

# CAPITA



**Home Retail Group plc  
Dividend Reinvestment Plan**

**This document is important and requires your immediate attention.**

**If you are in any doubt as to the action you should take, you are recommended to seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from an appropriately authorised or recognised financial adviser, should you be resident elsewhere.**

# Terms and Conditions of the Home Retail Group plc Dividend Reinvestment Plan

## 1. Introduction

The Home Retail Group plc ("**Company**") Dividend Reinvestment Plan (the "**Plan**") gives shareholders the opportunity to use their cash dividend to buy further shares in the Company by becoming participants ("**Participants**") in the Plan. These further shares would be bought in the market on your behalf under a special low-cost dealing arrangement.

The Plan is administered by Capita IRG Trustees Limited, or any successor administrator that may be appointed ("**Plan Administrator**").

Capita IRG Trustees Limited is authorised and regulated by the Financial Services Authority ("**FSA**"), 25 The North Colonnade, Canary Wharf, London E14 5HS.

**This document sets out all the Terms and Conditions of the Plan.** It replaces any previous terms and conditions which you may have received. Enquiries about the Plan, or these Terms and Conditions, should be addressed to Capita IRG Trustees Limited, Home Retail Group plc Dividend Reinvestment Plan, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or by telephone on 0871 664 0437 (or if calling from overseas + (44) 20 8639 3377) or e-mail [homeretailgroup@capitaregistrars.com](mailto:homeretailgroup@capitaregistrars.com). Please note that telephone conversations may be recorded and monitored for quality control purposes and to resolve disputes.

The plan is an entirely voluntary scheme. Should you therefore decide not to become a participant in the plan, there will be no change in how you receive cash dividends declared by the company.

## 2. How the Plan works

If you join the Plan the whole of your cash dividend will be used to purchase as many whole shares as possible on your behalf. The Plan Administrator will instruct the nominated broker to purchase shares under the Plan on or as soon as reasonably practicable after the relevant dividend payment date.

## 3. Who is eligible to participate in the Plan?

You may join the Plan provided that:

- you are not resident in the United States of America (or its territories and possessions) or in Canada, Australia, Japan or South Africa and
- you do not live in any other jurisdiction outside the United Kingdom where your participation in the Plan would require the Company, the Plan Administrator or the broker purchasing the shares, to comply with governmental or regulatory procedures or any similar formalities.

If you are resident outside the United Kingdom you are responsible for ensuring that you may validly join the Plan and for observing all relevant formalities to enable you to buy shares through the Plan. If you are in any doubt as to whether you require any governmental or other consents or need to observe any other formalities to enable you to buy shares through the Plan, you should consult a suitable independent professional adviser.

#### **4. What charges will I pay?**

You will be charged a fee of 0.5% of the purchase price of the shares plus stamp duty reserve tax ("SDRT") at the prevailing rate currently 0.5%. These costs will be automatically deducted from the cash dividend to be re-invested through the Plan. The Plan Administrator may share any commission it receives with third parties and details of this will be given upon request.

#### **5. At what price will the shares be bought and how many shares will I receive?**

This will depend on the price of the Company's shares on the London Stock Exchange when the deal is carried out. You cannot specify a maximum or minimum price. It may be necessary to carry out several transactions to acquire the shares needed for the Plan. The prices at which the shares are purchased may vary in which case these transactions will be aggregated and the shares will be allocated to you at the average purchase price. This may be higher or lower than the price achieved if each purchase had been made separately.

#### **6. When will I get a Statement and Share Certificate?**

It is expected that a statement will be sent to you the Business Day following receipt of the contract note from our broker. This will show how many shares have been purchased for you, the date of purchase, the purchase price and the associated costs together with the carried forward cash balance. The actual cost of the shares (including the purchase commission and stamp duty reserve tax) will form your base cost for United Kingdom capital gains tax purposes.

If you hold your shares in 'certificated' form, you will receive a share certificate. Please note that these documents are posted at your risk.

If you hold your shares through the "CREST" system, shares will be credited to your CREST account and you will receive by post a CREST notification.

## **7. What happens when money is left over after the shares have been bought?**

Any cash dividend remaining which was insufficient to purchase a whole share will be carried forward without interest and added to future dividends for reinvestment under the terms of the Plan. Any cash held on your behalf will be treated as client money, as described in the FSA Rules.

Upon withdrawal from the Plan, any residual cash balance of £3.00 or more will be sent to you by cheque on the payment date of the next dividend.

Any cash balance of £2.99 or less will be donated to a registered charity of the company's choice.

Further information is set out in paragraph 13.

## **8. How do I join in the Plan?**

Just complete and sign the Dividend Reinvestment Plan Application Form ("Application") enclosed with this document (if you have not already given the Company a Dividend Reinvestment Plan Application) and return it to the Plan Administrator at the address stated on the form or, alternatively, apply on-line at [www.homeretailgroup-shares.com](http://www.homeretailgroup-shares.com). Forms may be obtained from the Plan Administrator,

**The Dividend Reinvestment Plan Mandate must reach the Plan Administrator (either by post or on-line no later than 25 days prior to the dividend payment date. Applications to join the Plan received after that date will take effect from the next dividend payment date.**

The Company may, at its discretion, and upon application in writing to the Plan Administrator, permit a registered shareholder to re-invest the cash dividend payment on a lesser number of shares than the full holding where such a shareholder is acting on behalf of two or more beneficial owners. The remaining cash dividend will automatically be paid on the shares which are not included in the Plan. These elections will apply only to one dividend and a fresh mandate must be given for each dividend.

The Plan Administrator reserves the right not to accept an application to join the Plan.

**Once your application to participate in the Plan has been accepted, future dividends will be reinvested under the Plan until such time as you withdraw from the Plan or the Plan is suspended or terminated in accordance with these Terms and Conditions.**

## **CREST procedures**

If you hold your ordinary shares in uncertificated form in CREST and will continue to do so at the record date for the relevant dividend, you may elect to participate in the Plan by means of the CREST procedures to effect such an election. If you are a CREST Personal Member, or other CREST Sponsored member, you should consult your CREST sponsor, who will be able to take the appropriate action on your behalf.

The CREST procedures require you to use the Dividend Election Input Message in accordance with the CREST Manual. The message should be correctly completed in order for a valid election to be made.

The Plan Provider reserves the right to treat as valid an election which is not complete in all respects.

A valid election made by means of a Dividend Election Input Message, will to the extent it relates to shares held in uncertificated form at the record date for the relevant dividend, supersede all previous written elections made in respect of holdings in the same member account.

By inputting a Dividend Election Input Message as described above, you confirm your election to participate in the Plan in accordance with the details input and with the Terms and Conditions of the Plan as amended from time to time, and you appoint Capita IRG Trustees Limited or any successor administrator of the Plan as may be appointed from time to time as your agent to arrange the purchase of ordinary shares in accordance with such Terms and Conditions.

The shares purchased on your behalf pursuant to the Plan will be credited to your relevant CREST member account unless the Plan Provider from time to time determines that such shares shall be issued to you in certificated form.

You may only revoke an election which has been made by Dividend Election Input Message by utilising the CREST procedure for deletions described in the CREST Manual, unless the Plan Provider consents to a revocation in another form. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by or on behalf of the Company prior to the deadline for receipt of withdrawals set out in these Terms and Conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and the Plan Provider sufficient time to accept the deletion.

There is no facility to amend an election which has been made by Dividend Election Input Message; if you wish to change your election details, you must first delete the existing election as described above and then input a Dividend Election Input Message with the required new details.

It is possible to revoke previous written elections made in respect of your uncertificated holding to participate in the Plan (without having to make a new election) by means of the 'Non-CREST Election' and 'Deletion Request Status' fields in the Dividend Election Input Message in accordance with the procedures described in the CREST Manual. The deletion will be valid in relation to the then current dividend only if the deletion is accepted, in accordance with the CREST procedures, by the Plan Provider on behalf of the Company prior to the deadline for receipt of withdrawals set out in these Terms and Conditions. It is recommended that you input any deletion message 24 hours in advance of this deadline to give the Company and Plan Provider sufficient time to accept the deletion.

#### **9. How can I withdraw from the Plan (including cancellation)?**

If you are joining the Plan, you have a statutory right to cancel the Plan within 14 days (the "**Cancellation Period**") after receipt by the Plan Administrator of a satisfactorily completed Mandate Form, by sending the Plan Administrator written notice to the address given above. The notice must state that you want to exercise your statutory cancellation right.

Cancellation will not apply to any transactions already started at the time the notice is received. There is no statutory right to cancel after expiry of the Cancellation Period but you may withdraw from the Plan at any time by sending the Plan Administrator either a letter to that effect to provide notification of your intention to revoke your mandate. In either case, your notification of withdrawal must reach the Plan Administrator no later than 20 Business Days prior to the payment date for a dividend if the Plan is not to apply to that dividend.

If you hold your shares in certificated form and you sell or transfer your entire shareholding before the last date for the receipt of Plan elections for a particular dividend, your Plan mandate will be cancelled. Any fractional cash balance remaining will be dealt with as detailed in the terms of the Plan.

However, if your sale or transfer is registered between the last date for Plan elections and the payment date for a particular dividend, you will receive additional shares under the Plan in respect of that dividend.

If you hold your shares in uncertificated form, and you sell or transfer your entire shareholding, your Plan mandate will be cancelled and any cash balance outstanding will be dealt with as detailed above. However, if your sale or transfer is registered between the record date and payment date for a particular dividend, you will receive additional shares under the Plan in respect of that dividend. Upon receipt by the Companies Registrar of proper notice of the shareholder's death, bankruptcy or mental incapacity (or in the case of a corporate shareholder of such body being placed in liquidation) participation in the Plan will cease.

Where shares are held jointly by 2 or more shareholders, continued participation in the Plan by the survivor(s) may continue following the death of a shareholder at the Company's discretion.

#### **10. What are the tax implications?**

If you are in any doubt as to your taxation position, whether in relation to the receipt of a dividend or arising from your purchase of shares pursuant to the Plan, you should contact an independent professional adviser. **Tax legislation can change from time to time.** Please note that there is the possibility that other taxes or costs may exist that are not paid through the Plan Administrator or imposed by it.

You will be liable to income tax on dividends reinvested under the Plan as if you had received a cash dividend and arranged the purchase of additional shares yourself.

United Kingdom resident shareholders may, depending on their circumstances, be liable to capital gains tax on chargeable gains in respect of gains arising from a sale or other disposal of the shares. Shareholders resident in other jurisdictions should take their own local advice on the tax consequences of buying, holding, and disposing of shares.

#### **11. Important note**

**The value of shares and the income from them can fall as well as rise and you may not recover the amount of money you invest. Past performance should not be seen as indicative of future performance. No information provided in this document should be regarded as a recommendation to buy or hold shares. You should note that the price of shares may change significantly between the time you decide to join the**

**Plan and the date the shares are purchased.** If you are in any doubt as to the action you should take, please seek advice from an independent professional adviser who, if you are taking advice in the United Kingdom, is a stockbroker, bank manager, solicitor, accountant or other financial adviser authorised pursuant to the Financial Services and Markets Act 2000 ("FSMA").

In providing this dividend reinvestment plan to you in relation to the Company's shares, which are traded on a regulated market, the Plan Administrator is not required to assess the suitability of the instrument or the service provided or offered to you and, as a result, you will not benefit from the protection of the FSA rules on assessing suitability. Therefore, we will not assess whether:

- (i) the relevant product or service meets your investment objectives;
- (ii) you would be able financially to bear the risk of any loss that the product or service may cause; or
- (iii) you have the necessary knowledge and experience to understand the risks involved.

The Plan Administrator is also not required to assess the appropriateness for you of the Plan or any transaction connected to the Plan.

## **12. Other terms and conditions of the Plan**

All purchases of shares under the Plan will be made for you on an execution only basis. The Plan Administrator will comply with its regulatory obligation to act in your best interests when placing orders on your behalf for execution. The Plan Administrator will place the order with an authorised broker of its choice. The Plan Administrator uses a number of agents for this service, in particular Winterflood Securities Limited, and will rely on these brokers to take all reasonable steps to obtain, when executing orders, the best possible result, in accordance with the rules of the FSA. The factors normally used to determine the best possible result will be price and the costs related to execution. The Plan Administrator will also check that each agent has in place a policy and procedures designed to obtain the best possible result, subject to and taking into account the nature of your order(s) and the market in question. The Plan Administrator will monitor these agents and review their performance at least once a year.

In accordance with FSA Rules, the Plan Administrator has in place arrangements, which may be updated from time to time, to manage conflicts of interest that arise between itself and its clients or between its clients. The Plan Administrator will deal with potential conflicts of interest

in accordance with its Conflicts of Interests Policy which provides that it will identify and manage conflicts of interest to ensure fair treatment of all clients and ensure that it acts in the client's best interests. If it is not possible to manage or avoid a potential conflict of interest then the Plan Administrator may seek to disclose the general nature and/or sources of conflict to you before undertaking business for you. The Plan Administrator will provide full details of the Conflicts of Interest Policy upon receipt of a written request from you.

All documents sent by post or electronic means are sent at your risk and neither the Company, the Plan Administrator nor the nominated broker will be liable for any accidental failure to receive any document. All communications in relation to the Plan will be in the English language.

The main business of the Plan Administrator is the provision of trustee and ancillary services.

The operation of the Plan is subject always to the discretion of the Company. In the event that the plan cannot be applied to a dividend your cash dividend will be paid to you. The Plan may be amended, suspended or terminated at any time. If the Plan is so amended, suspended or terminated notice will be given to all Participants as soon as is reasonably practicable. In the event of required changes, due to statutory or regulatory changes, amendment may take place without notice. If you decide to participate in the Plan you will be deemed to have agreed that any mandate which you may have given to the Company for the payment of cash dividends directly to your bank or building society account shall be suspended for so long as you remain a Participant in the Plan.

The Plan Administrator may, from time to time, modify or replace these Terms and Conditions (including the charges and fees) and will give you at least 30 days prior notice of any change that could affect your rights against us or liabilities to us. In particular, we may vary these Terms and Conditions for the following reasons:

- to comply with applicable laws and regulations;
- to reflect decisions of the Financial Ombudsman Service;
- to comply with new industry guidance and codes of practice,
- to reflect changes in the Bank of England base rate, other specified market rates or indices or tax rates;
- to rectify errors, inaccuracies or ambiguities; or to take account of any corporate restructuring within the Capita group of companies;

If you have received our written notice and do not agree with the proposed changes, you may terminate our Agreement at any time without charge (see paragraph 9 above). Any change will be deemed to have been accepted by you if you have already instructed us to trade on your behalf after the change has taken effect.

### **13. Client Money**

Any money held for you by the Plan Administrator is classified as Client Money and will be held with money held for other Participants in a client bank account with an approved bank as required by the FSA. The money will not be used by the Plan Administrator in any transactions other than those required by the Participant in accordance with the terms of the Plan.

Client Money will be pooled with that held on behalf of other Participants and will not accrue interest at any time. It should be noted that, whilst the cash balance for each Participant will be recorded separately, should there be a default or failure of any person (other than the Participant) such as but not limited to either the Plan Administrator or a bank which results in a Pooling Event, all client money bank accounts held by the Plan Administrator may be pooled. The funds may then be distributed on a pro rata basis to all participants which could result in each Participant receiving less back than that which is held on their behalf before such an event. Money will cease to be Client Money when it is paid to, or to the order of, the Participant or to the designated Charity. However the Plan Administrator is obliged to continue to treat as Client Money any sums drawn in favour of or to the order of the Participant by cheque or other payable order until this is presented and paid by the Plan Administrator's bank.

Any cash balance of £3.00 or over will be returned to you in any of the following circumstances:

- if you withdraw from the Plan;
- if you sell or transfer your entire shareholding;
- if the Plan Administrator receives proper notice of a Participant's bankruptcy or mental incapacity; or
- if the Plan Administrator receives proper notice of a corporate shareholder who is a Participant being placed in liquidation.

If the Plan Administrator receives proper notice of a sole shareholder's death, any cash balance of £3.00 or over will be returned to the deceased's estate.

Any cash balance of £2.99 or less will be donated to a registered charity of the Company's choice if any of the events described above occur. Any balance due to a Participant which is unclaimed after six years will cease to be treated as Client Money and will be retained by the Plan Administrator subject to it having taken reasonable steps to locate you and to give you at least 28 days' notice of this eventuality. The Plan Administrator undertakes to make good any valid claim which may subsequently be made against any balances retained in this way and reserves the right to request such evidence as it feels necessary to confirm the identity of the person claiming these funds in order to validate any claim prior to settlement in respect of funds so removed from the Client Money account and will not be liable for any losses or claims for interest whatsoever.

#### **14. Client Classification**

Each Participant, for the purposes of the Markets in Financial Instruments Directive (MiFID) and the FSMA will be classified as a Retail Client. These Terms and Conditions and the Application Form will, for the purposes of satisfying the FSMA, be regarded as the Terms of Business and any person so applying to join the Plan agrees to be bound by these.

#### **15. Data Protection**

The Data Protection Act 1998 provides protection to individuals by governing, amongst other things, the way in which personal information is held and used.

Individuals are also afforded rights of access to such information held about them.

The Plan Administrator hereby warrants that it will comply with its notification obligations under the Data Protection (Notification and Notification Fees) Regulations 2000 and that it will protect your personal information in accordance with the principles of the Data Protection Act 1998.

By becoming a Participant in the Plan, you agree that the Plan Administrator may:

- keep personal details which you or others give it, and any information the Plan Administrator knows from running your account on a database, and use such information to carry out the services described in these Terms and Conditions and
- disclose information concerning you to the Company; to CRESTCo Limited (if entitled to such information) which may disclose the information to regulatory, tax or governmental authorities as appropriate; to any

person with legal, administrative or regulatory power over the Plan Administrator in respect of the Plan administration; to any replacement plan administrator; to the broker; or to affiliated companies of the Plan Administrator who are involved in carrying out functions related to the Plan administration including such affiliated companies which are outside of the EEA in countries which do not have similar protections in place regarding your information and its use.

The Plan Administrator and the company are authorised to disclose any information regarding shareholders and their participation in the Plan to each other, any relevant authority, or as required by such authority, whether by compulsion of law or not. Neither the Plan Administrator nor the Company will be liable for any disclosure made in good faith provided that the Plan Administrator or the company as the case may be, believes that such disclosure has been made in accordance with the foregoing requirements.

Under the Data Protection Act 1998, you are entitled, on payment of a fee, to a copy of the information we hold about you. If you believe that any information held about you is incorrect or incomplete, you may also request that it be completed or corrected. Please address any requests for information under this clause to the Plan Administrator, Home Retail Group plc, Dividend Reinvestment Plan, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

## **16. Financial Promotions**

These Terms and Conditions constitute a financial promotion (as described in the FSA's Conduct of Business Sourcebook) of the Plan, and have been approved by the Plan Administrator for the purposes of Section 21 (2) (b) of FSMA.

## **17. Assignment and sub-contracting**

You cannot assign any of your rights in the Plan. The Plan Administrator may assign its duties to any affiliate within the Plan Administrator's group, provided that such affiliate has obtained all authorisations necessary to become the administrator of the Plan. If the new administrator writes to you confirming that it will undertake the duties of Plan Administrator, the existing Plan Administrator will cease to have any duties and obligations in respect to the Plan.

The Plan Administrator may also choose to delegate or sub-contract any of its duties to an affiliate within the Plan Administrator's group. In such case, the Plan Administrator will remain responsible for the performance of its duties under these Terms and Conditions.

## **18. Force Majeure**

The Plan Administrator will not be liable for any losses or expenses suffered by you as a result a delay or failure due to circumstances beyond its reasonable control (for example, because of failure of its or another person's computer systems or telecommunications links or overriding emergency procedures or industrial disputes, strikes, postal delays, war or terrorism). The Plan Administrator will, where possible, take such reasonable steps as it can to bring those circumstances to an end.

## **19. Limitation on liability**

Where the Plan is suspended or terminated, the Plan Administrator will suspend or cease its performance, and neither the Plan Administrator nor any of its agents will have any liability in respect thereof.

The Plan Administrator accepts no liability for any loss resulting from a delay in taking action where such delay is caused by your delay or failure to provide information, materials or data reasonably requested by the Plan Administrator or regulatory authorities.

The Plan Administrator accepts no liability for any loss of profits, opportunity or goodwill, or any type of special, incidental, indirect or consequential damage or loss suffered by you.

The Plan Administrator is not acting as agent for the Company and is not responsible for any acts or omissions by the Company or those of the Company's agents.

The Plan Administrator will not be required to expend or risk its own funds in buying shares or otherwise incur any financial liability in the performance of any of its duties.

Nothing in these Terms and Conditions shall exclude any liability which is necessary under the FSA rules, and to the extent that the FSA rules require that the Plan Administrator is liable for any matter, these Terms and Conditions shall be read accordingly.

## **20. Governing law**

This document and all dealings in relation to the Plan are governed by English law. The English courts will have exclusive jurisdiction to decide on any matters relating to the Plan.

These Plan Terms and Conditions constitute the entire and only agreement between you and the Plan Administrator relating to the provision of the Plan and supersede any previous agreements or representations in respect of the Plan.

## **21. Complaints**

**If you think that you have reason to make a complaint, please write in the first instance to:**

Senior Manager  
Home Retail Group plc  
Dividend Re-Investment Plan  
Capita IRG Trustees Limited  
The Registry  
34 Beckenham Road  
Beckenham  
Kent, BR3 4TU  
England

Your complaint will be fully investigated and a full resolution sought. If you remain dissatisfied, you may complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

The Plan Administrator's complaints procedure is available upon request, but a copy will be provided automatically to you in the event of a complaint being received.

The Plan Administrator is a member of the Financial Services Compensation Scheme (the "Scheme") established under the FSMA. You may be entitled to compensation from the Scheme if the Plan Administrator cannot meet its obligations. This depends on the type of business and the circumstances of the claim.

Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. The amounts of compensation may be changed from time to time and you should check your entitlement with the Scheme. A leaflet with further details is available on request from the Scheme. Call the Scheme's Helpline on

020 7892 7300, log on to the Scheme's website at [www.fscs.org.uk](http://www.fscs.org.uk) or write to the Financial Services Compensation Scheme, 7th Floor Lloyds Chambers, Portsoken Street, London. E1 8BN.

Capita IRG Trustees Limited is authorised and regulated by the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS.

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Registered Office: The Registry,  
34 Beckenham Road, Beckenham,  
Kent, BR3 4TU, England.

Part of the Capita Group Plc

[www.capita.co.uk](http://www.capita.co.uk)

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