre-emption rights**

Resolutions 13 and 14 will give the Directors authority to allot ordinary shares in the capital of the Company pursuant to the authority granted under Resolution 12 above for cash without complying with the pre-emption rights in the Companies Act 2006 in certain circumstances. Resolution will permit the Directors to allot:

- (a) equity securities up to a nominal amount of £796,564.92 representing two-thirds of the Company's issued share capital as at 13 July 2020 (the latest practicable date prior to publication of this document) on an offer to existing shareholders on a pre-emptive basis (that is including a rights issue or an open offer), with one-third being available only in connection with a rights issue (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit); and
- (b) equity securities up to a maximum nominal value of £59,742.37, representing approximately 5% of the issued ordinary share capital of the Company as at 13 July 2020 (the latest practicable date prior to publication of this document) otherwise than in connection with a pre-emptive offer to existing shareholders.

Resolution 14 will permit the Directors to allot additional equity securities up to a maximum nominal value of £59,742.37 representing approximately a further 5% of the issued ordinary share capital of the Company as at 13 July 2020 (the latest practicable date prior to publication of this document), 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 below.

The Directors believe that it is appropriate to seek this additional 5% authority in Resolution 14 to give the Company the flexibility that this resolution affords.

This disapplication authority is in line with institutional shareholder guidance, and in particular with the Pre-emption Group's Statement of Principles (the "Pre-emption Principles"). The Pre-emption Principles were revised in 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to include: (i) an authority over 5% of a company's issued ordinary share capital; and (ii) an additional authority over a further 5% 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 preceding six-month period and is disclosed in the announcement of the issue.

The Directors confirm, in accordance with the Pre-emption Principles, that they do not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period, other than to existing shareholders, save in accordance with Resolution 14, without prior consultation with shareholders.

As noted in relation to Resolution 12 above, the Directors have no current intention of issuing ordinary shares other than in relation to the Company's employee shares schemes.

The authority contained in Resolutions 13 and 14 will expire upon the expiry of the authority to allot shares conferred in Resolution 12 (that is at the end of the next AGM of the Company or, if earlier, on 19 November 2021).

## **Resolution 15 – Authority to purchase own shares**

Resolution 15 gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. The authority limits the number of shares that could be purchased to a maximum of 47,793,895 shares (representing approximately 10% of the Company's issued ordinary share capital as at 13 July 2020 (the latest practicable date prior to publication of this document)) and sets minimum and maximum prices. This authority will expire at the end of the next AGM of the Company or, if earlier, on 19 November 2021.

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally. Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares while they are held in treasury and no voting rights attach to treasury shares.

If Resolution 15 is passed at the AGM, it is the Company's current intention to cancel the shares it may purchase pursuant to the authority granted to it except that sufficient shares may be held in treasury to meet the requirements of the Company's employee share schemes. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to reassess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them, provided it is permitted to do so. As at 13 July 2020 there were options outstanding to subscribe for ordinary shares in the capital of the Company together with deferred ordinary shares representing 1.6% of the Company's current issued share capital (excluding treasury shares). If the authority to purchase the Company's ordinary shares being sought in Resolution 15 were to be exercised in full, these options would represent 1.8% of the Company's issued share capital (excluding treasury shares).

## Explanatory Notes to the Resolutions continued

### Resolution 16 – Political donations

Resolution 16 deals with political donations. Under the Companies Act 2006, political donations to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by shareholders in advance. What constitutes a political donation, a political party, a political organisation or political expenditure is not easy to decide, as the legislation is capable of wide interpretation. Sponsorship, subscriptions, payment of expenses, and support for bodies representing the business community in policy review or reform, may fall within this.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention either now or in the future of making any political donation or incurring any political expenditure in respect of any political party, political organisation or independent election candidate, the Board has decided to put forward Resolution 16 to renew the authority granted by shareholders at the last AGM. This will allow the Company to continue to support the community and put forward its views to wider business and Government entities without running the risk of being in inadvertent breach of the Companies Act 2006.

The authority is subject to a maximum amount of £50,000 for each type of payment and will cover the period from the date Resolution 16 is passed until the end of the next AGM of the Company or, if earlier, on 19 November 2021. As permitted under the 2006 Act, Resolution 16 also covers any political donations made, or political expenditure incurred, by any subsidiaries of the Company.

### Resolution 17– Length of notice of meeting

Resolution 17 is a resolution to allow the Company to hold general meetings (other than AGMs) on 14 days' notice.

The minimum notice period for general meetings of listed companies is 21 days, but companies may reduce this period to 14 days (other than for AGMs) provided that two conditions are met. The first condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

The Board is therefore proposing Resolution 17 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than AGMs.

The approval will be effective until the end of the next AGM of the Company, when it is intended that the approval be renewed. The Board will consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time-sensitive and whether it is thought to be to the advantage of shareholders as a whole.

### [Resolution 18: Value Creation Plan and amendment of the AO 2018 Incentive Plan]

*(Resolution 18 seeks approval for the new AO World plc Value Creation Plan (the “VCP”) and the amendment of the AO 2018 Incentive Plan (“AOIP”).*

As described in the statement from the Chairman of the Remuneration Committee in the Directors' Remuneration Report, we are seeking your approval for a new VCP. This follows a review by the Remuneration Committee of the remuneration structures in place at AO over recent months and detailed consultation with our largest shareholders. The VCP is a new one-off incentive plan under which all current employees will receive an award. It is aimed not only at incentivising exceptional performance but also to assist with the retention of our talented team.

A summary of the principal terms of the VCP is set out in Appendix 2.

Whilst seeking your approval to the VCP we will also seek your approval to make payments to executive directors (by granting them awards) under the VCP in 2020, as the VCP was not contemplated by the current Directors' Remuneration Policy.

In addition we are also seeking your approval to amend the terms of the AOIP so that awards made under the VCP will not count towards one of the limits in the AOIP. This will enable us to continue to use this existing plan in FY21. Any revisions to these existing arrangements will be incorporated into the new Directors' Remuneration Policy presented to shareholders at the 2021 AGM.

A summary of the proposed amendment to the AOIP is set out in Appendix [..].



# General Notes

## Proxies

**In light of the current UK Government measures around Covid-19, our AGM this year will be run as a closed meeting and shareholders will not be permitted to attend in person. Shareholders are strongly advised to appoint the Chairman of the meeting when submitting a proxy.**

- 1 A member entitled to attend and vote at the Annual General Meeting (“**AGM**”) may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the AGM. A member can appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
- 2 A proxy does not need to be a member of the Company but must attend the AGM to represent you. Your proxy could be the Chairman, another Director or another person who has agreed to attend to represent you. Your proxy must vote as you instruct and must attend the AGM for your vote to be counted. Appointing a proxy does not preclude you from attending the AGM and voting in person.
- 3 A proxy form which may be used to make this appointment and give proxy instructions accompanies this document. Details of how to appoint a proxy are set out in the notes to the proxy form. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Link Asset Services:
  - by telephone on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
  - in writing: Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

As an alternative to completing a hard copy proxy form, proxies may be appointed electronically in accordance with note 4 below.

- 4 In order to be valid an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) by one of the following methods:
  - in hard copy form by post, by courier or by hand to the Company’s Registrar, Link Asset Services, at the address printed on the back of the Form of Proxy or, if preferred, in an envelope to **FREEPOST PXS, 34 Beckenham Road, BR3 9ZA (please note delivery using this service can take up to five business days);**
  - by completing it online at <https://www.aoshareportal.com/> by following the on-screen instructions to submit it – you will need to identify yourself with your personal investor code (which is set out on your personalised form of proxy which accompanies this document); or

- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 8 below;

and in each case the appointment of proxy must be received by the Company not less than 48 hours before the time of the AGM (excluding non-working days).

- 5 To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Link Asset Services:
  - by telephone: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
  - in writing: Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The deadline for receipt of proxy appointments (see note 4) also applies in relation to amended instructions. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.

- 6 A copy of this document has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a “**Nominated Person**”). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the AGM or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
- 7 To be entitled to attend and vote, whether in person or by proxy, at the AGM, members must be registered in the Register of Members of the Company at close of business on Tuesday 18 August 2020 or, if the AGM is adjourned, at close of business on the date which is two days prior to the adjourned meeting). Changes to entries on the Register of Members after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the AGM or adjourned meeting.

- 8 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/](http://www.euroclear.com/) CREST). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**EUI**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID number RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. 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 CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

- 10 Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommend that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.

### Corporate representatives

- 11 A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.

### Voting at the AGM

**In light of the current UK Government measures around COVID-19, our AGM this year will be run as a closed meeting and shareholders will not be permitted to attend in person. Shareholders are strongly advised to appoint the Chairman of the meeting when submitting a proxy.**

- 12 Voting on all of the substantive resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. As soon as practicable following the AGM, the results of the voting at the AGM and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company’s website: [ao-world.com](http://ao-world.com).

### Questions

**Shareholders have the opportunity to submit questions on the AGM resolutions electronically before the meeting and such questions, limited to matters relating to the business of the AGM itself, should be sent to [2020AGM@ao.com](mailto:2020AGM@ao.com) and these will be responded to on an individual basis.**

- 13 The Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the AGM, except (i) if to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

### **Requisition Rights**

- 14 Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an Auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the AGM. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the AGM includes any such statement that the Company has been required to publish on its website.

### **Total Voting Rights**

- 15 As at 13 July 2021 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consists of 477,938,954 ordinary shares, carrying one vote each. The Company holds no ordinary shares in treasury. Therefore the total voting rights in the Company are 477,938,954.
- 16 The contents of this document, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, details of the totals of the voting rights that members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this document will be available on the Company's website: [ao-world.com](http://ao-world.com).

### **Electronic address**

- 17 You may not use any electronic address provided in this document to communicate with the Company for any purposes other than those expressly stated.

This document is for information purposes only and does not constitute legal advice. Specific advice should be sought on your specific circumstances before taking any action (or deciding not to take any action) in reliance on the contents of this document.

# Appendix 1

## Biographical details of Directors submitted for election and re-election

### 1 Geoff Cooper Non-Executive Chairman

#### Appointment to the Board

1 July 2016

#### Relevant skills & experience

- Over 20 years' UK public company Board experience, including Chair and Chief Executive Officer roles
- Significant retail and customer-facing industry experience across the UK
- Ability to steer Boards through high-growth strategies and overseas expansion
- Currently Non-Executive Chairman of Bourne Leisure Holdings, former Non-Executive Chairman of Dunelm Group plc and Card Factory plc and former Chief Executive Officer of Travis Perkins Plc
- Member of the Chartered Institute of Management Accountants

#### Significant current external appointments

Non-Executive Chairman at Bourne Leisure Holdings Limited.

#### Committee membership

Geoff chairs the Nomination Committee.

#### Independent

Yes.

### 2 John Roberts Founder and Chief Executive Officer

#### Appointment to the Board

2 August 2005 (AO Retail Limited 19 April 2000)

#### Relevant skills & experience

- Co-founded the business over 20 years ago, giving him thorough knowledge and understanding of the Group's business
- Extensive CEO experience; led the management team to successfully develop and expand the business during periods of challenging market conditions
- Innovator and visionary lead
- Significant market knowledge and understanding

#### Committee membership

John attends the Remuneration, Audit and Nomination Committees by invitation.

### 3 Mark Higgins Chief Financial Officer

#### Appointment to the Board

1 August 2015

#### Relevant skills & experience

- Group Finance Director for four years prior to appointment as AO's Chief Financial Officer
- Senior finance roles held at Enterprise Managed Services Ltd and the Caudwell Group
- Member of the Chartered Institute of Management Accountants

#### Committee membership

Mark attends the Remuneration, Audit and Nomination Committees by invitation.

### 4 Marisa Cassoni Non-Executive Director

#### Appointment to the Board

5 February 2014

#### Relevant skills & experience

- Wealth of Board experience as an executive and non-executive director
- Previously finance director of John Lewis Partnership Ltd, Royal Mail Group and the UK division of Prudential Group.
- Recent former Non-Executive Director at Ei Group Plc and Skipton Group Holdings Limited.
- Panel member of the Competition and Markets Authority
- Trustee and member of FRC
- ICAEW chartered accountant with extensive financial and governance experience in both private and public companies with strong technology and multi-channel customer offerings, particularly in the financial services, logistics and retail sectors

#### Significant current external appointments

Non-Executive Director of Galliford Try plc.

#### Committee membership

Marisa is the Chair of the Audit Committee and is a member of the Remuneration Committee.

#### Independent

Yes.

**5 Chris Hopkinson**  
**Non-Executive Director**

**Appointment to the Board**

12 December 2005

**Relevant skills & experience**

- Former City Financial Analyst
- Significant industry experience
- Holds a Master's degree in Logistics

**Significant current external appointments**

Executive Director at Clifton Trade Bathrooms Ltd.

**Committee membership**

Chris is a member of the Nomination Committee and the designated NED People Champion.

**Independent**

No, due to length of tenure only.

**6 Shaun McCabe**  
**Non-Executive Director**

**Appointment to the Board**

24 July 2018

**Relevant skills & experience**

- ICAEW chartered accountant with a strong mix of knowledge of consumer-focused businesses and digital expertise
- Significant International, finance and general management experience
- Previous senior positions held at a number of online market leaders including International Director at ASOS plc and Vice President, Chief Financial Officer for Amazon Europe

**Significant current external appointments**

Chief Financial Officer for Trainline.

**Committee membership**

Shaun is a member of the Audit and Remuneration Committees.

**Independent**

Yes.

**7 Luisa Delgado**  
**Non-Executive Director**

**Appointment to the Board**

1 January 2019

**Relevant skills & experience**

- Extensive experience in consumer goods, retail, international markets, and Public Company governance. Functional expertise in general management and operations, human resources, branding and selling.
- Previously held roles include:
  - Chief Executive Officer of Safilo Group, Milan listed worldwide eyewear company and member of its Board of Directors;
  - Vice President at Procter & Gamble as local CEO Nordic, WE Human Resources VP, with roles in UK, Portugal and Belgium; and
  - Executive Board member and CHRO at SAP SE
- Holds a LL.M of King's College - University of London, and the FT Non-Exec Director Diploma
- An Investor and Entrepreneur and Lead Operating Director for a portfolio company of Partners Group.

**Significant current external appointments**

Non-Executive Director at INGKA Holding B.V. (IKEA), Aryzta AG and Barclays Bank (Suisse) SA

**Committee membership**

Luisa is the Chair of the Remuneration Committee and is a member of the Audit and Nomination Committees.

**Independent**

Yes.

## Appendix 2

### SUMMARY OF THE PRINCIPAL TERMS OF THE AO WORLD PLC VALUE CREATION PLAN (“the Plan”)

#### 1 Operation

The Plan will be administered by the Board. Decisions in relation to the participation in the Plan by the executive directors will always be taken by the Remuneration Committee.

#### 2 Eligibility

Any employee of the Group (including an executive director) is eligible to participate at the Board’s discretion and it is intended that subject to the approval of the Plan by shareholders, all current employees including executive directors will be granted an award.

#### 3 Form of Awards

Awards under the Plan will be in the form of a conditional right to receive ordinary shares in the capital of the Company (“Shares”) at no cost to the participant (“Award”), calculated by reference to the value of units. The Board will designate the Awards at grant as either Executive Awards or Employee Awards. It is currently intended that Executive Awards will be granted to the COO and the executive directors. Units will have a value depending on the Plan value at the relevant measurement date (see below).

Further Awards may be granted in addition to the initial grants referred to above, but Employee Awards may only be granted to eligible employees who will have completed two year’s continuous service on a specified Plan value measurement date, and such Awards will relate to a reduced number of units to reflect the proportion of the period from shareholder approval of the Plan to 31 March 2025, that the participant will have been employed.

#### 4 Grant of Awards

Awards may only be granted within the six week period following the approval of the Plan by the Company’s shareholders, the announcement of the Company’s results for any period, the day on which the Policy is approved by shareholders, any day on which a restriction on the grant of Awards is lifted, or on any day on which the Board determines that exceptional circumstances exist which justify the grant of Awards. No Awards may be granted more than ten years after the approval of the Plan by shareholders, although it is currently intended that most of the Awards will be granted shortly after the Plan is approved by shareholders and no further Awards will be granted after 31 March 2027.

#### 5 Vesting

Executive Awards may vest in three equal tranches on 31 March 2025, 31 March 2026 and 31 March 2027 (the “Measurement Dates”) if on those dates the Board determines that the Plan value is greater than nil. If the Plan value is nil on any of those dates the relevant tranche will lapse immediately.

Employee Awards may vest on 31 March 2025, if the Board determines that the Plan value is greater than nil. On 31 March 2026 (if Executive Awards vest and to the extent that the Plan value is greater than the value on 31 March 2025), the Board may determine that Employee Awards also vest. Similarly on 31 March 2027 (if Executive Awards vest and to the extent that the Plan value is greater than the value on 31 March 2026), the Board may determine that Employee Awards also vest. If Employee Awards vest on either of these dates the Board may increase the number of units in an Award to reflect length of service at that time.

The Plan will have a value on a Measurement Date equal to 10% of the market capitalisation of the Company on that date. For these purposes the market capitalisation will be calculated using the average closing price of a Share (capped at £12.55) over the three months ending on that date less £[5.23], times the number of Shares in issue. The maximum amount of the Plan value that can be allocated to units comprised in an Executive Award is 10% of the Plan value on any relevant date.

The Board may amend or substitute the Plan value calculation if one or more events occur which cause the Board to consider that an amended or substituted Plan value calculation would be more appropriate and would not be materially less difficult to satisfy.

The Board may adjust the vesting level calculated as a result of the Plan value on any Measurement Date, if it considers that it does not reflect the underlying financial or non-financial performance of the Group over the vesting period, or that it is not appropriate in the context of unexpected or unforeseen circumstances, or there is any other reason the Board considers relevant, in each case taking into account factors the Board considers relevant (which will include but not be limited to revenue growth profitability, cash, customer satisfaction and employee engagement). The Board may also adjust the number of units comprise in an Award to reflect (on a time pro-rated basis) periods of absence since the grant date of an Award and to reflect promotion to a higher grade since the grant date of an Award.

#### 6 Individual Limits

The aggregate value of Shares (calculated using the average closing price over the three months ending on the relevant date) delivered under the Plan to any one participant cannot exceed £20 million.

#### 7 Overall Limits

The Plan may operate only over new issue Shares. The rules of the Plan provide that the total number of Shares which may be issued under the Plan may not exceed five per cent of the issued ordinary share capital of the Company on any date the Plan value is measured.

The Board must not grant an Award that would cause the number of Shares which may be issued under the Plan and under any other employees’ share plan adopted by the Company to exceed 10% of the issued ordinary share capital of the Company from time to time.

## 8 Settlement

The Board may, in its discretion, decide to satisfy an Award with a cash payment equal to the market value of some or all of the Shares that the participant would have received had the Award been satisfied with Shares.

## 9 Dividend Equivalents

The Board may decide that participants will receive an amount (in cash and/or additional Shares) equal to the value of any dividends which would have been paid on Shares subject to an Award over such period (ending no later than the date on which the Award vests) as the Board may determine. This amount may assume the reinvestment of dividends and exclude or include special dividends.

## 10 Malus and Clawback

It is intended that recovery provisions will apply to Executive Awards and Employee Awards granted to some senior executives. In certain circumstances the Board may: reduce an Award (to zero if appropriate) or impose additional conditions on those Awards to the extent that Shares and/or cash have not yet been delivered in satisfaction of the Award; or if Shares and/or cash have been delivered in satisfaction of those Awards, require that the participant either return some or all of the Shares acquired pursuant to the Award or make a cash payment to the Company in respect of the Shares or cash delivered.

The Board will retain the discretion to calculate the amount of Shares or cash, including whether or not to claw back such amount gross or net of any tax or social security contributions applicable to the Award.

The Board may operate these recovery provisions where, during the period ending on the third anniversary of the Measurement Date, there has been: a material misstatement of the audited accounts of the Company or of any Group Member; an error in assessing the Plan value applicable to the Award or in the information or assumptions on which the Award was granted or vests; a material failure of risk management, fraud or material financial irregularity in any Group Member or a relevant business unit; serious reputational damage to any Group Member or a relevant business unit; serious misconduct or material error on the part of the participant; a material corporate failure or a material safety failure in any Group Member or a relevant business unit; and (until the vesting date of Awards only) a material downturn in the financial performance of any member of the Group or relevant business unit; or any other circumstances which the Board in its discretion considers to be similar in their nature or effect.

## 11 Cessation of Employment

### **Unvested Awards:**

Ordinarily unvested Awards will lapse upon a participant ceasing to be employed by or to hold office with the Group (“**Group Employment**”) prior to the vesting date of an Award.

However, the Board will have the discretion (except where a participant is dismissed for reasons of gross misconduct or leaves to join (or otherwise provide services to) a competitor, in which case the Award lapses immediately), to allow any unvested Award to continue until the date when it would have normally have vested if they had not ceased Group Employment. The Board retains discretion, however, to allow the Award to vest and be released earlier when the participant ceases Group Employment by reason of death.

The extent to which an Award vests in these circumstances will be determined by the Board, taking into account the relevant Plan value, and unless the Board decides otherwise, the proportion of the period between grant and vesting which has elapsed, and any adjustment they consider appropriate as referred to above.

### **Vested Awards:**

If a participant ceases Group Employment after an Award has vested, but before it has been satisfied, their Award will (other than cessation for reasons of gross misconduct or leaving to join (or otherwise provide services to) a competitor, in which case that Award will lapse immediately), continue and be satisfied.

If after ceasing Group Employment a participant holds a subsisting Executive Award (or Employee Awards so designated at the grant date) and within 12 months of the cessation joins (or otherwise provides services to) a competitor, the Award will lapse. If Shares or cash have already been delivered in satisfaction of that Award, the Board may require that the participant either return some or all of the Shares acquired or make a cash payment to the Company in respect of the Shares or cash delivered.

## 12 Corporate Events

In the event of a change of Control of the Company, Awards will vest early. The extent to which any unvested Awards vest will be determined by the Board, taking into account the relevant Plan value and any adjustment they consider appropriate as referred to above.

Alternatively, the Board may permit Awards to be exchanged for equivalent awards of shares in a different company (including the acquiring company). If the change of control is an internal reorganisation of the Group (or if the Board so decides), participants may be required to exchange their Awards.

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the Board’s opinion, may materially affect the current or future value of Shares, the Board may determine that Awards will vest on the same basis as for a change of control.

### **13 Variation of Capital**

If there is a variation of the share capital of the Company or in the event of a demerger, delisting, special dividend or other event which in the Board's opinion may materially affect the current or future value of Shares, the Board may make such adjustments to the Plan Value or the number of units or Shares subject to Awards, as it considers appropriate.

### **14 Rights Attaching to Shares**

Shares issued and/or transferred under the Plan will not confer rights on any participant until that participant has received the underlying Shares. Any Shares allotted will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue).

### **15 Amendment**

The Board may, at any time, amend the provisions of the Plan in any respect except that no amendment to the material disadvantage of existing rights of participants will be made without the amendment having been approved by the majority of affected participants.

The prior approval of shareholders at a general meeting of the Company must be obtained in the case of any amendment which is made to the advantage of eligible employees and/or participants and relates to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, awards, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. There are, however, exceptions to this requirement to obtain Shareholder approval for any minor amendments to benefit the administration of the Plan, to take account of the provisions of any legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group.

### **16 Non-transferability**

Awards are not transferable other than to the participant's personal representatives in the event of his or her death.

### **17 Benefits not Pensionable**

Benefits received under the Plan are not pensionable.

### **18 Overseas Plans**

The Board may, at any time, establish further plans based on the Plan for overseas territories. Any such plan will be similar to the Plan but may be modified to take account of local tax, exchange control or securities laws. Any Shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the Plan.

### **19 Termination**

No Awards may be granted more than ten years after approval of the Plan by shareholders.

### **SUMMARY OF THE PROPOSED AMENDMENT TO THE AO 2018 INCENTIVE PLAN (the "AOIP")**

The AOIP contains provisions under which the Board must not grant an award that would cause the number of Shares which may be allocated under the AOIP and any other discretionary employee share plan adopted by the Company to exceed 5% of the issued ordinary share capital of the Company from time to time. As it is intended that the AOIP as part of existing arrangements will continue to be used in FY21, your approval is sought to amend the AOIP to exclude any Shares subject to awards granted under the VCP, from counting towards that limit.

*The rules of the VCP and the AOIP (as amended) will be on display in accordance with the Listing Rules (at the offices of Deloitte at Hill House, 1 Little New Street, London EC4A 3TR) and on the Company's website from the date of this notice until the close of the general meeting and at the general meeting (address) for 15 minutes before the meeting and throughout its duration.*