



BT Dividend investment plan

The convenient and cost effective way to grow your shareholding





Important Information

This booklet has answers to frequently asked questions about the BT Dividend investment plan (“Plan”) provided by Equiniti Financial Services Limited (“Equiniti FS”). If you need more information, please call the Shareholder Helpline (see **Contacts** on page 10).

Document last reviewed January 2022

Risk Warning

The investments you hold in the Plan are in one company only and should therefore be considered as a component of a balanced portfolio and is separate to other accounts you may hold elsewhere.

The value of shares and any income from them, can go down as well as up and therefore you may not receive in return the same amount of money you invested. If you are not in the UK the value of shares and dividends is subject to changes in the exchange rate.

Past performance is no guide to future performance.

Suitability and appropriateness

If you are in any doubt about the suitability of the Plan or the investments held on your behalf, you should consult an authorised financial adviser.

Neither Equiniti FS nor BT will assess the suitability or appropriateness of investments held for you or other services provided to you under the Plan Terms and Conditions and you are not subject to the Financial Conduct Authority Rules on assessing suitability and appropriateness.

You agree that you have not asked for, or received any advice from Equiniti FS or BT and it is your decision to accept that the Plan is suitable to your requirements.

Nothing in this booklet constitutes financial or other professional advice. You should consult an authorised financial adviser if you require financial advice.

How does Equiniti Financial Services Limited protect my data?

To understand more about how Equiniti Financial Services Limited safeguards your data, and to read the latest version of the Privacy Notice, please visit Equiniti's Privacy Centre at:

privacy.equiniti.com

or contact the Shareholder Helpline (see **Contacts** on page 10).



About the Plan

What is the Plan?

The Plan enables you to buy more BT shares with dividends you receive, with any residual cash balance carried forward to the next dividend (see **What happens to any cash balance?** on page 7)

Details of the Plan are set out in the Plan Terms and Conditions (see **Plan Documents** on page 11 for details of how to access a copy).

Is the Plan available in all countries?

You must be aged 18 or over and resident in the European Economic Area (EEA) (including the UK), Switzerland, Isle of Man, Channel Islands or Gibraltar in order to participate in the Plan.

If you are a resident outside the UK or EEA, you may take part in the Plan provided you are not subject to regulations that would oblige Equiniti FS or BT to comply with any governmental or regulatory procedures or similar formalities.

You are responsible for making sure you can validly take part and for complying with all necessary formalities. You should consult a professional adviser if you are in any doubt about:

- Whether you need any government consents or to observe any other formalities
- Whether you are prohibited from receiving shares instead of cash dividends.

Equiniti FS will cancel your participation in the Plan if it reasonably believes you are not eligible to participate in the Plan.

IMPORTANT:

The Plan is not available to private shareholders in the United States, Canada, China, India and Pakistan due to governmental/regulatory obligations in those jurisdictions. Institutional investors wishing to offer the Plan to underlying investors resident in the US, Canada, China, India and Pakistan should seek legal advice to satisfy themselves that they have the necessary permissions to meet all the necessary governmental/regulatory obligations in these jurisdictions.

BT considers the Plan is not generally appropriate for shareholders with less than 350 shares because of the small number of additional shares that can be bought with the dividends.



About the Plan

How do I join the Plan?

- Non-CREST holders (usually standard private shareholders) should either complete and return an application form available from Equiniti FS (see **Contacts** on page 10) or apply to join via their **Shareview Portfolio**
- CREST holders should enter a Dividend Election Input Message in accordance with the CREST manual (please refer to the CREST Elections Process document available on www.shareview.co.uk/info/DRIP)

Once your application has been accepted, it will remain in force until cancelled by you (see **Can I leave the Plan?** on page 9) or if the Plan is terminated or suspended (see **Can the Plan be amended or terminated?** on page 9).

If you have more than one holding in the Company, please see **What if I have more than one shareholding?** on page 4.

Can EasyShare participants join the Plan?

If you have shares in EasyShare, any election you make will apply to your BT shares held in EasyShare only.

For further information on EasyShare please see the EasyShare Booklet available from www.shareview.co.uk/info/csn.

What if I have more than one shareholding?

If you have more than one shareholding you will need to complete a separate application form for each one, unless you ask Equiniti to combine your holdings.

You cannot, however, combine a sole shareholding with a joint shareholding.

Can I complete a form for part of my holding?

You can only join the Plan in respect of all the shares that you hold. However, Equiniti FS may, at their discretion, and with BT's agreement, permit a shareholder to join the Plan in respect of part of a holding if that shareholder is holding shares on behalf of more than one beneficial owner.

Equiniti FS must receive your application by the record date for the next dividend in order to apply to that dividend. Applications received after that date will apply to subsequent dividends only.

The payment date is announced each time a dividend is declared and the election deadline usually falls approximately four (4) weeks before the date the dividend is paid.

Dividend election deadline



Important Information

About the Plan

Tax effects of the Plan

Share Purchases

Staying Informed

Plan charges

Changing and leaving the Plan

Contacts

Plan Documents

Tax effects of the Plan

What are the tax effects of joining the Plan?

For tax purposes, you are treated as if you had received the whole of your dividend in cash and bought BT shares yourself. A dividend confirmation covering the whole amount of the dividend invested in the Plan will be attached to your purchase statement.

A summary of the dividend tax and capital gains tax position for UK shareholders is set out in Section 6 of the Terms and Conditions for the Plan.

For further information on dividend taxation please visit www.gov.uk/tax-on-dividends.

IMPORTANT

You will be required to retain details of any dividend payments you receive and complete Tax Returns where required.

For further advice please contact a tax or financial advisor who in the UK must be authorised by the Financial Conduct Authority.

If you are not sure how your tax position will be affected, you should consult an authorised adviser before making a decision about joining the Plan.



Share Purchases

How many shares will I receive?

The number of shares you will receive for each dividend will depend on:

- Your cash dividend, based on the number of shares you hold at the dividend record date
- Any cash balance brought forward from previous dividends
- The price at which the shares are bought, and
- The dealing costs and stamp duty reserve tax for the purchase of shares (see **Plan charges** on page 8).

You will receive the maximum whole number of shares which can be bought on your behalf. Any cash balance will be carried forward (see **What happens to any cash balance?** on page 7).

When will I receive my shares?

You will receive a share certificate shortly after the purchase, unless you hold shares in EasyShare or CREST then your EasyShare or CREST account will be credited with the new shares shortly after the purchase.

Your new shares will qualify for future dividends in the normal way, which will also be invested in the Plan.



Staying Informed

How will I be kept informed of my holding?

Equiniti FS will make a purchase statement and dividend confirmation available to you via your Shareview Portfolio no later than the first working day after we have received written confirmation that the purchase has been completed.

Your statement will show:

- The number of shares bought for you
- The price paid for them
- The dealing costs
- Any residual cash balance to be carried forward and added to the next dividend.

If the amount of your dividend and any cash balance brought forward is not enough, after taking costs into account, to buy at least one share, you will receive a statement showing the cash balance carried forward to the next dividend.

Equiniti FS will also provide quarterly statements showing the value of any cash residue held in the Plan.

If you wish to receive all of your Plan correspondence in paper form then please contact Equiniti FS (see **Contacts** on page 10).

What happens to any cash balance?

Any cash balance remaining after buying the shares including the dealing costs, or any cash dividend which is not enough to buy one share, will be carried forward (without interest) and added to your next dividend.

If you leave the Plan (see **Can I leave the Plan?** on page 9) or the Plan comes to an end (see **Can the Plan be amended or terminated?** on page 9), any cash balance will be paid to you as soon as possible, normally within three (3) months of you leaving the Plan or the Plan coming to an end. If your cash balance is less than a penny, then Equiniti FS will release the amount to a registered charity of Equiniti's choice, and you will not have any claim over this amount following payment to the charity.



Plan charges

Plan charges

To cover the costs of buying shares on your behalf and running the Plan, the following charges apply:

Plan CHARGES

- There is no charge for joining or leaving the Plan
- Commission is 1% of the value of the shares purchased, with a minimum of £2.00.
- Stamp Duty Reserve Tax, currently 0.5% of the value of the shares you buy
- If the sum to invest, including these costs, is not enough to buy one share, no costs will be charged to you and the whole of your dividend will be carried forward (see **What happens to any cash balance?** on page 7)
- Annual management fee – max £5 (incl VAT) per annum - for unclaimed payments issued to you but not cashed (see **Plan Documents** on page 11 for details of how to access a copy of the Terms and Conditions for further information)

What is the annual management fee for unclaimed payments?

Residues are returned as cash when someone leaves the Plan. An Annual Management Fee applies to these cash payments where they remain unclaimed. Any fee will be taken from the unclaimed payment held (up to a maximum of £5 incl VAT per annum).

Please note this only applies to payments issued to you when you leave the Plan which you do not cash.



Changing and leaving the Plan

What happens if my shareholding changes?

If you sell or transfer some of your shares; acquire additional shares; or your shares are transferred into or out of your EasyShare account your election will continue to apply to the whole of your shareholding at the relevant record date, provided the name and address details for any additional holding are the same as those in which you already hold shares on the register.

Can I leave the Plan?

You can leave the Plan at any time by writing to Equiniti FS (see **Plan Documents** on page 11 for details of how to access a copy of the Terms and Conditions for further information). This is in addition to your legal right to cancel your participation in the Plan within fourteen (14) days of the agreement between you and Equiniti FS being made.

Your cancellation instruction will take effect as soon as Equiniti FS receives it, although this will not prevent the completion of any transactions already underway. The normal charges will be made for these transactions.

Your cancellation instruction must be received before the dividend election deadline for a particular dividend if you do not want your election to apply for that dividend. Otherwise, your cancellation instruction will apply only to subsequent dividends.

If Equiniti FS receives notice of a shareholder's death; bankruptcy; liquidation; or mental incapacity, participation in the Plan will cease with immediate effect. However, if shares are held jointly, the Plan will continue for the remaining joint shareholder(s).

Unless you advise Equiniti FS otherwise when you leave the Plan, any previous instruction you had given to pay your cash dividends to a bank, building society or third party will be reinstated.

Important: Cheque payments for EasyShare dividends are not available

If you don't provide valid bank or building society details by the dividend record date, your EasyShare cash dividends will be retained and you may be charged a fee for their release. For further information on EasyShare please see the EasyShare Booklet available from www.shareview.co.uk/info/csn.

Can the Plan be amended or terminated?

If the Plan is amended, notice will be given in sufficient time to allow you to leave the Plan, if you wish, before the following dividend payment date.

If the Plan is suspended or terminated, any applicable cash balance will be issued (see **What happens to any cash balance?** on page 7) within three (3) months after the suspension or termination and cash dividends will be paid on subsequent dividend payment dates.



Important Information

About the Plan

Tax effects of the Plan

Share Purchases

Staying Informed

Plan charges

Changing and leaving the Plan

Contacts

Plan Documents

Contacts



Online

www.shareview.co.uk



Email

customer@equiniti.com

Please be advised email communications are not totally secure.



BT Shareholder Helpline

+44 (0) 808 100 4141

(Please use the country code when calling from outside the UK). Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

You can also contact us by using the Relay UK website; www.relayuk.bt.com



Post

Share Dividend Team, Equiniti Financial Services Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom

Please include a daytime telephone number, so Equiniti can contact you should further information be required.



Important
Information

About the Plan

Tax effects of
the Plan

Share
Purchases

Staying
Informed

Plan charges

Changing and
leaving the Plan

Contacts

Plan Documents

Plan Documents



You can download a printable copy of the latest Plan Terms and Conditions from

www.shareview.co.uk/info/DRIP

Alternatively, contact the BT Shareholder Helpline (see **Contacts** on page **10**) and copies will be sent to you.

The Plan is provided by Equiniti Financial Services Limited.

Equiniti Financial Services Limited is authorised and regulated by the Financial Conduct Authority.

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