

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

If you are in any doubt as to the action you should take, you should consult an appropriate independent financial adviser. If you have sold or otherwise transferred all your Ordinary Shares in Premier Oil plc, you should forward this document and the accompanying form of proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

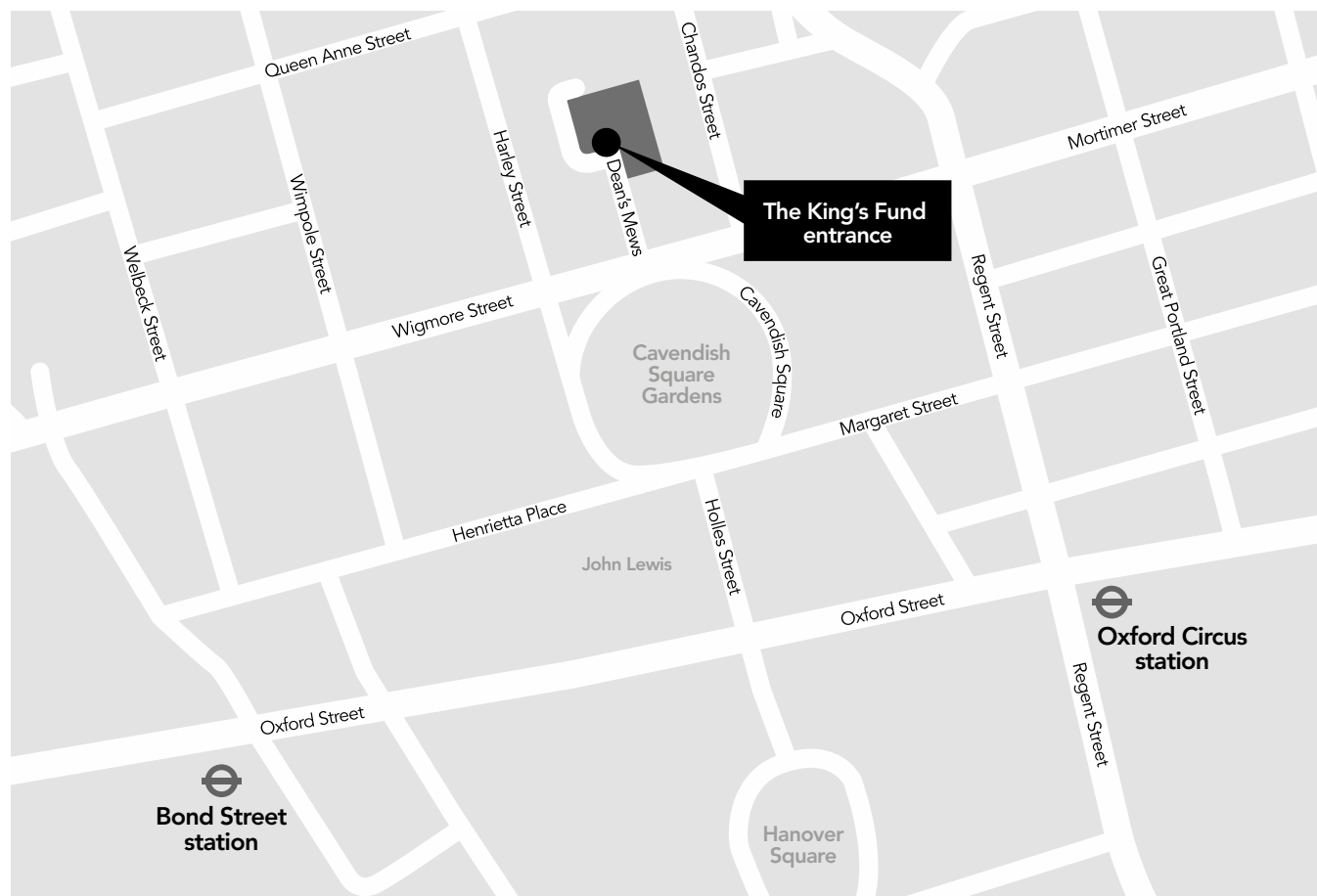
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# **Premier Oil plc**

## **Letter from the Chairman and Notice of Annual General Meeting**

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## Location



### Date

17 May 2017

### Address

No.11  
Cavendish Square  
London  
W1G 0AN

**Please use The King's Fund entrance in Dean's Mews,  
off Cavendish Square.**

### Directions

The nearest underground station is Oxford Circus (Bakerloo, Central and Victoria lines), please use exit 4 (corner near H&M store).

### Bus Routes

3, 6, 7, 8, 10, 12, 13, 15, 23, 25, 55, 73, 88, 94, 98, 113, 137, 139, 159, 176, 189, 390, 453, C2.

### Parking

Cavendish Square car park, Harley Street car park (enter from Chandos Street).

### Contact for queries

Daniel Rose  
Telephone: 020 7730 1111

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7 April 2017

Dear Shareholder,

I am pleased to attach the Notice of the Annual General Meeting of Premier Oil plc (the 'Company') to be held at No.11 Cavendish Square, London, W1G 0AN at 11.00am on Wednesday 17 May 2017 (the 'Meeting'). A form of proxy for use at the Meeting is also enclosed. If you would like to vote on the resolutions but cannot attend the Meeting, please fill in the form of proxy and return it to the Company's Registrar at Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible. To be effective, forms of proxy must be lodged by 11.00am on Monday 15 May 2017. You may also submit your proxy electronically via the internet. Instructions on how to do this can be found on the form of proxy.

At this year's Meeting there are 19 resolutions which shareholders are asked to approve. Resolutions 1 to 15 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 to 19 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution. An explanation of each of these resolutions is given below. Voting on all resolutions will be by way of a poll. We believe that a poll is the most transparent method of voting as shareholder votes are counted according to the number of Ordinary Shares held and this will ensure an exact and definitive result.

## **Ordinary Resolutions**

### **Resolution 1: 2016 Annual Report and Financial Statements**

The Companies Act 2006 requires the Directors of a public company to lay before the Company in general meeting the annual report and accounts of the Company for each financial year. The Directors ask that shareholders receive the Company's Annual Report and Financial Statements for the year ended 31 December 2016, including the reports of the Directors and the Auditor.

### **Resolution 2: Directors' Remuneration Policy**

The Directors' Remuneration Policy (the 'Policy') is set out on pages 96 to 105 of the 2016 Annual Report and Financial Statements. The Companies Act 2006 provides that companies must put their Remuneration Policy to a shareholder vote at least every three years. The Company's Remuneration Policy was last approved by shareholders at the 2014 Annual General Meeting, and therefore, a new Remuneration Policy is being submitted to shareholders for approval by way of a binding shareholder vote, under Resolution 2. The Remuneration Committee believes that the Policy addresses changes to the macro-economic environment, and the specific circumstances of the Company, to better align the remuneration of Executive Directors and senior managers with the interests of shareholders. If approved, the Policy will be effective from the conclusion of the Meeting and the Company will not be able to change the Policy or make any remuneration payments to current or prospective directors or payments for loss of office to current or former directors which are inconsistent with the approved Policy, without the prior approval of shareholders at a general meeting. If the Policy is not approved at the Meeting, the Company will, to the extent permitted by the Companies Act 2006, continue to make payments to directors in accordance with the Remuneration Policy approved in 2014, a copy of which can be found on the Company's website [www.premier-oil.com](http://www.premier-oil.com), and will seek shareholder approval for a revised Remuneration Policy to be effective from the date of approval by shareholders.

### **Resolution 3: Annual Report on Remuneration**

The Annual Report on Remuneration, which includes a statement by Jane Hinkley, Chairman of the Remuneration Committee, is set out on pages 92 to 95 and pages 106 to 121 of the 2016 Annual Report and Financial Statements. The Annual Report on Remuneration sets out payments made during 2016 and explains how the Policy will be implemented in 2017. The vote on the Annual Report on Remuneration, under Resolution 3, is advisory only and any entitlement of a Director to remuneration is not made conditional on the Resolution being passed.

### **Resolutions 4 to 10: Re-election of Directors**

Biographical details of all Directors standing for re-election are set out on pages 5 and 7 of this document. David Lindsell and Joe Darby will not be standing for re-election and will be stepping down from the Board at the conclusion of the Meeting. The Board considers that all Non-Executive Directors standing for re-election are independent in character and judgement. In addition, and following individual performance evaluations conducted during the year, the Board considers that each Director standing for re-election continues to make an effective and valuable contribution and demonstrates commitment to the role. Accordingly, the Board unanimously recommends the re-election of each of the Directors listed in Resolutions 4 to 10.

### **Resolutions 11 and 12: Appointment and remuneration of the Auditor**

Following a competitive tender process, on the recommendation of the Audit and Risk Committee, the Board is recommending to shareholders the appointment of Ernst & Young LLP as the Company's new auditor. More information in respect of the audit tender can be found in the Audit and Risk Committee report on pages 84 to 89 of the Company's 2016 Annual Report and Financial Statements.

In accordance with the Companies Act 2006, Deloitte LLP have provided a Statement of Circumstances in connection with their resignation from office, which is set out in Appendix 1.

Resolution 12 authorises the Board of Directors, in accordance with standard practice, to agree the remuneration of the Auditor. The Board has delegated this responsibility to the Audit and Risk Committee.

### **Resolution 13: Political donations**

The Company's policy is not to make political donations or to incur political expenditure; however, the definitions of these terms under the Companies Act 2006 are very wide. For example, bodies such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be included in these definitions. The Company therefore wishes to ensure that neither it nor its subsidiaries inadvertently contravene the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations or political expenditure being incurred. The Board is therefore seeking authority, under sections 366 and 367 of the Companies Act 2006, to fund donations or incur expenditure up to an aggregate limit of £50,000 per annum as set out in the Resolution. Any political donation made or political expenditure incurred which is in excess of £2,000 will be disclosed in the Company's Annual Report and Financial Statements for 2017, as required by the Companies Act 2006.

### **Resolution 14: General authority to allot shares**

Resolution 14 seeks authority for the Board to allot, or grant rights to subscribe for or convert securities into, a limited number of shares in the Company. Section 551 of the Companies Act 2006 requires such authority to be granted by the Company in a general meeting so that any allotment of shares or grant of rights to subscribe for or convert securities into shares is not exercised at the sole discretion of the Directors. The Resolution specifies the maximum nominal amount of shares which can be allotted or rights granted.

Guidance published by the Investment Association in 2014 states that its members will regard as routine an authority to allot up to two-thirds of existing issued share capital, provided that any amount in excess of one-third of existing issued shares be applied to fully pre-emptive rights issues only. The Board considers it appropriate to follow this guidance.

Part a) of this Resolution therefore authorises the Directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into shares up to an aggregate nominal amount equal to £21,284,319 (representing 170,274,552 Ordinary Shares of 12.5 pence each). This amount represents approximately one-third of the issued Ordinary share capital (excluding treasury shares) of the Company.

Part b) of this Resolution authorises the Directors to allot Ordinary Shares or grant rights to subscribe for or convert securities into shares in connection with a rights issue in favour of Ordinary shareholders up to an aggregate nominal amount equal to £42,568,638, less the nominal amount of any shares issued under part a) of the Resolution. This amount represents approximately two-thirds of the issued Ordinary share capital (excluding treasury shares) of the Company.

The figure used for the nominal amount of issued Ordinary share capital of the Company is based on the Ordinary share capital in issue as at 7 April 2017. As at 7 April 2017, no Ordinary Shares are held by the Company in treasury. Except in connection with existing arrangements to issue Ordinary Shares (to satisfy options and awards under the Company's option and incentive schemes and one-off incentive arrangements), the Directors have no present intention to exercise either of the authorities sought under this Resolution but would like the flexibility to do so in appropriate circumstances.

These authorities shall last until the conclusion of the Annual General Meeting of the Company to be held in 2018 or on 16 August 2018, whichever is the sooner.

### **Resolution 15: Authority to establish the Premier Oil 2017 Long Term Incentive Plan**

The Company has operated the existing Long Term Incentive Plan (the '2009 LTIP') since it was approved by shareholders in May 2009. Following a detailed review of remuneration policy by the Company's Remuneration Committee, it is proposed to introduce the Premier Oil 2017 Long Term Incentive Plan (the '2017 LTIP'), a new share-based incentive arrangement, which will replace the 2009 LTIP. The principal features of the 2017 LTIP are summarised in Appendix 2 to this Notice and further details can be found in the Directors' Remuneration Report which forms part of the 2016 Annual Report and Financial Statements, copies of which are available at [www.premier-oil.com](http://www.premier-oil.com). Shareholder approval is now being sought to establish the 2017 LTIP, a copy of which will be available for inspection:

- a) at the offices of Premier Oil plc, 23 Lower Belgrave Street, London SW1W 0NR from the date of this Notice until the close of the Meeting; and
- b) at the place of the Meeting for at least 15 minutes before and until the close of the Meeting.

### **Special Resolutions**

#### **Resolutions 16 and 17: General disapplication of pre-emption rights and specific disapplication of pre-emption rights in connection with an acquisition or specified capital investment**

If a company proposes to allot Ordinary Shares or other 'equity securities' (including by way of sale of any shares which the Company has purchased and has elected to hold as treasury shares) wholly for cash, it has a statutory obligation (subject to certain exemptions) to offer those shares to holders of similar shares in proportion to their existing holdings. Resolutions 16 and 17 seek to disapply this statutory right of first refusal to a limited extent to give the Directors the power to allot Ordinary Shares (or sell any Ordinary Shares which the Company holds in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings. The powers under Resolutions 16 and 17 shall last until the conclusion of the Annual General Meeting of the Company to be held in 2018 or at the close of business on 16 August 2018, whichever is the sooner.

Part a) of Resolution 16 provides the Directors with flexibility to deal with practical issues such as fractional entitlements and securities law restrictions in overseas jurisdictions when making an offer that is otherwise pre-emptive, and would apply to any allotment of shares under Resolution 14. Part b) of Resolution 16 contains a broader general disapplication of pre-emption rights up to an aggregate nominal amount of £3,192,647 (representing 25,541,176 Ordinary Shares). This aggregate nominal amount represents approximately 5 per cent of the issued Ordinary share capital of the Company (excluding treasury shares) as at 7 April 2017.

In accordance with the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period, the Directors also confirm their intention that no more than 7.5 per cent of the issued Ordinary share capital (excluding treasury shares) will be issued for cash on a non-pre-emptive basis, pursuant to sub-paragraph b) of Resolution 16 and equivalent authorities in other years during any rolling three-year period, without prior consultation with shareholders.

Resolution 17 is intended to give the Company flexibility to make non-pre-emptive issues of Ordinary Shares in connection with acquisitions and other capital investments as contemplated by the Pre-Emption Group's Statement of Principles. The power under Resolution 17 is in addition to the power set out in Resolution 16 and would be limited to allotments or sales of up to an aggregate nominal amount of £3,192,647 (representing 25,541,176 Ordinary Shares). This aggregate nominal amount represents an additional 5 per cent of the issued Ordinary share capital of the Company (excluding treasury shares) as at 7 April 2017.

#### **Resolution 18: Purchase of own shares**

Resolution 18 seeks authority for the Company to make market purchases of its own Ordinary Shares, which would otherwise be prohibited by the Companies Act 2006. The Directors continue to believe that the Board should retain the flexibility to be able to buy back the Company's shares when it is in the best interests of shareholders to do so and will result in an increase in earnings per share; therefore Resolution 18 proposes a renewal of the existing authority.

The Resolution specifies the maximum number of shares that can be acquired (approximately 15 per cent of the issued Ordinary share capital (excluding treasury shares) of the Company) and the minimum and maximum prices at which they may be bought. Any shares purchased under the authority granted by the Resolution will either be cancelled or may be held as treasury shares (see further below).

The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is an amount equal to the nominal value of an Ordinary Share. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the higher of: (i) an amount equal to 5 per cent above the average of the closing middle-market quotations of an Ordinary Share for the five business days immediately preceding the date of the purchase; and (ii) the price of the last independent trade and the highest current independent purchase bid on the trading venues where the purchase is carried out.

Under the buyback programme undertaken in 2014, shares were repurchased and cancelled. However, there may be times in the future when the Board will consider it appropriate to hold any repurchased shares in treasury, provided that the number does not at any time exceed 10 per cent of the Company's issued Ordinary share capital. This would give the Company the ability to re-issue treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base.

As at 7 April 2017, the full exercise of all options and satisfaction of awards outstanding under the Company's employee share plans, where the Company's current intention is to use new issue shares, would require the issue of approximately 12,466,459 Ordinary Shares representing approximately 2.44 per cent of the issued Ordinary share capital of the Company (excluding any shares held as treasury shares) on the same date. If the Company were to purchase the maximum number of Ordinary Shares permitted by the Resolution and by the existing authority given at last year's Annual General Meeting, the options and all awards outstanding would represent approximately 3.49 per cent of the Company's issued Ordinary share capital (excluding any shares held as treasury shares) as at 7 April 2017. The authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or at the close of business on 16 August 2018, whichever is the sooner.

#### **Resolution 19: Notice period for general meetings other than the Annual General Meeting**

Under the Companies (Shareholders' Rights) Regulations 2009, the notice period for general meetings increased to not less than 21 clear days unless shareholders approve a shorter period, which cannot be less than 14 clear days. Resolution 19 therefore seeks to renew the authority granted at the last Annual General Meeting allowing the Company to call general meetings (other than an Annual General Meeting) on 14 clear days' notice provided that a means of electronic voting is made available to all shareholders for that meeting. 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 shareholders as a whole. Annual General Meetings of the Company will continue to be held on at least 21 clear days' notice. The approval will be effective until the conclusion of the Company's Annual General Meeting to be held in 2018, when it is intended that a similar resolution will be proposed.

The Directors consider that all proposals to be considered at the Meeting are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own shareholdings.

Yours sincerely



**Mike Welton**  
Chairman

## Directors seeking re-election



**Mike Welton**  
Chairman

**Board tenure**  
7 years 5 months

**Current external roles**

- Advisor to Montrose Associates

**Past roles**

- Chief Executive of Balfour Beatty plc
- Chairman of Southern Water Services Limited, Hanson plc, and the UK Government's Railway Sector Advisory Group
- Director of Morrison Utility Services

**Skills and experience**

Following a long and distinguished career in both the public and private sectors, Mike has significant experience in leading company boards and ensuring effective oversight of executive performance and delivery of strategy.

**Committee membership**

- Nomination (Chair)

**Independent**

On appointment



**Tony Durrant**  
Chief Executive Officer

**Board tenure**  
11 years 9 months

**Current external roles**

- Non-Executive Director and Chairman of the Audit & Risk and Remuneration Committees of Greenergy Fuels
- Member of the Advisory Committee of Flowstream Commodities

**Past roles**

- Managing Director and Head of the European Natural Resources Group at Lehman Brothers

**Skills and experience**

Tony has been involved in numerous financing transactions and mergers and acquisitions in the upstream sector and, since joining Premier in 2005 has been instrumental in transforming Premier's portfolio from producing 35,000 boepd to one that is currently producing circa 80,000 boepd.

**Committee membership**

- Nomination

**Independent**

Not applicable



**Richard Rose**  
Finance Director

**Board tenure**  
2 years 7 months

**Current external roles**

Not applicable

**Past roles**

- Chartered accountant with Ernst & Young LLP
- Partner in Equity Research at Oriel Securities
- Managing Director at RBC Capital Markets
- Strategy and Head of Corporate Communications at Ophir Energy

**Skills and experience**

Richard brings a wealth of knowledge and experience to Premier, including his time as an advisor to the Company in his previous corporate brokering roles. He has extensive knowledge of debt and equity markets which has been invaluable for Premier during the ongoing refinancing process.

**Committee membership**

Not applicable

**Independent**

Not applicable

## Directors seeking re-election continued



**Robin Allan**  
Director, North Sea and Exploration

**Board tenure**  
13 years 4 months

### Current external roles

- Chairman of The Association of British Independent Oil Exploration Companies ('BRINDEX')
- Board Member of Oil & Gas UK

### Past roles

- Within Premier, Robin has previously served in a variety of roles including: Director: Asia, Director of Business Development and Country Manager in Indonesia
- Robin joined Premier in 1986 from Burmah Oil

### Skills and experience

Robin has 30 years of experience in senior positions at Premier and has a deep understanding of the Company's operations having worked both in South East Asia and the UK. He now plays a leading role within the UK oil industry, representing North Sea operators through his additional roles as Chairman of BRINDEX and as a Board member of Oil & Gas UK.

### Committee membership

Not applicable

### Independent

Not applicable



**Anne Marie Cannon**  
Non-Executive Director

**Board tenure**  
3 years 2 months

### Current external roles

- Deputy Chair of Aker BP ASA
- Non-Executive Director of Aker ASA
- Non-Executive Director of STV plc

### Past roles

- Various roles at J Henry Schroder Wagg, Shell UK E&P and Thomson North Sea
- Executive Director at Hardy Oil and Gas and British Borneo
- Senior advisor to the natural resources group at Morgan Stanley

### Skills and experience

Anne Marie has over 30 years of experience in the oil and gas sector through senior roles within both investment banking and quoted companies. Having spent much of her career in the energy teams at Morgan Stanley and J Henry Schroder Wagg, Anne Marie has significant experience advising on mergers and acquisitions within the upstream sector.

### Committee membership

- Audit and Risk
- Nomination

### Independent

Yes



**Jane Hinkley**  
Non-Executive Director

**Board tenure**  
6 years 7 months

**Current external roles**

- Non-Executive Director of Vesuvius plc
- Chairman of Teekay GP LLC

**Past roles**

- CFO and subsequently Managing Director of Gotaas-Larsen Shipping Corporation
- Managing Director at Navion Shipping AS
- Non-Executive Director of Revus Energy ASA

**Skills and experience**

As a qualified accountant, Jane has a strong knowledge of finance and significant listed company experience within the oil and gas and shipping industries. In addition, Jane is an experienced remuneration committee chairman having served in such roles for the past six years within public companies.

**Committee membership**

- Remuneration (Chair)
- Nomination

**Independent**

Yes



**Iain Macdonald**  
Non-Executive Director

**Board tenure**  
11 months

**Current external roles**

- Non-Executive Director and Chairman of the Audit Committee at SUEK JSC
- Non-Executive Director of Skills for Health Ltd

**Past roles**

- Various roles at BP in engineering, licensing, business management and finance including three years as Deputy Group CFO for BP plc
- Served as a Non-Executive Director of TNK-BP Ltd from 2009 to 2011

**Skills and experience**

With his extensive experience in senior financial and operational roles at BP, Iain is well placed to take over Chairmanship of the Audit and Risk Committee in May 2017 following a year-long transition period.

**Committee membership**

- Audit and Risk
- Nomination

**Independent**

Yes

## Notice of Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of Premier Oil plc (the 'Company') will be held at No.11 Cavendish Square, London, W1G 0AN at 11.00am on Wednesday 17 May 2017, to consider the resolutions set out below.

### Ordinary Resolutions

1. THAT the Company's Annual Report and Financial Statements for the year ended 31 December 2016, together with the reports of the Directors and the Auditor, be received.
2. THAT the Directors' Remuneration Policy set out on pages 96 to 105 of the 2016 Annual Report and Financial Statements be approved, such policy to be effective from the conclusion of the Annual General Meeting.
3. THAT the Annual Report on Remuneration set out on pages 92 to 95 and pages 106 to 121 of the 2016 Annual Report and Financial Statements be approved.
4. THAT Robin Allan be re-elected as a Director of the Company.
5. THAT Anne Marie Cannon be re-elected as a Director of the Company.
6. THAT Tony Durrant be re-elected as a Director of the Company.
7. THAT Jane Hinkley be re-elected as a Director of the Company.
8. THAT Iain Macdonald be re-elected as a Director of the Company.
9. THAT Richard Rose be re-elected as a Director of the Company.
10. THAT Mike Welton be re-elected as a Director of the Company.
11. THAT Ernst & Young LLP be appointed as Auditor of the Company until the conclusion of the next general meeting before which accounts are laid.
12. THAT the Audit and Risk Committee be authorised to determine the remuneration of the Auditor on behalf of the Board.
13. THAT the Company, and those companies which are subsidiaries of the Company at any time during the period for which this Resolution has effect, be authorised in accordance with Sections 366 and 367 of the Companies Act 2006 (the 'Act') to:
  - a) make political donations to political parties and/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 Sections 363 to 365 of the Act) during the period beginning with the date of the passing of this Resolution and ending at the conclusion of the Annual General Meeting of the Company to be held in 2018, provided that, in any event, the aggregate amount of political donations and political expenditure made or incurred under this authority shall not exceed £50,000.
14. THAT the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company pursuant to, and in accordance with, Section 551 of the Act, 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 a nominal amount of £21,284,319 (such amount to be reduced by the nominal amount allotted or granted under part b) below in excess of such sum); and
  - b) comprising equity securities (as defined in Section 560(1) of the Act) up to a nominal amount of £42,568,638 (such amount to be reduced by any allotments or grants made under part a) above) in connection with an offer by way of a rights issue:
    - (i) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or, if the Directors otherwise consider it necessary, as permitted by the rights of those securities,and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, provided that these authorities shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or at the close of business on 16 August 2018, whichever is the sooner, save that the Company may before such expiry make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authorities conferred hereby had not expired.
15. THAT the rules of the Premier Oil 2017 Long Term Incentive Plan ('2017 LTIP') in the form produced to the meeting and signed for identification purposes by the Chairman of the Meeting, the principal terms of which are set out in Appendix 2 to this Notice, be and are hereby approved, and that the Directors be and are hereby authorised to:
  - a) adopt the 2017 LTIP and do all such acts and things as they may, in their absolute discretion, consider necessary or expedient to give effect to the 2017 LTIP; and
  - b) establish further schemes based on the 2017 LTIP but modified to take account of local, tax, exchange control and securities law in overseas territories, provided that any shares of the Company made available under such further schemes are treated as counting against the limits on individual and overall participation in the 2017 LTIP.

## Special Resolutions

16. THAT if Resolution 14 is passed, the Directors be given powers pursuant to Section 571 of the Act, to allot equity securities (within the meaning of Section 560(1) of the Act) for cash under the authority conferred by Resolution 14 and/or sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale provided that this power shall be limited:

- a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of an authority granted under part b) of Resolution 14, by way of a rights issue only):
  - (i) to Ordinary shareholders (excluding any shareholder holding shares as treasury shares) in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares; and
  - (ii) to holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any such arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- b) in the case of the authority granted under part a) of Resolution 14 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than pursuant to sub-paragraph a) above) of equity securities or sale of treasury shares up to a nominal amount of £3,192,647,

such power shall apply until the conclusion of the Annual General Meeting of the Company to be held in 2018 or at the close of business on 16 August 2018, whichever is the sooner, save that, in each case, the Company may during this period make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power ends and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

17. THAT if Resolution 14 is passed, the Directors be given the power in addition to any power granted under Resolution 16 to allot equity securities (within the meaning of Section 560(1) of the Act) for cash under the authority conferred by Resolution 14 and/or sell Ordinary Shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be:

- a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,192,647; and
- b) used only for the purposes of financing (or refinancing, if the power is to be used within six months after 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 notice,

such power shall apply until the conclusion of the Annual General Meeting of the Company to be held in 2018 or at the close of business on 16 August 2018, whichever is the sooner, save that, in each case, the Company may during this period make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the power ends and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

18. THAT the Company be authorised, generally and unconditionally in accordance with Section 701 of the Act to make market purchases (as defined in Section 693(4) of the Act) of its Ordinary Shares, such power to be limited:

- a) to a maximum number of Ordinary Shares with an aggregate nominal value of up to £9,577,943;
- b) by the condition that the Company does not pay less (exclusive of expenses) for each Ordinary Share than the nominal value of such share and the maximum price which may be paid for an Ordinary Share (exclusive of expenses) is the higher of:
  - (i) 5 per cent over the average of the closing middle-market quotations of an Ordinary Share for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, based on share prices published in the Daily Official List of the London Stock Exchange; and
  - (ii) the price of the last independent trade and the highest current independent purchase bid at the time on the trading venue where the purchase is carried out,

such authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, or at the close of business on 16 August 2018, whichever is the sooner, provided that if the Company has agreed before such expiry to purchase Ordinary Shares where these purchases will or may be executed (either wholly or in part) after the authority terminates the Company may complete such a purchase as if the authority conferred hereby had not expired.

19. THAT a general meeting of the Company (not being an Annual General Meeting) may be called on notice of not less than 14 clear days, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018.

By order of the Board

**Andy Gibb**

Interim Company Secretary

Premier Oil plc

7 April 2017

## Notes to the Notice of the Meeting

### Attending the Meeting and asking questions

To be entitled to attend and vote at the Annual General Meeting (the 'Meeting') (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on Monday 15 May 2017 (or, in the event of any adjournment, close of business on the date which is two days before the time of the adjourned Meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

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 involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

### Appointing a proxy

Shareholders are entitled to attend, speak and vote at the Meeting and may appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

The Articles provide that:

- (i) if a member appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent right to exercise votes on behalf of the member in a general meeting over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the relevant general meeting; and
- (ii) if a member submits more than one valid proxy appointment in respect of the same share, the appointment received last (regardless of its date or the date on which it is signed) before the latest time for the receipt of proxies will take precedence. If it is not possible to determine the order of receipt, none of the forms will be treated as valid.

A proxy need not be a member of the Company. A vote withheld is not a vote in law, which means that the vote will not be counted in the proportion of votes "for" and "against" a Resolution. Where a proxy has been appointed by a member, if such member does not give any instructions in relation to that Resolution that member should note that their proxy will have authority to vote on the Resolution as he/she thinks fit.

Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the proxy form. In the case of a member which is a company, the form of proxy should either be sealed by that company or signed by someone authorised to sign it.

A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300 if calling from within the United Kingdom (calls cost 12p per minute plus your phone company's access charge) or +44 (0)371 664 0300 if calling from outside the United Kingdom (calls outside the United Kingdom will be charged at the applicable international rate). Lines are open between 9.00am and 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

To be valid, forms of proxy must be lodged by one of the following methods by 11.00am on Monday 15 May 2017:

- in hard copy form by post to the Company's Registrar at Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4TU; or
- in the case of CREST members or CREST Personal Members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below; or
- by submitting your proxy appointment electronically via the internet. Instructions on how to do this can be found on the form of proxy.

The return of a completed form of proxy or any CREST Proxy Instruction (as described below) will not prevent a shareholder attending the Meeting and voting in person if he/she wishes to do so.

### CREST members

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual (available via [www.euroclear.com/en/about/our-rules.html](http://www.euroclear.com/en/about/our-rules.html)). 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 specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Asset Services (ID: RA10) by 11.00am on Monday 15 May 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that their 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 system 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 an instruction as invalid in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **Nominated persons and information rights**

Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting.

If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

However, the statement of the rights of shareholders in relation to the appointment of proxies described above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by shareholders of the Company.

#### **Joint holders and corporate representatives**

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).

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.

#### **Members' power to require website publication of audit concerns**

Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, 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 Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

#### **Share capital**

As at 7 April 2017 (being the date of this notice) the Company's issued Ordinary share capital consisted of 510,823,666 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 7 April 2017 were 510,823,666.

#### **Queries and access to information**

Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted): calling Capita Asset Services' shareholder helpline on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge) or from outside the United Kingdom, please call +44 (0)371 664 0300 (calls outside the United Kingdom will be charged at the applicable international rate). Lines are open 9.00am to 5.30pm Monday to Friday, excluding public holidays in England and Wales. You may not use any electronic address provided either (a) in this Notice of Annual General Meeting, or (b) in any related documents (including the Chairman's letter and form of proxy) to communicate with the Company for any purposes other than those expressly stated.

The terms and conditions of appointment and letters of appointment of Non-Executive Directors and all the Directors' service contracts will be available for inspection at the Meeting for 15 minutes prior to the Meeting and during the Meeting.

If you would like to request a copy of this notice in an alternative format such as in large print or audio, please contact the Company's Registrar, Capita Asset Services on 0871 664 0300.

A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found at [www.premier-oil.com](http://www.premier-oil.com).

# Deloitte.

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

Phone: +44 (0)20 7936 3000  
Fax: +44 (0)20 7583 1198  
[www.deloitte.co.uk](http://www.deloitte.co.uk)

Direct phone: +44 20 7007 0879  
[djpaterson@deloitte.co.uk](mailto:djpaterson@deloitte.co.uk)

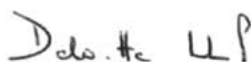
The Directors  
Premier Oil plc – registration number 234781 Scotland  
4<sup>th</sup> floor  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

7 April 2017

Dear Sirs

This notice confirms that we will not be seeking re-appointment as auditors of the above company at the conclusion of our current term of office.

Yours faithfully



Deloitte LLP

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see [www.deloitte.co.uk/about](http://www.deloitte.co.uk/about) for a detailed description of the legal structure of DTTL and its member firms.

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**Statement of reasons relating to the intention of Deloitte LLP not to seek re-appointment as auditors to Premier Oil plc at the conclusion of our term of office**

- The Company undertook a competitive tender process for the position of statutory auditors and the Company decided not to re-appoint Deloitte LLP.

Unless the company applies to the court, this statement of reasons is required to be brought to the attention of members or creditors of the company and must be sent by the company within 14 days to every person entitled under Section 423 of the Companies Act 2006 to be sent copies of the company's accounts. This is a requirement of Section 520(2) of that Act.

Deloitte LLP – Audit registration C009201919

**7 April 2017**

## Appendix 2

### SUMMARY OF THE PRINCIPAL TERMS OF THE PREMIER OIL 2017 LONG TERM INCENTIVE PLAN (THE '2017 LTIP')

#### 1 Overview

In December 2015 the Company adopted the Premier Value Share Plan to allow the grant of "Deferred Bonus Awards" to the executive directors of the Company and other members of the executive committee and senior management team, and "Value Share Awards" below board and executive committee level. All such awards were only capable of being satisfied with existing ordinary shares. It is now proposed to amend that plan to create the 2017 LTIP and to seek approval for the grant of Performance Share Awards and Restricted Share Awards to executive directors of the Company and other members of the executive committee and senior management team. It is also proposed that flexibility be introduced to allow all awards granted under the 2017 LTIP to be satisfied either by the issue of new ordinary shares or by the transfer of existing ordinary shares held in treasury. For completeness, a full summary of the principal terms of the 2017 LTIP following the proposed amendments is set out below.

#### 2 Administration

The 2017 LTIP will be administered by the remuneration committee of the board of directors of the Company (the 'Committee') which consists entirely of independent non-executive directors.

#### 3 Eligibility

Employees (including executive directors) of the Company or of any of its subsidiaries will be eligible to participate in the 2017 LTIP.

#### 4 Nature of the 2017 LTIP and form of awards

##### Overview

The 2017 LTIP is an "umbrella" arrangement which, to give the Committee maximum flexibility, allows various types of award to be granted.

##### Annual grants – long-term incentives

It is intended that the 2017 LTIP will be used annually to grant:

- "Performance Share Awards" and "Restricted Share Awards" to the executive directors of the Company and other members of the executive committee and senior management team; and
- "Value Share Awards" to other employees.

Performance Share Awards must be granted subject to performance targets.

Restricted Share Awards must be granted subject to a performance underpin.

Value Share Awards may be subject to performance targets in part if the Committee sees fit.

Value Share Awards cannot be granted to executive directors of the Company nor can any other employee receive a Performance Share Award and/or a Restricted Share Award in the same financial year of the Company as being granted a Value Share Award.

##### Annual grants – deferred bonuses

It is also intended that the 2017 LTIP continue to be used to grant Deferred Bonus Awards to the executive directors of the Company and other members of the executive committee and senior management team.

Deferred Bonus Awards will not be subject to any further performance targets.

##### Form of awards

Awards may be granted in the form of:-

- nil (or nominal) cost options to acquire ordinary shares; or
- contingent rights to receive ordinary shares; or
- cash-based awards.

##### Other awards

The 2017 LTIP also gives the Committee the ability to grant "Conditional Share Awards", which may be granted in the same form as described above but which may or may not be subject to performance targets.

It is currently intended that Conditional Share Awards will only be granted in response to specific business requirements.

There are no current plans to grant any Conditional Share Awards.

## 5 Individual limits

The 2017 LTIP contains individual limits which provide that the market value of ordinary shares that may be awarded to any one participant in any financial year of the Company cannot:

- in the case of Performance Share Awards, exceed 175 per cent of annual base salary;
- in the case of Restricted Share Awards, exceed 40 per cent of annual base salary;
- in the case of Value Share Awards, exceed 100 per cent of annual base salary; and
- in the case of Conditional Share Awards, exceed such figure as the Committee sees fit (although Conditional Share Awards cannot be granted to executive directors of the Company other than in accordance with the terms of the Company's shareholder-approved directors' remuneration policy).

In the case of Deferred Bonus Awards, such awards shall be granted over ordinary shares with a market value equal to that part of the relevant annual bonus in excess of 50 per cent of the relevant individual's salary. The Committee may, if it sees fit, determine that Deferred Bonus Awards be granted on a different basis but Deferred Bonus Awards cannot be granted to executive directors of the Company other than in accordance with the terms of the Company's shareholder-approved directors' remuneration policy.

## 6 Source of ordinary shares and dilution limits

Awards may be satisfied by newly issued ordinary shares, ordinary shares purchased in the market by an employees' trust or by the transfer of ordinary shares held in treasury.

The number of new ordinary shares issued or remaining capable of being issued pursuant to awards under the 2017 LTIP and all of the Company's other employee share schemes in any period of 10 years will not exceed 10 per cent of the ordinary share capital of the Company in issue from time to time.

The number of new ordinary shares issued or remaining capable of being issued pursuant to awards granted to executive directors of the Company under the 2017 LTIP and the Company's other discretionary share schemes in any period of 10 years will not exceed 5 per cent of the ordinary share capital of the Company in issue from time to time.

If awards are to be satisfied by a transfer of existing ordinary shares, the percentage limits stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limits will apply to awards satisfied by the transfer of ordinary shares held in treasury.

## 7 Grant of awards

Awards may be granted during the six weeks immediately following the AGM. Thereafter, awards may only be granted:

- during the period of six weeks beginning with the dealing day following the announcement of the Company's results for any period;
- within 28 days of a person first joining the Company's group; or
- subject to any relevant restrictions on dealings in ordinary shares, on any other day which the Committee determines that exceptional circumstances exist.

No awards may be made more than ten years after the AGM. No payment will be required for the grant of an award.

## 8 Performance targets

### Performance Share Awards

Performance Share Awards will always be subject to performance targets.

It is intended that the first set of Performance Share Awards will be subject to performance targets relating to the Company's relative total shareholder return ('TSR') performance against a comparator group of international oil and gas sector peers as follows:

|                         |                        |
|-------------------------|------------------------|
| Aker BP                 | Ithaca Energy          |
| Beach Energy            | Lundin Petroleum       |
| Cairn Energy            | Ophir Energy           |
| DNO ASA                 | Origin Energy          |
| Energi Mega Persada     | Oryx Petroleum         |
| EnQuest                 | Rockhopper Exploration |
| Maurel et Prom          | Santos                 |
| Faroe Petroleum         | SOCO International     |
| Genel Energy            | Tullow Oil             |
| Gulf Keystone Petroleum |                        |

The performance target will require the Company's TSR to be at least at the median of the companies comprising the comparator group. If it is, 25 per cent of an award will vest with full vesting occurring if the Company's TSR is in the top quartile of the comparator group with straight line vesting between these two points.

## **Value Share Awards**

Value Share Awards comprise two elements:

- “Base Award” – an award that vests subject to continued employment; and
- “Multiplier Award” – an award that it is currently intended will vest subject to the satisfaction of the same TSR performance target as described above in respect of Performance Share Awards. Multiplier Awards may, however, be subject to other performance targets.

Alternatively, the Committee may grant the Base Award element but no Multiplier Award.

To date, when granting Value Share Awards the Committee has only granted the Base Award element.

## **Restricted Share Awards**

Restricted Share Awards will always be subject to a performance underpin. The performance underpin will be based on the Company's capital structure and balance sheet strength and Committee assessment of overall Company performance.

It is intended that the first set of Restricted Share Awards will be subject to a performance underpin specifically related to two metrics to assure balance sheet strength – the reduction in the absolute level of net debt and the reduction of the ratio of net debt to EBITDA as agreed with the Company's lenders over the performance period.

## **Discretion to reduce vesting levels**

The Committee has the discretion to reduce the number of ordinary shares that vest to ensure that the vesting outcome is appropriate in light of the underlying business performance of the Company's group.

## **Amendments**

The Committee may amend a performance target/underpin if it sees fit. The Committee may, however, only amend a performance target/underpin imposed on an award held by a current or former executive director of the Company if it considers that the existing target/underpin should be amended to ensure that the revised target/underpin will then be a fairer measure of performance and will afford a more effective incentive to the awardholder, provided that the amended performance target/underpin shall not be materially more or less demanding to satisfy than the original performance target/underpin was when first set.

## **9 Vesting of awards**

### **Performance Share Awards**

Performance Share Awards will normally vest on the third anniversary of grant, subject to the satisfaction of the performance targets.

### **Restricted Share Awards**

It is currently intended that Restricted Share Awards will normally vest in three equal tranches on each of the third, fourth and fifth anniversaries of grant, subject to the satisfaction of the performance underpin.

### **Post-Vesting Holding Period – Performance Share Awards and Restricted Share Awards**

Performance Share Awards and Restricted Share Awards will both be granted subject to a post-vesting holding period. It is currently intended that the post-vesting holding period will prevent participants from selling any ordinary shares received pursuant to their award (other than those sold to raise funds to discharge the tax liabilities arising on vesting) until the fifth anniversary of grant. It is also currently intended that the post-vesting holding period will apply notwithstanding that the awardholder has ceased employment with the Company's group (although the Committee may terminate the post-vesting holding period early if the cessation occurs due to death, ill-health, injury or disability). In addition, if the awardholder is dismissed for gross misconduct he will forfeit without payment any ordinary shares received pursuant to the 2017 LTIP but which remain subject to the post-vesting holding period.

## **Value Share Awards**

Value Share Awards will normally vest three years after grant subject, in the case of the Multiplier Awards, to the satisfaction of the performance target.

## **Deferred Bonus Awards**

Deferred Bonus Awards will normally vest three years after grant.

## **Conditional Share Awards**

Conditional Share Awards will vest at such time(s) as the Committee may specify on grant, subject to the satisfaction of the performance targets (if any).

## **10 Leaving employment**

If a participant leaves employment with the Company's group his award will lapse unless he is a “good leaver”.

A participant will be a “good leaver” if the reason for leaving is death, injury, ill-health, disability, redundancy, retirement, the sale of the employing business or company, or otherwise at the discretion of the Committee.

If the participant is a good leaver then any Performance Share Awards, Restricted Share Awards or Value Share Awards shall vest on the date on which they would have vested had the cessation not occurred subject to any performance targets/underpins being satisfied and, unless in exceptional circumstances the Committee determines otherwise, taking into account a time pro-rata reduction to reflect the period of time between grant and cessation relative to the length of the vesting period.

The Committee may, alternatively, allow any Performance Share Awards, Restricted Share Awards or Value Share Awards held by good leavers to vest on cessation subject normally to the satisfaction of any performance targets/underpins and taking into account a time pro-rata reduction as described above. The Committee may, however, in exceptional circumstances determine that a time pro-rata reduction shall not apply and/or (other than in the case of awards held by current or former executive directors of the Company), that any performance target/underpin shall be waived.

Deferred Bonus Awards held by good leavers vest in full on cessation.

The default position in respect of Conditional Share Awards held by good leavers is that such awards would normally vest on cessation with Committee discretion to defer vesting until the normal vesting date.

## 11 Malus and Clawback

The 2017 LTIP contains malus and clawback provisions which the Committee may operate until the later of (i) one year after vesting and (ii) the completion of the next audit after vesting if:

- the Company materially misstated its financial results for any reason;
- there has been an error or miscalculation as to the number of ordinary shares received pursuant to an award; or
- the awardholder ceases employment as a result of an act (or acts) of gross misconduct committed during the financial year of the Company prior to vesting; or
- such other exceptional circumstances arise which the Committee consider to justify and/or require the operation of malus and/or clawback.

If the Committee decides to operate the malus and clawback provisions it may then recover all or part of the additional value received by the awardholder by:

- reducing the amount of any future annual bonus; and/or
- reducing the number of ordinary shares under any share award; and/or
- requiring the awardholder to make a payment to the Company.

The Committee may also reduce the number of ordinary shares under an award granted under the 2017 LTIP to give effect to any malus and/or clawback provision contained in any other incentive plan operated by the Company's group.

## 12 Corporate events

In the event of a takeover of the Company awards shall vest early.

With the exception of Deferred Bonus Awards, awards shall vest subject to the satisfaction of any performance targets and, unless the Committee determines otherwise, taking into account a time pro rata reduction to reflect the period of time between grant and takeover relative to the length of the relevant vesting period.

Deferred Bonus Awards vest in full on a takeover.

In the event of a demerger, delisting, special dividend or other event which, in the opinion of the Committee, may affect the current or future value of an award the Committee may allow awards to vest on the basis described above.

Awards will not normally vest on an internal reorganisation.

## 13 Dividend equivalents

An award may be made on terms that the participant will be entitled to receive additional ordinary shares with a value equal to the aggregate dividends in respect of which the ex-dividend date occurred between the award date and the date of vesting on the vested number of ordinary shares as if the participant had been the legal owner of such ordinary shares during that time. The calculation of the number of ordinary shares to be so received may assume the reinvestment of dividends. Alternatively, the Committee may decide to deliver the dividend equivalent in cash.

## 14 Adjustment of awards

If there is any variation of the Company's ordinary share capital, or in the event of a demerger or payment of a special dividend or similar event which would otherwise materially affect the value of an award, the Committee may adjust the number of ordinary shares under award and the exercise price (if any).

## 15 Rights attaching to ordinary shares and transferability

Ordinary shares allotted or transferred under the 2017 LTIP will rank alongside shares of the same class then in issue. The Company will apply to the Financial Conduct Authority for the listing of any newly issued ordinary shares. Awards are not transferable (except on death) and are not pensionable benefits.

## 16 Amendment

The Committee may amend the 2017 LTIP in any respect. However, the provisions governing eligibility, equity dilution, individual participation limits, the basis for determining the rights of participants to acquire ordinary shares or to receive cash and the adjustments that may be made following a variation of capital cannot be altered to the advantage of existing or new participants without the prior approval of shareholders in general meeting. There is an exception for minor amendments to benefit the administration of the 2017 LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the 2017 LTIP or for any member of the Company's group.

This summary does not form part of the rules of the 2017 LTIP and should not be taken as affecting the interpretation of the detailed terms and conditions of the rules of the 2017 LTIP. The Committee reserves the right up to the time of the AGM to make such amendments and additions to the rules of the 2017 LTIP as it sees fit provided that such amendments do not conflict in any material respect with this summary.

