

The BT **Dividend** investment plan

A convenient, easy and cost effective way to grow your BT shareholding

September 2019



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IMPORTANT INFORMATION

The investments you hold in the BT Dividend investment plan (“Plan”) are in one company (BT Group plc) only and should therefore be considered as only one part of a balanced portfolio.

The value of shares and any income from them can go down as well as up and you may not get back the amount of money you invest.

Past performance is no guide to future performance, and if you are in any doubt about the suitability of this Plan or the investments held on your behalf under it, you should consult an authorised financial adviser.

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

Neither Equiniti Financial Services Limited nor BT Group will assess the suitability or appropriateness of investments held for you or other services provided to you, and you do not benefit from the Financial Conduct Authority (“FCA”) Rules on assessing suitability or appropriateness.

Introduction



BT DIVIDEND INVESTMENT PLAN (“PLAN”)

The Plan allows you to buy more BT Group plc shares with your BT dividends, with any residual cash balance carried forward to the next dividend (see [What happens to any cash balance?](#)).

The Plan is provided by Equiniti Financial Services Limited (“Equiniti FS”).

This booklet has answers to frequently asked questions about the Plan. If you need more information about the Plan, please call the BT Shareholder Helpline (see [Contacts](#)).

About the Plan



WHO CAN JOIN THE PLAN?

- Residents **in** the UK or the European Economic Area (“EEA”) can join.
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.
- Residents **outside** the EEA, please see [Can overseas shareholders join the plan?](#)
- Easyshare participants, please see [Can EasyShare participants join the plan?](#)

JOINING THE PLAN

- Non-CREST holders (usually standard private shareholders) should either complete and return an application form available from Equiniti FS (see [Contacts](#)) 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?](#)) or if the Plan is terminated or suspended (see [Can the plan be amended or terminated?](#)).

If you have more than one holding of BT shares, please see [What if I have more than one shareholding?](#)

CAN OVERSEAS SHAREHOLDERS JOIN 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.

CAN EASYSHARE PARTICIPANTS JOIN THE PLAN?

If you have shares in EasyShare, any election you make will apply to all your BT shares (i.e. any held in your own name or in EasyShare).

The extra shares bought for you will be added to your EasyShare account.

For further information on EasyShare please see the [EasyShare Booklet](#).

WHAT IF I HAVE MORE THAN ONE SHAREHOLDING?

If you have more than one shareholding, other than a holding in EasyShare (see [Can EasyShare participants join the plan?](#)), 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 BT 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.



DIVIDEND ELECTION DEADLINE

Equiniti FS must receive your application fifteen (15) working days before the payment date of a 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.

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 the 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.

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](#)).

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?](#)).

WHEN WILL I RECEIVE MY SHARES?

You will receive a share certificate shortly after the purchase, unless your shares are held on your behalf (i.e. in EasyShare or another Nominee, in which case please refer to the Terms and Conditions of that service), or if you hold your shares in CREST then your CREST account.

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

If you hold shares through EasyShare, please see [Can EasyShare participants join the plan?](#)

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 using the contact details shown below (see [Contacts](#)).

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?](#)) or the Plan comes to an end (see [Can the plan be amended or terminated?](#)), 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.

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.

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
- 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?](#))
- Annual management fee – max £5 (incl VAT) per annum - for unclaimed payments issued to you but not cashed (see Section 14 in the [Terms and Conditions](#) for further information)

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 Section 13 of the [Terms and Conditions](#)). 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

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?](#)) within three (3) months after the suspension or termination and cash dividends will be paid on subsequent dividend payment dates.



Contacts



EQUINITI FINANCIAL SERVICES LIMITED

The Plan is administered by Equiniti Financial Services Limited and details can be found at:



www.shareview.co.uk/info/drip



help.shareview.co.uk



BT Shareholder Helpline:

UK: 0808 100 4141

International: +44 121 415 7178

A text phone service is also available on:

UK: 0800 169 6907

International: +44 121 415 7028

Lines open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales).



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 FS can contact you should further information be required.

Plan Terms and Conditions

You can download a printable copy of the latest Plan Terms and Conditions [here](#), or at www.shareview.co.uk/info/drip.

Alternatively, you can get a copy by contacting the BT Shareholder Helpline (see [Contacts](#)).

