



## **SPIRENT COMMUNICATIONS PLC**

**(INCORPORATED AND REGISTERED IN ENGLAND AND WALES UNDER NUMBER 470893)**

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

**WEDNESDAY 28 APRIL 2021**

#### **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This document is important and requires your immediate attention. If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares in Spirent Communications plc (the "Company" or "Spirent"), please pass this document together with the accompanying documents at once to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice of the Annual General Meeting of the Company to be held at 10.30am on Wednesday 28 April 2021 at the Company's registered office at Origin One, 108 High Street, Crawley, West Sussex RH10 1BD is set out on pages 5 to 7 of this document.

Shareholders should note that in the event of a disruption that prevents the business of the AGM from being properly conducted, the date, time and/or location of the AGM may be changed from that set out in this Notice of Meeting. Details of such a change will be announced via a Regulatory Information Service as far in advance as is practicable and published on the Company's website, <https://corporate.spirent.com>.

24 March 2021

## Dear shareholder

I have pleasure in sending you the Notice of this year's Annual General Meeting ("2021 AGM") which we are holding at 10.30am on Wednesday 28 April 2021 at the Company's registered office at Origin One, 108 High Street, Crawley, West Sussex RH10 1BD. Please read this letter and the Notice carefully, as there are restrictions on in-person attendance at the 2021 AGM.

### Attendance at the 2021 AGM

At the time of sending this Notice, the UK Government has issued guidance and restrictions on non-essential travel, public gatherings and social distancing. Accordingly, and to protect the health and wellbeing of the Company's shareholders and employees, the 2021 AGM will be held on a closed basis. Shareholders will not be able to attend the 2021 AGM in-person, although they will be able to watch the meeting via a webcast facility and ask questions of the Board. A minimum number of employee shareholders will be present in-person at the 2021 AGM in order for the meeting to be quorate.

Details of how to access the AGM webcast will be published on the AGM page of the Company's website at <https://corporate.spirent.com/shareholder-information/agm> and announced via a Regulatory Information Service on Monday 26 April 2021.

### Voting at the 2021 AGM

While shareholders will be able to follow the 2021 AGM by virtual means, they will not be able to cast votes via the webcast facility. As at the date of publication of this Notice, the provisions of the Corporate Insolvency and Governance Act 2020 that permit votes to be cast by electronic means at general meetings of UK-incorporated public limited companies will not be in force at the date of the 2021 AGM. The Company is proposing to amend the Company's Articles of Association at the 2021 AGM to permit shareholders to vote at general meetings of the Company by electronic means in future.

Shareholders are urged to exercise their votes by filling in the Form of Proxy enclosed with this Notice and returning it to our registrars, Equiniti, in accordance with the instructions printed on the form as soon as possible. Alternatively, you may appoint a proxy electronically. Our registrars must receive your votes by 10.30am on Monday 26 April 2021. In light of the restrictions on in-person attendance, the Board strongly recommends that you appoint the Chair of the 2021 AGM as your proxy (and not any named individual). The Board intends that all votes on resolutions at the 2021 AGM will be conducted by way of a poll.

Further details relating to voting by proxy are set out in the accompanying notes to the Notice on pages 8 to 10 of this document.

Notice is hereby given that the Spirent Communications plc Annual Report for 2020 has been published on the Company's website, <https://corporate.spirent.com>.

If you have elected to receive shareholder correspondence in hard copy, then a copy of the Annual Report will accompany this Notice. Should you wish to change this election at any time, or if you wish to request a hard copy of the Annual Report, you can do so by contacting our registrars, Equiniti, on 0371 384 2126 or if calling from overseas +44 (0) 121 415 7047. In line with our policy of promoting the use of electronic communications, the Company's half year results are now only made available on the Company's website at <https://corporate.spirent.com>.

At the 2021 AGM shareholders will have the opportunity to ask questions of their Board. These may be submitted in writing in advance of the meeting at [plc@spirent.com](mailto:plc@spirent.com) or asked at the meeting itself via the webcast facility. Questions submitted in advance of the 2021 AGM should be received by 8.30am on Wednesday 28 April 2021. There are also a number of formal matters to be dealt with and further details about these matters are set out below. The formal Notice of AGM is set out on pages 5 to 7 of this document.

## Explanatory notes on the proposed resolutions

### Resolution 1 – Annual Report

The Directors will present the Annual Report for 2020.

### Resolution 2 and 3 – Report on Directors' remuneration and Directors' Remuneration Policy

The Report on Directors' remuneration is set out in full in the Annual Report 2020 on pages 82 to 106. It contains:

- a statement by Gary Bullard, Chairman of the Company's Remuneration Committee;
- the Annual report on remuneration, which sets out payments made to the Directors in respect of the financial period ended 31 December 2020; and
- the Directors' Remuneration Policy in relation to future payments to the Directors and former Directors.

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

Resolution 3 is the ordinary resolution to approve the Directors' Remuneration Policy which is set out in the Report on Directors' remuneration in the Annual Report on pages 98 to 106.

Once a Directors' Remuneration Policy has been approved, all payments by the Company to the Directors and any former Directors must be made in accordance with that policy (unless a payment has been separately approved by a shareholder resolution). If the Company wishes to change the Directors' Remuneration Policy, it is required to put a revised policy to a shareholder vote

before it can implement the new policy. If the Directors' Remuneration Policy remains unchanged, the Companies Act 2006 (the "2006 Act") requires the Company to put the policy to shareholders for approval again no later than 28 April 2024.

#### **Resolution 4 – Final dividend**

The Board proposes payment of a final dividend of 3.87 cents (2.78 pence) per Ordinary Share for the year to 31 December 2020. If shareholders approve this resolution, payment will be made on 30 April 2021 to all Ordinary Shareholders who were on the Register of Members at close of business on 19 March 2021.

#### **Resolution 5 – Special dividend**

In recognition of the Company's performance, the Board proposes a return to shareholders of an estimated \$45 million structured as a special dividend of 7.50 cents (5.40 pence) per Ordinary Share. If approved, the special dividend will be paid on 30 April 2021 to all Ordinary Shareholders who were on the Register of Members at close of business on 19 March 2021.

If resolutions 4 and 5 are approved, they will bring the total dividend for the year to 13.54 cents (9.85 pence) per Ordinary Share (2019 5.39 cents).

#### **Resolutions 6 to 12 – Re-election of Directors**

In line with the UK Corporate Governance Code, and in keeping with Spirent's recent practice, each of the Company Directors will retire voluntarily at the 2021 AGM. However, being eligible, Paula Bell, Gary Bullard, Wendy Koh, Edgar Masri, Jonathan Silver, Sir Bill Thomas and Eric Updyke offer themselves for re-election in resolutions 6 to 12.

As more fully explained in the Company's Annual Report 2020, having considered the performance and contribution made by each of the Directors, the Board remains satisfied that the performance of each Director continues to be effective in relation to the fulfilment of his or her duty to act in the long-term interest of the Company, on behalf of its members, while also having due regard for other stakeholders and to demonstrate commitment to their role including devoting sufficient time and attention as is necessary in order to perform their duties and therefore recommends each Director for election or re-election as applicable.

Biographical details of all the Directors and the Directors' statement on corporate governance which provides further information with respect to the corporate governance of the Board can be found in the Company's Annual Report 2020 and on the Company's website at <https://corporate.spirent.com>. The Board considers that these biographies and the Nomination Committee's report contained in the Annual Report 2020 demonstrate why each Director's contribution continues to be important to the long-term sustainable success of the Company.

#### **Resolutions 13 and 14 – Appointment of auditor and paying its remuneration**

At every general meeting at which accounts are presented to shareholders, the Company is required to appoint an auditor to serve from the end of the meeting until the next such meeting. Following last year's audit tender, Deloitte LLP ("Deloitte") has been identified as the Company's preferred external auditor.

On the recommendation of the Audit Committee, the Board proposes that Deloitte LLP be appointed as auditor of the Company.

Resolution 14 proposes that the Directors be authorised to determine the level of the auditor's remuneration. Details of the remuneration paid to the incumbent auditor during the year ended 31 December 2020 can be found in the Annual Report 2020 on page 140.

#### **Resolutions 15 and 16 – Renewal of the powers of the Board to allot shares and to disapply pre-emption rights**

Resolution 15 seeks renewal of the resolution passed at the general meeting held on 29 April 2020 and gives the Directors the authority to allot new Ordinary Shares and grant rights to subscribe for, or convert other securities into, Ordinary Shares up to a nominal value of £6,797,132 which is equal to approximately 33.3 per cent of the Company's issued Ordinary Share capital as at 11 March 2021, being the latest practicable date before the publication of this Notice.

At 11 March 2021, the Company did not hold any shares in treasury. The Directors have no specific intention at the moment to undertake a rights issue or allot new Ordinary Shares, except in connection with employee share schemes. The Directors consider the authority in resolution 15 to be appropriate in order to allow the Company flexibility to respond to market developments and to enable allotments to take place to finance business opportunities as they arise. If the resolution is passed, the authority will expire at the earlier of the next Annual General Meeting or 30 June 2022.

If the Directors wish to allot new Ordinary Shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these Ordinary Shares are offered first to shareholders in proportion to their existing holdings. Subject to this authority being passed, resolution 16 allows the Directors to allot up to 30,587,094 new shares pursuant to the authority in resolution 15, or sell treasury shares, for cash in connection with a pre-emptive offer or rights issue or otherwise up to a nominal value of £1,019,570, equivalent to 5 per cent of the total issued Ordinary Share capital of the Company as at 11 March 2021, being the latest practicable date before the publication of this Notice, in each case without the Ordinary Shares first being offered to existing shareholders in proportion to their existing holdings. The Board considers the authority in resolution 16 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions. The Company will not allot more than 7.5 per cent of its total issued Ordinary Share capital for cash on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in a rolling three-year period without seeking further shareholder authority. If the resolution is passed, the authority will expire at the earlier of the next Annual General Meeting or 30 June 2022.

## **Explanatory notes on the proposed resolutions continued**

### **Resolution 17 – Authority for the Company to purchase its own shares**

This resolution renews the authority for the Company to make market purchases of its own Ordinary Shares subject to the provisions of the 2006 Act and shall expire at the earlier of the next Annual General Meeting or 30 June 2022.

This power will only be exercised if the Directors believe that it is in shareholders' best interests and can be expected to result in an increase in earnings per share. The resolution specifies that no more than 9.99 per cent of the Company's issued Ordinary Share capital as at 11 March 2021 (61,113,015 Ordinary Shares) may be acquired together with the parameters for the minimum and maximum prices at which they may be bought. It is currently the Directors' intention, were shares to be bought back, for them either to be cancelled or retained in treasury pending a subsequent sale, cancellation or transfer. No Ordinary Shares were bought back and cancelled during the 2020 financial year and, at the date of this Notice, the Company does not hold any Ordinary Shares in treasury.

As at 11 March 2021, there were 8.1 million outstanding share incentives granted under share incentive plans operated by the Company which, if exercised utilising new issue shares, would represent 1.3 per cent of the issued Ordinary Share capital of the Company. If the proposed authority for the Company to purchase its own shares were utilised in full, that percentage would increase to 1.5 per cent. As at 11 March 2021, there were no outstanding warrants to subscribe for equity shares in the Company.

### **Resolution 18 – Notice of general meetings**

Changes made to the 2006 Act by the implementation of the Companies (Shareholders' Rights) Regulations 2009 ("Shareholders' Rights Regulations") increased the notice period required for general meetings of the Company to 21 clear days, unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice). Prior to the Shareholders' Rights Regulations coming into force, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, this resolution seeks to renew the necessary shareholder approval to enable the Company to call general meetings on 14 clear days' notice. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed to renew this authority. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Regulations before it can call a general meeting on less than 21 clear days' notice. The Company already provides the ability for shareholders to vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk).

### **Resolution 19 – Articles of Association**

It is proposed in this resolution to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles") primarily to reflect recent developments in market practice. The principal changes introduced in the New Articles are summarised in Appendix A of this document. Other changes, which are of a minor, technical, procedural or clarifying nature have not been noted in Appendix A to this document beginning on page 11. The New Articles showing all the changes to the Current Articles are available for inspection, as described in Note 8 of this Notice.

### **Resolutions 20 and 21 – Renewal of US Employee Stock Purchase Plan (the "US ESPP") and Global Employee Share Purchase Plan (the "GAESPP") and adoption of the Spirent UK Sharesave Plan 2021 (the "Sharesave Plan")**

As an important element of its remuneration strategy, the Board believes that all employees should be offered the opportunity to own shares in the Company. The Company currently operates Employee Share Purchase Plans under three separate plans, one in the UK, one in the US (the US ESPP) and a global plan (the GAESPP) which is currently operated in Canada, France, Germany and Hong Kong.

The US ESPP and GAESPP were last approved by shareholders at the 2011 AGM for a period of ten years and are therefore due to expire at the 2021 AGM. The Company considers it important for all its employees to have the opportunity to acquire Spirent shares and therefore is seeking approval to continue to operate the US ESPP and GAESPP. Key changes to the US ESPP are to clarify that both tax-qualified and non-qualified offerings may be made under the plan, to expressly allow for the permissible eligibility exclusions, to disallow non-payroll contributions, to provide for the return of excess credit after the lapse of an award, and to require employment on the purchase date. The changes to the GAESPP are largely administrative but changes have also been made to the provisions on cash settlement of awards, setting the price of Spirent shares under awards, the manner of exercise, re-joining the plan after withdrawing from a deduction period, and the return of excess credit to a participant after lapse of an award. A summary of the rules of the US ESPP and GAESPP is set out in Appendix B of this document.

The Sharesave Plan is a UK all employee tax advantaged plan under which employees may be invited to apply for options to acquire Ordinary Shares in the capital of the Company. The number of Ordinary Shares over which an option is granted is determined by the amount which the employee commits to save under a savings contract. The Company considers it important to enhance its all employee incentive programme and is therefore seeking approval to adopt the Sharesave Plan. A summary of the rules of the Sharesave Plan is set out in Appendix B of this document.

The Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The Directors will be voting their own beneficial shareholdings in favour of all the proposed resolutions and the Board unanimously recommends that you do so as well.

Yours sincerely

**Sir Bill Thomas**  
Chairman

# Notice of Meeting

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Notice is hereby given that the Annual General Meeting (the "AGM") of Spirent Communications plc (the "Company") will be held at 10.30am on Wednesday 28 April 2021 at the Company's registered office at Origin One, 108 High Street, Crawley, West Sussex RH10 1BD for the transaction of the following business:

Resolutions 1 to 15 and 20 to 21 will be proposed as Ordinary Resolutions. Resolutions 16 to 19 will be proposed as Special Resolutions.

## Resolutions

### 1. Annual Report

To receive the Company's accounts together with the Report of the Directors and the Auditor's report on those accounts for the financial year ended 31 December 2020.

### 2. Report on Directors' remuneration

To approve the Report on Directors' remuneration as set out on pages 82 to 106 of the Company's Annual Report for the financial year ended 31 December 2020.

### 3. Directors' Remuneration Policy

To approve the Directors' Remuneration Policy as set out on pages 98 to 106 of the Company's Annual Report for the financial year ended 31 December 2020.

### 4. Final dividend

To declare a final dividend of 3.87 cents per Ordinary Share for the financial year ended 31 December 2020.

### 5. Special dividend

To declare a special dividend of 7.50 cents per Ordinary Share for the financial year ended 31 December 2020.

### Re-election of Directors

6. To re-elect Paula Bell as a Director of the Company.
7. To re-elect Gary Bullard as a Director of the Company.
8. To re-elect Wendy Koh as a Director of the Company.
9. To re-elect Edgar Masri as a Director of the Company.
10. To re-elect Jonathan Silver as a Director of the Company.
11. To re-elect Sir Bill Thomas as a Director of the Company.
12. To re-elect Eric Updyke as a Director of the Company.

### 13. Appointment of auditor

To appoint Deloitte as the auditor of the Company until the conclusion of the next general meeting at which accounts are laid before the Company.

### 14. Remuneration of auditor

To authorise the Directors to determine the remuneration of the auditor.

### 15. Authority to allot securities

To authorise the Directors generally and unconditionally pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal amount of £6,797,132, such authority to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of the next Annual General Meeting of the Company or on 30 June 2022, whichever is the earlier, but so that the Company may, before such expiry, make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

# Notice of Meeting continued

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## Resolutions continued

### 16. Disapplication of pre-emption rights

Subject to the passing of resolution 15 above, to authorise the Directors to allot equity securities (as defined in Section 560(1) of the 2006 Act) wholly for cash pursuant to the authority given by resolution 15 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the 2006 Act, in each case:

- a. in connection with a pre-emptive offer; and
- b. otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £1,019,570,

as if Section 561(1) of the 2006 Act did not apply to any such allotment, such authority to expire at the end of the next Annual General Meeting of the Company or at the close of business on 30 June 2022, whichever is the earlier, but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

For the purposes of this resolution:

- I. "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders (other than the Company) on the register on a record date fixed by the Directors of Ordinary Shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- II. references to an allotment of equity securities shall include a sale of treasury shares; and
- III. the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

### 17. Authority for Spirent Communications plc to purchase its own Ordinary Shares

To authorise the Company generally and unconditionally for the purposes of Section 701 of the 2006 Act to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of its own Ordinary Shares of 3 & 1/3 pence each on such terms and in such manner as the Directors may from time to time determine subject to the following conditions:

- a. the maximum number of Ordinary Shares authorised to be purchased may not be more than 61,113,015 Ordinary Shares;
- b. the minimum price (exclusive of expenses) which the Company may pay for each Ordinary Share is 3 & 1/3 pence, being the nominal value of each Ordinary Share;
- c. the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall be the higher of:
  - i. an amount equal to 105 per cent of the average of the closing price of the Company's Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; or
  - ii. an amount equal to the higher of the price of the last independent trade of a share and the highest current independent bid for a share as stipulated by Commission Delegated Regulation (EU) 2016/1052, the regulatory technical standards adopted pursuant to article 5(6) of the Market Abuse Regulation as it forms part of retained EU law;
- d. unless previously renewed, varied or revoked the authority shall expire at the end of the next Annual General Meeting of the Company or 30 June 2022, whichever is the earlier; and
- e. a contract to purchase shares under this authority may be made prior to the expiry of this authority, and executed in whole or in part after the expiry of this authority.

### 18. Notice period for general meetings

To resolve that a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice.

### 19. Articles of Association

To resolve that the Articles of Association produced to the meeting and initialled by the Chair of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

## **20. Renewal of US Employee Stock Purchase Plan ("US ESPP") and Global Employee Share Purchase Plan ("GAESPP")**

To: (1) approve the renewal of the rules of the US ESPP, the principal features of which are summarised in Appendix B of this Notice of Meeting, and copies of which will be produced in draft to the Annual General Meeting and initialled by the Chairman for the purposes of identification; (2) authorise the Directors to do all things necessary to operate the US ESPP and GAESPP, including making such modifications as the Directors consider appropriate to take account of local regulatory requirements and best practice and to adopt the US ESPP and GAESPP as so modified; and (3) authorise the Directors to establish such further plans for the benefit of employees overseas based on the US ESPP and GAESPP, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation, provided that any Ordinary Shares of the Company made available under such further plans are treated as counting against any limits on individual participation or overall participation in the US ESPP and/or GAESPP (as applicable).

## **21. Adoption of Sharesave Plan**

To: (1) approve the rules of the Sharesave Plan, the principal features of which are summarised in Appendix B of this Notice of Meeting, and a copy of which will be produced in draft to the Annual General Meeting and initialled by the Chair of the meeting for the purposes of identification; (2) authorise the Directors to do all things necessary to operate the Sharesave Plan, including making such modifications as the Directors consider necessary to register and self-certify the Sharesave Plan with HMRC and/or to take account of local regulatory requirements and best practice and to adopt the Sharesave Plan as so modified; and (3) authorise the Directors to establish such further plans for the benefit of employees outside of the UK based on the Sharesave Plan, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation, provided that any Ordinary Shares of the Company made available under such further plans are treated as counting against any limits on individual participation or overall participation in the Sharesave Plan.

By Order of the Board

**Angus Iveson**  
**Company Secretary**  
24 March 2021

Spirent Communications plc  
Registered Office:  
Origin One, 108 High Street  
Crawley, West Sussex RH10 1BD  
United Kingdom

Registered in England and Wales

Company No: 470893

# Notes

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## 1. Recommendation from the Board

The Directors believe that all the proposals to be considered at the 2021 AGM are in the best interests of the Company and its shareholders as a whole. They recommend that you vote in favour of the proposed resolutions. The Directors will be voting their own beneficial shareholdings in favour of all of the proposed resolutions.

## 2. Entitlement to attend, speak and vote

Entitlement to attend, speak and vote at the 2021 AGM, and the number of votes which may be cast at the 2021 AGM, will be determined by reference to the Company's Register of Members at 6.30pm on Monday 26 April 2021 or, if the meeting is adjourned, not more than 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the Register of Members after such time will be disregarded.

The Board intends that all votes on resolutions at the 2021 AGM will be conducted by way of a poll.

## 3. Appointment of proxy using hard copy form

You can appoint another person as your proxy to come to the meeting, speak and vote for you. However, in the light of the restrictions on in-person attendance, you are urged to appoint the Chair of the 2021 AGM (and not a named individual) as your proxy. If there is a poll, your proxy can vote for you and can also join in the demand for a poll. A proxy does not have to be a shareholder. If you want to appoint a proxy, fill in the Form of Proxy which is enclosed and return it to the Company's Registrars. You may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you wish to appoint multiple proxies for your shareholding please read the guidance detailed on the Form of Proxy enclosed. The Form of Proxy must be received by Equiniti Ltd, our registrars, by 10.30am on Monday 26 April 2021.

## 4. Electronic appointment of proxy

You may, if you wish, register the appointment of a proxy or proxies, or voting instructions for the meeting electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your Form of Proxy. Full details of the procedures are given on the websites. If you have already registered with the Company Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. The proxy appointment and/or voting instructions must be received by Equiniti Ltd by 10.30am on Monday 26 April 2021. Please note that any electronic communication sent to the Company or Equiniti that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the 2021 AGM is governed by Equiniti Ltd's conditions of use set out on the website, [www.sharevote.co.uk](http://www.sharevote.co.uk), and may be read by logging on to that site.

## 5. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the 2021 AGM to be held on Wednesday 28 April 2021 and any adjournment(s) thereof by following the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). 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 or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") 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 to 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 Equiniti (ID RA19) by the latest time(s) for receipt of proxy appointments specified in this Notice. 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 Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST 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.

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.



## **6. Changing a proxy instruction**

The Company's registrars must receive your proxy instructions by 10.30am on Monday 26 April 2021. You may change your proxy instruction provided that the Company's registrars receive your amended proxy instruction by the deadline for receipt of proxies. In light of the restrictions on in-person attendance, you are urged to appoint the Chair of the 2021 AGM (and not a named individual) as your proxy.

## **7. Nominated persons**

A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with Section 146 of the 2006 Act (a "Nominated Person") does not have a right to appoint a proxy. Nominated Persons may have a right under an agreement with the shareholder by whom they were nominated to be appointed (or to have someone else appointed) as a proxy for the AGM. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights.

## **8. Documents on display**

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ up to and including the date of the 2021 AGM and at the 2021 AGM from 15 minutes before the 2021 AGM until it ends:

- I. copies of the Executive Directors' services contracts;
- II. copies of the Non-executive Directors' letters of appointment
- III. a version of the Articles of Association showing the changes proposed by Resolution 19; and
- IV. copies of the rules of the GAESPP, US ESPP and Sharesave Plan proposed in Resolutions 20 and 21.

Due to current travel restrictions, soft copies of these documents will also be available to shareholders on email by request to [plc@spirent.com](mailto:plc@spirent.com).

## **9. Communication**

Shareholders are advised that unless otherwise stated, the telephone numbers, website and email addresses which may be set out in this Notice or the Form of Proxy are not to be used for the purpose of communication with or serving information or documents on the Company (including the service of documents or information relating to proceedings at the Company's 2021 AGM).

## **10. Issued shares and Total Voting Rights**

As at 11 March 2020, being the latest practicable date before the publication of this Notice, the issued Ordinary Share capital of the Company consisted of 611,741,888 Ordinary Shares carrying one vote each on a poll. Therefore, the total number of voting rights in the Company at that date was 611,741,888.

## **11. Corporate representatives**

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

## Notes continued

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### 12. Publication of audit concerns

Under Section 527 of the 2006 Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- I. the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the 2021 AGM; or
- II. any circumstance connected with an auditor of the Company ceasing to hold office since the previous Annual General Meeting at which annual accounts and reports were laid in accordance with Section 437 of the 2006 Act.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the 2021 AGM includes any statement that the Company has been required under Section 527 of the 2006 Act to publish on a website.

### 13. Questions at the 2021 AGM

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- a. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
- b. the answer has already been given on a website in the form of an answer to a question; or
- c. it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Due to the restrictions on in-person attendance, shareholders will have the opportunity to submit written questions in advance of the 2021 AGM. Questions should be submitted at [plc@spirent.com](mailto:plc@spirent.com) by 8.30am on Wednesday 28 April 2021. The Board will endeavour to answer any questions submitted by this time at the 2021 AGM. In the event that there is insufficient time at the meeting to answer all questions submitted, written responses to the unanswered questions will be posted on the Company's website after the conclusion of the 2021 AGM along with a written summary of the answers given at the 2021 AGM. Similar questions may be grouped together for the purposes of providing a response. Shareholders will also have the ability to ask questions of the Board at the 2021 AGM through the webcast facility; full details of how to access the webcast will be published on the AGM page of the Company's website at <https://corporate.spirent.com/shareholder-information/agm> and announced via a Regulatory Information Service on Monday 26 April 2021.

### 14. Website giving information regarding the 2021 AGM

A copy of this Notice and other information required by Section 311A of the 2006 Act can be found at <https://corporate.spirent.com>.

# Appendices

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## Appendix A

### Summary of Principal Changes to the Company's Articles of Association

Under Resolution 19, the Company is proposing to adopt new articles of association (the "New Articles") to replace the current articles of association (the "Current Articles"). Set out below is a summary of the principal changes proposed to be made in the New Articles as compared to the Current Articles. Article references below are to the New Articles. The New Articles also include other minor, technical, procedural or clarificatory amendments which have not been detailed below. Generally, the amendments proposed in the New Articles are to reflect recent developments in market practice and to bring clarity to the language in the Current Articles.

#### **1 Untraced members (Article 42)**

The Company is proposing to simplify the procedure for contacting untraced members and selling the shares of such untraced members. Under both the Current Articles and New Articles, a member or person entitled to shares is considered untraced following a 12-year period where no communication has been received by the Company from such member or person, no cheque or warrant sent by the Company has been cashed and at least three dividend payments have become payable and not been claimed. Under the Current Articles, the Company is required to place an advertisement in newspapers before considering a member to be untraced. The New Articles remove such requirement, and in accordance with current market practice, the New Articles require notice be sent to the last known physical address or email address for the member, or person entitled to shares, and use reasonable efforts to trace the member or person entitled to shares. If no response is received within three months of this notice, the Company is entitled to sell the shares. The Company may also sell any additional shares that were issued by the Company during the 12-year period that belong to the untraced member.

The New Articles provide for the proceeds of the sale and any associated unclaimed or uncashed dividends or other payments to belong to the Company. The net proceeds of the sale of shares belonging to untraced members may be used or invested for the Company's benefit in any manner that the Directors may from time to time think fit. The requirement for the Company to enter the relevant holder in the books of the Company as a creditor has been removed.

#### **2 Postponement or cancellation of general meetings (Article 45)**

The Company is proposing to include a new article in the New Articles that gives the Directors the ability to postpone, or move, a general meeting. Without express authority in the Articles of Association, the Directors do not have the power to postpone a general meeting once notice has been given. The proposed amendment provides the Directors with flexibility to postpone, or move, a general meeting prior to the date on which the meeting is to be held except where such postponement or move would be contrary to applicable company law.

If the Directors exercise their discretion, notice of the postponed meeting does not need to be given again and any proxy appointments made for such meeting will remain valid if otherwise in accordance with the New Articles and received by the Company not less than 48 hours before the commencement of the postponed or moved meeting to which the appointment relates. This amendment is intended to provide flexibility to the Directors in certain circumstances, for example, where the business to be considered at a general meeting is no longer relevant or required or whether unforeseen or extraordinary circumstances mean that the Directors consider that it will be impractical, undesirable or unreasonable, to hold a general meeting at the place, time or on the date stated in the notice of meeting. The Directors currently intend for this power to be used only in certain exceptional circumstances.

#### **3 Combined physical and electronic general meetings (Articles 55, 56 and 60)**

The New Articles give the Company greater flexibility to hold general meetings by allowing combined physical and electronic general meetings (also known as "hybrid" meetings). These hybrid meetings would enable members to attend and participate in the business of the meeting by attending a physical location or by means of an electronic facility or facilities if the Directors decide to hold a combined physical and electronic general meeting. The Board believes that hybrid meetings will facilitate shareholder engagement at future general meetings.

The New Articles set out the procedures and processes for attendance at, and participation in, combined physical and electronic general meetings. This includes how attendance is determined and allowing Directors to make arrangements to enable attendees to exercise their rights to speak or vote. The Directors are also authorised to impose necessary and proportionate requirements to identify participants joining a hybrid meeting virtually. All resolutions put to a hybrid general meeting shall be voted on by a poll. The New Articles provide that persons participating via an electronic platform shall be responsible for ensuring they have the facilities to access the meeting. Unless a meeting is adjourned by the chair of the meeting, the inability of a person to attend or participate via an electronic platform will not affect the validity of, or business conducted at, a general meeting.

The New Articles are not intended to permit the Company to hold general meetings wholly by electronic means. The New Articles include consequential changes to enable such combined physical and electronic general meetings. It is not the current intention of the Board to routinely hold combined physical and electronic general meetings. These amendments are being made to provide the Directors with the flexibility should they need to make alternative arrangements for participation in meetings (including where physical participation may be prevented or restricted including, for instance, as a result of government restrictions on travel and public gatherings).

## Appendices continued

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### **4 Satellite meeting places (Article 57)**

In line with market practice, the New Articles permit the Company to hold general meetings at two or more physical locations. For these purposes, there shall be a principal meeting place and a satellite meeting place(s). This amendment provides greater flexibility in the way that general meetings may be held. Shareholders may attend the general meeting at either the principal or a satellite meeting place and be counted in the quorum and exercise all rights attaching to their shares as though they were present at the principal meeting place. The chair of the general meeting may adjourn the meeting if there is a failure of communication equipment or other failure in the arrangements for participation in the meeting at one of the meeting places. A chair of the satellite meeting place shall be appointed to preside over the satellite meeting place.

### **5 Directors' fees (Article 76)**

The Company is proposing to increase the maximum fees payable to the Directors from £500,000 per annum in aggregate to £1,000,000 per annum in aggregate. This increase is intended to account for the natural increase in fees over time as well as the possible expansion of the Board in the future.

### **6 Retirement of Directors at Annual General Meeting (Article 82(C))**

Prior to 2019, the UK Corporate Governance Code provided that non-executive directors of premium listed companies should be re-elected annually after nine years in office. This requirement is reflected in Article 74.2 of the Current Articles. As of financial years beginning in 2019, this requirement is no longer included in the UK Corporate Governance Code. Accordingly, the New Articles delete Article 74.2 of the Current Articles.

Consistent with the Current Articles, under the New Articles all Directors are obliged to retire at the Annual General Meeting held in the third calendar year following the year in which he or she was elected or re-elected. In addition, the New Articles authorise the Directors to resolve that a Director should retire at an earlier Annual General Meeting of the Company.

None of the changes proposed in the New Articles affect the Company's intentions to comply with Provision 18 of the UK Corporate Governance Code which states that the directors of FTSE 350 companies should be subject to annual re-election by the shareholders.

### **7 Election or appointment of additional Director (Article 85(C))**

The New Articles provide that no person shall be elected as a Director unless such person is (i) recommended by the Board or (ii) the Company has received confirmation in writing of that person's willingness to be elected as a Director no later than seven days before the General Meeting at which they are to be elected. This article prevents a Director from being elected to the Board at short notice before a general meeting before the shareholders may have had the opportunity to adequately consider the proposed appointment.

### **8 Borrowing restrictions (Article 101(E)(g))**

Following a recent change to International Financial Reporting Standard 16 (IFRS 16 Leases) which provided that from January 2019 leases must be accounted for as a liability on the lessee's balance sheet, the New Articles clarify that for the purposes of determining the Group's borrowing restrictions, such leases are excluded from the calculation of "borrowings". The proposed amendment to exclude lease liabilities from borrowings will ensure that the ratio of borrowings to adjusted capital and reserves is not artificially adversely impacted as a result of an accounting change.

### **9 Unclaimed dividends (Articles 121 and 122)**

In line with market practice, the New Articles provide clarity on what constitutes an unclaimed dividend and the treatment by the Company of such unclaimed dividends. Shareholders can claim their unclaimed dividends at any time up to the expiry of a 12-year period. Any dividend which has remained unclaimed after the 12-year period is forfeited and belongs to the Company. In parallel with the amendment to provisions regarding untraced members, the New Articles also provide that if the Company sells shares of an untraced member, any dividend relating to these shares that has not been cashed or claimed shall revert to the Company when such shares are sold. The proposed amendments in the New Articles entitle the Company to use such unclaimed dividends for the Company's benefit or in any manner that the Directors may from time to time think fit. The Company shall not be liable to account to the relevant member or any person entitled to such unclaimed dividends by virtue of transmission on death or bankruptcy or otherwise by operation of law.

The New Articles also clarify that a dividend is to be treated as unclaimed if the payee does not specify an address, bank account or other details necessary in order to make a payment of a dividend or other sum payable, or if payment cannot be made by the Company using the details provided.

## **10 Capitalisation of profits and reserves (Articles 128 and 130)**

Under the Current Articles, capitalised sums are applied for the benefit of all shareholders in proportion to their shareholding. The Company proposes to amend the Articles to permit the shareholders by Ordinary Resolution to apply capitalised sums in a different manner. For instance, shareholders may decide by Ordinary Resolution to apply capitalised sums for the benefit of those who would have been entitled to such sums if they had been distributed by way of dividend.

The New Articles also include a new provision in Article 130, which permits capitalised sums to be applied in respect of treasury shares. In such a case, the Company is treated as the entitled member and any Ordinary Shares held by the Company as treasury shares shall be included in determining the proportions in which the capitalised sum is set aside. The proposed Article 130 may be disapplied in respect of a particular capitalisation by Ordinary Resolution.

The New Articles showing all the changes as compared to the Current Articles will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at the registered office of the Company and at the offices of Linklaters LLP, One Silk Street London EC2Y 8HQ from the date of this Notice up to and including the date of the AGM and at the 2021 AGM from 15 minutes before the 2021 AGM until it ends and on email by request to [plc@spirent.com](mailto:plc@spirent.com).

## **Appendix B**

### **Key Terms of the US ESPP, GAESPP and UK Sharesave Plan**

The key terms of the Spirent Communications plc US Employee Stock Purchase Plan (the "US ESPP") and the Spirent Communications plc Global All Employee Share Purchase Plan (the "GAESPP"), amended as proposed are summarised in Section 1 of this Appendix, and those of the Spirent UK Sharesave Plan 2021 (the "Sharesave Plan") are summarised in Section 2. Some common terms which apply to all plans (the "Plans") are summarised in Section 3.

#### **1 The US ESPP and GAESPP**

The US ESPP and GAESPP provide participants with the opportunity to purchase Ordinary Shares in the capital of the Company at a discount.

Under the US ESPP and GAESPP, employees elect to have a fixed amount deducted from their monthly salary and at the end of the deduction period (currently intended to be one year), such amounts are used to exercise the employee's purchase rights and buy Ordinary Shares in the capital of the Company at a discount (unless the employee opts out in which case the amounts contributed are returned to them). The US ESPP has been designed to allow for offerings that conform with the provisions of Section 423 of the United States Internal Revenue Code 1986 ("Section 423") to enable participants to acquire shares in a tax efficient manner subject to certain conditions.

##### **1.1 Eligibility**

All employees of participating companies (including employees who are also full-time executive Directors of participating companies) are eligible to participate in the US ESPP and GAESPP subject to such criteria as set by the Directors.

##### **1.2 Administration**

The US ESPP and GAESPP will be administered by the Board of Directors or a duly authorised person or group of persons.

##### **1.3 Grant of purchase rights and price**

The price at which shares can be acquired on the exercise of a purchase right may be set at a discount of up to 15 per cent of the market value of a share on the purchase date or, where the Directors so decide, at a discount of up to 15 per cent of the market value of a share either at the date of grant of the purchase right or on the purchase date, whichever is the lower. Where shares are to be subscribed, the price must not be lower than the nominal value.

##### **1.4 Payroll deductions and exercise**

When joining the US ESPP and GAESPP, participants must elect an amount between US\$10 for the US ESPP, or 1 per cent of their base pay for the GAESPP, and 15 per cent of their base pay which will be deducted from salary each month. The individual maximum limit will be set by the Board of Directors prior to each invitation period. GAESPP participants can also make a lump sum contribution in certain circumstances and subject to a certain limit.

##### **1.5 Cash settlement**

For the GAESPP, instead of issuing or transferring shares on the exercise of a purchase right, the Directors may determine that a participant will be paid a cash amount equal to the difference between the market value at the purchase date, and the price of the shares which would otherwise have been issued or transferred, and receive a refund of the payroll deductions and any lump sum contributions made by the participant during the deduction period.

# Appendices continued

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## 1.6 Leaving employment

For the US ESPP, purchase rights lapse if the participant leaves employment before exercise and any payroll deductions are refunded to the participant within 45 days of termination of employment.

For the GAESPP, purchase rights normally lapse if the participant leaves employment before exercise. However, if a participant leaves employment for reasons such as ill health, retirement, or redundancy, a purchase right will be deemed to be exercised unless the participant provides written notice within ten business days of leaving employment for repayment of the deductions held in their account. In the case of death, personal representatives can give notice either to request repayment of deductions, or to exercise the purchase right within one year of death. Purchase rights can only be exercised using the deductions held in the participant's account at the time of exercise and will be cash settled at the Directors' discretion. Where a purchase right lapses, the balance of any payroll deductions and lump sum contributions will be refunded to the participant as soon as reasonably practicable.

## 1.7 Takeovers, reconstruction and winding-up

For the GAESPP, if a participant leaves employment for reasons such as a takeover, reconstruction or winding-up of the Company, a purchase right will be deemed to be exercised unless the participant provides written notice within ten business days of leaving employment for repayment of the deductions held in their account. Purchase rights can only be exercised using the deductions held in the participant's account at the time of exercise and will be cash settled at the Directors' discretion.

## 1.8 Withdrawal

A participant can withdraw from the plan in relation to one or more deduction periods by written notice. If so, the participant shall not be eligible to participate in the plan in relation to the relevant deduction period(s) for three months after withdrawal (in the case of the GAESPP) and until the next date on which participation is offered (in the case of the US ESPP). The balance of any relevant payroll deductions and lump sum contributions will be refunded to the participant following receipt by the Company of the participant's notice of withdrawal.

## 2 The Sharesave Plan

The Sharesave Plan is an all-employee savings-related share option scheme intended to qualify for favourable UK tax treatment.

### 2.1 Eligibility

When the Sharesave Plan is operated, substantially all UK employees of each participating subsidiary must be invited to participate (subject to any qualifying period of service) on broadly the same terms. Other employees can also be invited.

### 2.2 Savings contract

Eligible employees who wish to participate enter into a savings contract for three or five years. Under this, they agree to save a monthly amount from salary for the term of the contract. This is limited to £500 per month or such other sum as may be allowed by legislation.

### 2.3 Grant of options

At the start of the contract, participants are granted an option which can only be exercised using the proceeds of the savings contract. The number of shares subject to the option is the number which can be bought, at the exercise price, with the expected proceeds of the savings contract, including any interest or bonus.

The exercise price of the option is set by the Directors but must not be less than 80 per cent of the market value of a share on the date of grant (or such earlier date as may be agreed with HMRC).

### 2.4 Exercise of options

Options are normally exercisable within six months after the maturity of the savings contract.

### 2.5 Leaving employment

Options normally lapse if the participant leaves before exercise but an option can be exercised for six months after leaving for reasons such as ill health, retirement or redundancy, or if the participant leaves employment more than three years after the date of grant for any reason. In the case of death, options can be exercised within one year of the date of death (if death occurred before the relevant bonus date), or the bonus date (if death occurred on or within six months after the relevant bonus date). Options can only be exercised using the proceeds of the savings contract to the date of exercise, and any bonus or interest on them.

### 2.6 Takeovers, mergers, winding-up and other reorganisations

Options can generally be exercised early on a takeover, scheme of arrangement, merger, voluntary winding-up or other reorganisation, using only the proceeds of the savings contract to the date of exercise, and any bonus or interest on them. Alternatively, participants may be allowed to exchange their options for options over shares in a company determined by the acquiring company and which satisfy certain conditions set out in UK tax legislation.

### **3 General terms applicable to all plans**

#### **3.1 Issue of invitations**

Invitations to join the Plans may normally only be issued within 42 days following the announcement of the Company's results for any period or an annual general meeting.

#### **3.2 Plan limits**

The Plans are subject to limits on the number of shares which may be issued or issuable under them. The overall limit is that, in any ten-year period, not more than 10 per cent of the issued Ordinary Share capital of the Company may be issued or issuable under the Plans and any other employee share scheme operated by the Company.

For the purpose of this limit, treasury shares will be treated as newly issued until such time as guidelines published by institutional investor representative bodies determine otherwise.

Section 423 requires that a numerical limit is included for the purposes of a US employee stock purchase plan. Consequently, the US ESPP provides that no more than 100,000,000 shares may be issued under that plan.

#### **3.3 Scaling down**

If valid applications are received for a total number of shares in excess of any maximum number specified in the invitation or any Plan limit, the Directors will scale down applications.

#### **3.4 Restrictions on grant**

A grant of an option or purchase right to a person who is not eligible on the date of grant is void. Options and purchase rights may only be granted under the relevant Plan between the date of approval by shareholders and the tenth anniversary of that date. A grant of an option or purchase right in excess of the Plan limits will take effect as a grant which would not exceed those limits.

#### **3.5 Changes to the Plans**

The Directors can amend the Plans in any way. However, subject to the following, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility; individual and plan limits; exercise price and purchase price; rights attaching to options, purchase rights and shares; adjustments on variation in the Company's share capital; and the amendment power. The Directors can, without shareholder approval: change the Plans to obtain or maintain favourable tax treatment; make certain minor amendments, e.g. to benefit the administration of the Plans; and establish further plans based on the Plans, but modified to take account of overseas securities laws, exchange controls or tax legislation (but shares made available under such further plans will be treated as counting against any limits on participation in the main plan).

#### **3.6 General**

Options and purchase rights may be satisfied using newly issued Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

Any shares issued pursuant to options or purchase rights will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a record date preceding the date of allotment.

The option price, purchase price and/or number of shares subject to options or purchase rights may be adjusted following a rights issue or other variation in the share capital of the Company subject to certain conditions.

The vesting and exercise of options and purchase rights and the issue or transfer of shares are subject to obtaining any necessary approvals or consents from any local regulator, the Company's share dealing policy and any other applicable laws or regulations.

Options and purchase rights are not pensionable or transferable (other than in the case of death where they can be transferred to the participant's personal representatives).

#### **3.7 Termination**

The Directors may terminate the Plans at any time. If this is not done, the Plans will terminate on the tenth anniversary of their approval by shareholders, but options and purchase rights granted before such termination will continue to be valid and exercisable as described in the applicable Plan rules.

