



## Bunzl plc scrip dividend scheme Terms and conditions

### 1. Definitions

<b>'Company'</b>	means Bunzl plc.
<b>'Dividends'</b>	means interim or final dividends declared and/or paid by the Company in respect of the Shares and <b>'Dividend'</b> will be construed accordingly.
<b>'LSE'</b>	means the London Stock Exchange PLC.
<b>'Mandate Form'</b>	means the Scrip mandate form provided by the Company or the Registrar to Shareholders either on request or otherwise pursuant to which a Shareholder can elect to participate in the Scrip and <b>'Mandate Forms'</b> will be construed accordingly.
<b>'New Shares'</b>	means new, fully paid, ordinary shares of 32 <sup>1</sup> / <sub>7</sub> p each in the capital of the Company.
<b>'Participant'</b>	means a Shareholder who has elected to participate in the Scrip by properly completing a Mandate Form and returning it to the Registrar and <b>'Participants'</b> will be construed accordingly.
<b>'Record Date'</b>	means, in respect of any Dividend, the date notified by the Company to Shareholders as the date upon which the Company will determine Shareholders entitled, and those Shareholders' entitlements, to that Dividend.
<b>'Registrar'</b>	means Computershare Investor Services PLC.
<b>'Return Date'</b>	means, in respect of any Dividend, the date notified by the Company to Shareholders as the date by which the Mandate Form must be received by the Registrar in order for it to be effective in respect of that Dividend.
<b>'Scrip'</b>	means the Company's scrip dividend scheme comprising these terms and conditions (as may be modified or amended from time to time).
<b>'Shareholders'</b>	means the holders of Shares in the Company and <b>'Shareholder'</b> will be construed accordingly.
<b>'Shares'</b>	means ordinary shares of 32 <sup>1</sup> / <sub>7</sub> p each in the capital of the Company and <b>'Share'</b> will be construed accordingly.
<b>'UK'</b>	means the United Kingdom.

### 2. Introduction to the Scrip

This document forms the terms and conditions of the Scrip.

Subject to the fulfilment of the conditions set out in paragraph 3 below, if you validly elect to participate in the Scrip you will receive New Shares instead of cash in respect of the whole (but not part) of any and all future Dividends unless and until you cancel your election to participate in the Scrip (please see paragraph 14 below) or the Company suspends or terminates the Scrip (please see paragraph 15 below). If you do not elect to participate in the Scrip, you will receive Dividends in cash.

### 3. Conditions to the Scrip

The allotment and issue of New Shares pursuant to the Scrip is, at all times, conditional upon:

- all authorities in respect thereof being in full force and effect, including the passing of any resolution of the Company required by law, regulations or the Company's Articles of Association; and
- the admission to the Official List of the United Kingdom Listing Authority and to trading on the main market of the London Stock Exchange of such New Shares.

If, for any reason, these conditions are not fulfilled such that the Company cannot allot and issue New Shares pursuant to the Scrip in respect of any Dividend, Participants will receive cash (as opposed to New Shares) in respect of that Dividend.

#### 4. Can I elect to participate in the Scrip?

If you are resident in the UK you can elect to participate in the Scrip. If you are not resident in the UK you can only elect to participate in the Scrip if the Scrip can lawfully be offered to, and be accepted by, you under the laws of the relevant jurisdiction and, in both cases, without further obligation on the part of the Company. If you are not resident in the UK and wish to elect to participate in the Scrip, you are responsible for ensuring the full observance of the laws of the relevant jurisdiction, including complying with any relevant regulatory or legal procedures, obtaining any relevant government or other consent, and observing any and all other necessary formalities.

If you are resident in California, Georgia or Oregon in the United States of America, you may only elect to participate in the Scrip if you are eligible to do so as an institutional or other exempt investor under the securities laws of the relevant state. If you are resident in any of these states and elect to participate in the Scrip, you will be deemed to have represented to the Company that you are eligible to do so as an institutional or other exempt investor under the securities laws of the relevant state.

If you are resident in Canada you can elect to participate in the Scrip. However, you cannot sell or transfer any New Shares that you receive pursuant to the Scrip in respect of any Dividend in Canada unless such sale or transfer is made under an available statutory exemption from the registration and prospectus requirements or under a discretionary exemption granted by the applicable securities regulatory authority.

#### 5. How do I elect to participate in the Scrip?

##### *Electronic elections*

You may elect to participate in the Scrip electronically through the Registrar's Investor Centre by visiting its website at [www-uk.computershare.com/investor](http://www-uk.computershare.com/investor). Your electronic election must be received by the Registrar no later than 5.00 pm on the relevant Return Date. Any electronic election that is received by the Registrar after 5.00 pm on the relevant Return Date will only be effective from (and including) the next Dividend (if any) in respect of which the Scrip is offered for which the relevant Return Date has not passed.

Electing to participate in the Scrip electronically:

- offers you an instant and secure system for submitting your Scrip election;
- avoids the risk of your Mandate Form being lost in the post and you therefore missing the relevant Return Date; and
- allows you to make changes to your election to participate in the Scrip online, provided your final instructions are received no later than 5.00 pm on the relevant Return Date.

##### *Sending in your Mandate Form*

You may also elect to participate in the Scrip by completing a Mandate Form and returning it to the Registrar at the address set out in paragraph 19 below so as to be received no later than 5.00 pm on the relevant Return Date. No acknowledgement of receipt of the Mandate Form will be given. Any Mandate Form that is received by the Registrar after 5.00 pm on the relevant Return Date will only be effective from (and including) the next Dividend (if any) in respect of which the Scrip is offered for which the relevant Return Date has not passed. If you have not been provided with a Mandate Form from the Company or the Registrar but wish to elect to participate in the Scrip by completing a Mandate Form, please contact the Registrar at the address or on the telephone number set out in paragraph 19 below.

##### *CREST*

If your shareholding is in uncertificated form in CREST (and was in uncertificated form as at the relevant Record Date), you may also elect to participate in the Scrip by means of the CREST procedures that require the use of the Dividend Election Input Message in accordance with the CREST Manual. If you are a CREST member or other CREST sponsored member, you should consult your CREST sponsor who will be able to take the appropriate action on your behalf.

#### 6. What should I do if I do not wish to elect to participate in the Scrip?

If you do not wish to elect to participate in the Scrip you need take no further action. Your Dividends will be paid to you in cash in the usual way.

#### 7. What happens if I have more than one shareholding?

If you have more than one shareholding you should complete a separate Mandate Form in respect of each shareholding in relation to which you wish to elect to participate in the Scrip. If you wish to consolidate your shareholdings, please contact the Registrar at the address or on the telephone number set out in paragraph 19 below.

#### 8. If I am a Participant, how many New Shares will I receive and what will the Company do with any cash balance?

The number of New Shares that you will receive pursuant to the Scrip in respect of any Dividend will be equal to X in the following formula:

$$X = \frac{(A \times B) + C}{D}$$

where,

A equals the number of Shares registered in your name as at the relevant Record Date;

B equals the cash amount of that Dividend;

C equals the amount of your cash balance remaining from previous Dividends which were insufficient to permit a whole New Share to be allotted pursuant to the Scrip (if any); and

D equals the relevant price of a New Share.

The relevant price of a New Share will be calculated using the average of the closing middle market quotations of the Shares as derived from the LSE Daily Official List for the five consecutive dealing days commencing on the day on which the Shares are first quoted ex the relevant Dividend.

A fraction of a New Share will not be allotted and issued. Instead, the cash balance ('C' in the above formula) will be carried forward, in a non-interest bearing account, and added to the amount of the next Dividend (if any) for the purposes of calculating the number of New Shares that you will receive in respect of that Dividend. If:

- you cancel your election to participate in the Scrip;
- the Company suspends or terminates the Scrip;
- you sell or otherwise transfer your Shares; or
- you (presuming you are a sole Shareholder) die, suffer from a mental incapacity, become bankrupt or, if you are a corporate Shareholder, go into liquidation,

the Company will pay to you your cash balance (if any) as soon as reasonably practicable.

An example, for illustrative purposes only, of how the Company will calculate the amount of New Shares that will be allotted and issued to a Participant pursuant to the Scrip in respect of any Dividend is as follows:

#### *Facts*

1,000 Shares are registered in your name as at the Record Date ('A' in the above formula). The amount of the Dividend is 15p per Share ('B' in the above formula). You have a cash balance of an amount equal to zero ('C' in the above formula). The relevant price of a New Share is £5.50 ('D' in the above formula).

#### *Calculation*

The amount of the cash Dividend to which you will be entitled is:  $(1,000 \times 15p) + 0p = £150.00$

The number of New Shares to which you will be entitled is:  $\frac{£150.00}{£5.50} = 27.27$  New Shares, rounded down to 27 New Shares

The value of New Shares to which you will be entitled is:  $27 \times £5.50 = £148.50$

The amount of your cash balance carried forward will be: £1.50

### **9. If I am a Participant, how will I know how many New Shares I have received?**

On each and any Dividend payment date, you will receive a statement detailing the amount of New Shares that you have received pursuant to the Scrip in respect of the relevant Dividend. This statement will also detail the cash equivalent of the New Shares, the cash balance carried forward (if any) and the notional tax credit in respect of the New Shares which you will require for your tax return. If you wish to know the amount of New Shares that you will receive before this, please contact the Registrar at least three business days after the relevant Record Date at the address or on the telephone number set out in paragraph 19 below.

### **10. Will the New Shares be admitted to listing and trading and how will the New Shares rank?**

Applications will be made for the New Shares to be admitted to the Official List of the UK Listing Authority and to trading on the main market of the LSE. Subject to these applications being successful, the New Shares are expected to be allotted and issued and admitted to listing and trading on the relevant Dividend payment date. Dealings in the New Shares are also expected to commence on the Dividend payment date. Share certificates in respect of the New Shares will be sent to Participants who hold Shares in certificated form as at the relevant Record Date on the same day as dividend warrants are posted to Shareholders who have not elected to participate in the Scrip. Participants who hold Shares in uncertificated form in CREST as at the relevant Record Date will have their CREST accounts credited in respect of the New Shares on the relevant Dividend payment date.

All documents, including Share certificates, that are sent to or by any Participant will be sent at that Participant's own risk.

The New Shares that are allotted and issued pursuant to the Scrip will rank equally in all respects with the existing issued Shares (save as regards participation in the relevant Dividend) and will rank for all future Dividends.

### **11. Does the Scrip apply to Shares in joint names?**

Yes, but each joint Shareholder must sign the Mandate Form for the election to participate in the Scrip to be effective.

### **12. Can I elect to participate in the Scrip in respect of part of my shareholding?**

No. You can only elect to participate in the Scrip in respect of the whole of your shareholding. If you complete your Mandate Form and return it to the Registrar, you will be deemed to have elected to participate in the Scrip in respect of the total number of Shares registered in your name as at the relevant Record Date.

Notwithstanding this, the Company may, at its discretion, permit a Shareholder to complete a Mandate Form in respect of a lesser number of Shares than its full shareholding where that Shareholder is a corporate Shareholder and/or is acting on behalf of

more than one beneficial owner, i.e. a nominee Shareholder. Any such completion in respect of part of a shareholding shall only be effective in respect of the relevant Dividend. A cash Dividend will automatically be paid in respect of any Shares that are not specified in the Mandate Form.

### **13. What happens if I buy or sell Shares after I have elected to participate in the Scrip?**

If you buy or sell some (but not all) of your Shares after you have elected to participate in the Scrip, you will be deemed to have elected to participate in the Scrip in respect of your increased or decreased shareholding, provided that such increase or decrease is reflected in the Company's register of Shareholders as at the relevant Record Date.

If you sell all of your Shares after you have elected to participate in the Scrip, your participation in the Scrip will cease, provided that such sale is reflected in the Company's register of Shareholders as at the relevant Record Date.

If you buy or sell some or all of your Shares and such increase, decrease or sale is not reflected in the Company's register of Shareholders as at the relevant Record Date, you will be deemed to have elected to participate in the Scrip in respect of your original shareholding (i.e. the number of Shares you held prior to you buying more or selling some or all of your Shares) and will therefore receive New Shares in respect of your original shareholding.

### **14. If I am a Participant, can I cancel my election to participate in the Scrip?**

Yes. You can cancel your election to participate in the Scrip by giving written notice to the Registrar at the address set out in paragraph 19 below or electronically through the Registrar's Investor Centre by visiting its website at [www.uk.computershare.com/investor](http://www.uk.computershare.com/investor). For a cancellation to be effective in relation to any Dividend, notice of that cancellation must be received by the Registrar no later than 5.00 pm on the relevant Return Date. If notice of that cancellation is not so received, the cancellation will be effective from (and including) the next Dividend (if any).

### **15. Can the Company modify, amend, suspend or terminate the Scrip?**

Yes. The Scrip can be modified, amended, suspended or terminated at any time at the discretion of the Company's directors, in which case notice will normally be given to all Participants. In the case of a modification or amendment to the Scrip, a Participant will be deemed to have agreed to such modification or amendment unless and until he cancels his election to participate in the Scrip in accordance with these terms and conditions (see paragraph 14 above). If the Scrip is suspended or terminated, Participants will receive cash (as opposed to New Shares) in respect of any and all future Dividends (during the period of suspension of the Scrip, in the case of a suspension rather than a termination of the Scrip).

### **16. What if I am a Participant and my shareholding is in uncertificated form in CREST?**

If your shareholding is in uncertificated form in CREST (and was in uncertificated form in CREST as at the relevant Record Date), your New Shares will be allotted and issued in uncertificated form and credited to your CREST account on the relevant Dividend payment date.

If some of your shareholding is in uncertificated form in CREST and some of your shareholding is in certificated form (and was in such forms as at the relevant Record Date), the Company will be able to treat such shareholdings as separate shareholdings pursuant to the Uncertificated Securities Regulations 2001. You should elect to participate in the Scrip, whether electronically, by completing and returning to the Registrar a Mandate Form or (if relevant) by means of the CREST procedures, for each of these shareholdings in respect of which you wish to receive New Shares.

### **17. What is the governing law and jurisdiction of the Scrip?**

The Scrip, including any election to participate in the Scrip and any authorisation given by Shareholders, is governed by, and its terms are to be construed in accordance with, English law. Participants agree to submit to the exclusive jurisdiction of the English courts in relation to any matters arising out of, or in connection with, the Scrip.

### **18. What are the taxation consequences of electing to participate in the Scrip?**

The UK tax consequences of electing to participate in the Scrip are briefly set out in Appendix 1. If, having read Appendix 1, you have any questions in relation to tax, you are advised to consult your appropriate professional adviser.

### **19. What do I do if I have any questions in relation to the Scrip?**

If, after having read these terms and conditions, you have any questions in relation to the Scrip, please contact the Registrar. The Registrar's address is Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY and its telephone number is 0870 889 3257.

## **Appendix 1 Taxation**

Under current United Kingdom ('UK') tax legislation and published Her Majesty's Revenue & Customs ('HMRC') practice, the tax consequences for shareholders in Bunzl plc (the 'Company') ('Shareholders') that elect to participate in the Company's scrip dividend scheme ('Scrip') are summarised below. Shareholders should bear in mind that UK tax legislation and published HMRC practice can change at any time, possibly with retrospective effect. This summary only relates to the position of Shareholders resident or (if the Shareholders are individual Shareholders) ordinarily resident in the UK for tax purposes and does not cover the position in relation to certain classes of Shareholders, such as persons who hold their shares in the Company ('Shares') in the course of trade, collective investment schemes and insurance companies.

If you are in any doubt as to the tax consequences of electing to participate in the Scrip or are resident in, or subject to tax in, a jurisdiction other than the UK, you are advised to consult your appropriate professional adviser.

### **Individual Shareholder**

An individual Shareholder who is allotted and issued Shares pursuant to the Scrip will be treated as receiving income for UK tax purposes. The individual Shareholder will be treated as having received gross income of an amount that, when reduced by income tax at the dividend ordinary rate (10%), is equal to the cash equivalent. The cash equivalent will normally be equal to the amount of the cash dividend alternative that the individual Shareholder has forgone. However, if the difference between the cash dividend alternative and the market value of the Shares received on the first day of dealing on the London Stock Exchange is 15% or more of the market value of the Shares, the market value of the Shares is substituted as the cash equivalent.

An individual Shareholder who pays tax at the basic rate or less will not be subject to any further income tax on the allotment and issue of the Shares. However, an individual Shareholder that pays tax at the higher rate will be subject to tax at the dividend upper rate (32.5%) on the gross income deemed to have been received on the allotment and issue of the Shares. Further tax will, therefore, be due on the grossed up amount at the rate of 22.5%.

An individual Shareholder who does not pay tax in the UK cannot recover a tax credit on the allotment and issue of the Shares.

For capital gains tax purposes, the cash equivalent (the amount on which the individual Shareholder is subject to tax) is treated as the individual Shareholder's base cost in the Shares allotted and issued.

### **Trustee Shareholder (other than a bare trustee or nominee Shareholder)**

A trustee Shareholder who is liable to pay income tax at a rate of 40% and who is allotted and issued Shares pursuant to the Scrip will be liable to pay tax at the dividend trust rate (32.5%) and the same grossing up procedure as for an individual Shareholder will apply. Therefore, the trustee Shareholder will be treated as having received gross income of an amount that, when reduced by income tax at the dividend ordinary rate (10%), is equal to the cash equivalent. Further tax will, therefore, be due on the grossed up amount at the rate of 22.5%.

The capital gains tax position for a trustee Shareholder is similar to that for an individual Shareholder.

### **Corporate Shareholder**

A corporate Shareholder to whom Shares are allotted and issued pursuant to the Scrip will not be liable to corporation tax in respect of the Shares.

For the purposes of calculating any future liability to corporation tax on chargeable gains, the Shares allotted and issued will be added to a corporate Shareholder's existing shareholding and will be treated as having been acquired as and when the existing Shares were acquired. The cost of acquisition of the existing Shares will represent the cost of the acquisition of the increased shareholding. There will be no addition to the base cost of the increased shareholding and, in particular, no addition representing the cash equivalent.

### **Exempt Shareholder**

An exempt Shareholder (e.g. a charity or a pension fund) that is allotted and issued Shares pursuant to the Scrip will not be entitled to any tax credit and will not be subject to capital gains tax on any subsequent sale or transfer of the Shares.

### **Stamp duty and stamp duty reserve tax**

There will generally be no stamp duty or stamp duty reserve tax payable on the allotment and issue of Shares pursuant to the Scrip.