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# THE RANK GROUP PLC

## NOTICE OF GENERAL MEETING

Wednesday, 22 April 2015 at 11am  
Statesman House, Stafferton Way,  
Maidenhead, SL6 1AY.

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

If you are in any doubt as to any aspects of the proposals referred to in this document or as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser duly authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your ordinary shares in The Rank Group Plc, please send this document and any accompanying documents as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so that they can pass these documents to the person who now holds the shares.

## Directors

Mr Ian Burke *Chairman*  
Mr Henry Birch  
Mr Clive Jennings  
The Rt. Hon. the Earl of Kilmorey, PC  
Mr Owen O'Donnell  
Mr Tim Scoble  
Ms Shaa Wasmund MBE

The Rank Group  
presents



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Maidenhead SL6 1AY

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31 March 2015

To ordinary shareholders

**Dear Shareholder**

### General Meeting

This document contains the notice of a general meeting of the Company, which will be held at Statesman House, Stafferton Way, Maidenhead, London SL6 1AY at 11am on Wednesday, 22 April 2015. A general description of the matters to be considered at this meeting can be found in the explanatory notes on page 4 and the background to those matters is set out below.

Resolutions 1 and 2 are ordinary resolutions and will be passed if members representing more than 50% of the total voting rights of entitled members vote in favour.

### **Resolution 1: To consider and approve proposed amendments to the rules of The Rank Group Plc 2010 Long-Term Incentive Plan**

The Company adopted a long-term incentive plan ("LTIP") on 22 April 2010, pursuant to which the Company's remuneration committee may resolve to grant employees and executive directors of the Company awards including share options, share awards and cash awards ("Awards"). Pursuant to the LTIP, Awards are currently granted on an annual basis and are typically subject to a three-year vesting period.

It is proposed that minor amendments be made to rules of the LTIP to accommodate the grant of block awards and with a vesting and holding period of up to five and a half years. These amendments are proposed so as to more closely align incentive arrangements with the new business strategy and long-term performance of the Company, especially where executive directors are concerned. A summary of the performance targets proposed under the first cycle of the amended LTIP is provided in the explanatory notes to the resolution. In addition, it is proposed that clawback and malus provisions be included in the rules of the LTIP so as to provide the remuneration committee with enhanced powers to govern the LTIP.

Resolution 1 proposes the amendments required to the LTIP that are necessary to accommodate the grant of block awards and for clawback and malus provisions to be included.

### **Resolution 2: To approve the updated directors' remuneration policy**

The directors' remuneration policy of the Company ("Policy") (as detailed in the 2014 Annual Report and Accounts, pages 65 to 70) was approved by shareholders in October 2014. Amendments are proposed to the Policy in order to reflect the changes that are proposed to the LTIP.

Resolution 2 proposes the amendments to the Policy that are required in order to reflect the proposed changes to the LTIP.

Voting on both of the proposed resolutions at the meeting will be conducted on a poll rather than on a show of hands. This reflects current best practice and ensures that shareholders who are not able to attend the general meeting, but who have appointed proxies, have their votes fully taken into account. Any directors appointed as proxies will cast their votes as directed by the shareholders. The poll results will be published via a Regulatory Information Service and on the Company's website as soon as possible after the conclusion of the general meeting.

### **Actions to be taken**

A form of proxy for use at the forthcoming general meeting is enclosed. Whether or not you intend to be present at the meeting, you are urged to complete and return the form in accordance with the instructions printed on it so that it is received by the Company's registrars not later than 48 hours before the time fixed for the meeting. If you are a CREST member, you can submit your proxy electronically through the CREST system. There is also an electronic proxy appointment facility. Details are set out in the notes to the notice of general meeting on page 2. Completion and return of the form will not prevent you from attending and voting at the meeting in person if you wish to do so.

### **Recommendation**

Your directors consider the passing of all of the resolutions at the general meeting to be in the best interests of the Company and the shareholders as a whole and that they are most likely to promote the success of the Company.

Accordingly your directors unanimously recommend that shareholders vote in favour of all of the resolutions to be proposed at the general meeting, as they intend to do in respect of their own beneficial shareholdings.

Yours sincerely

**Ian Burke**  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting (the "Meeting") of The Rank Group Plc (the "Company") will be held at Statesman House, Stafferton Way, Maidenhead SL6 1AY at 11am on Wednesday, 22 April 2015 for the shareholders of the Company as a whole for the transaction of the following business:

### Ordinary Resolutions

1. To consider and approve the following resolution:

THAT the amendments to the rules of The Rank Group Plc 2010 Long-Term Incentive Plan ("Rules"), which are summarised in the explanatory notes to this resolution and which are highlighted in the copy of the Rules which are produced to the Meeting and initialled by the Chairman for the purposes of identification, be and are hereby approved.

2. To consider and approve the following resolution:

THAT the amendments to the directors' remuneration policy ("Policy"), which are summarised in the explanatory notes to this resolution and which are highlighted in the copy of the Policy that is produced to the Meeting and initialled by the Chairman for the purposes of identification, be and are hereby approved.

By order of the board

**Frances Bingham**

Secretary

31 March 2015

The Rank Group Plc

Registered in England & Wales No. 03140769

Registered office Statesman House, Stafferton Way, Maidenhead SL6 1AY

## NOTES

### Entitlement to vote

1. Under the Company's articles of association (the "Articles") the holders of ordinary shares are entitled to attend the Meeting and to speak and vote thereat. Duly appointed proxies are entitled to attend, speak and vote at the Meeting.
2. Pursuant to article 47(B) of the Articles and Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6pm on Monday, 20 April 2015 or, in the event that the Meeting is adjourned, in the register of members 48 hours before the time of any adjourned Meeting, shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at the time. Changes to entries in the relevant register of members after 6pm on Monday, 20 April 2015 or, in the event that the Meeting is adjourned, in the register of members 48 hours before the time of any adjourned Meeting, shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

### Entitlement to appoint proxies

3. A shareholder entitled to attend, speak and vote at the Meeting is also entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote instead of the shareholder, provided that, if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares held by that shareholder. A proxy need not be a shareholder of the Company. The appointment of a proxy will not preclude a shareholder from attending the Meeting and voting in person but if a shareholder has appointed a proxy and attends the Meeting and votes in person, the proxy appointment will automatically be terminated. A shareholder may only appoint a proxy or proxies (or change a proxy instruction) by:
  - (a) completing and returning the form(s) of proxy accompanying this Notice in accordance with the instructions contained therein;
  - (b) going to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided (see Note 10 below); or
  - (c) if you are a user of the CREST system (including CREST personal members), having an appropriate CREST message transmitted (see Note 6 below).
4. To appoint more than one proxy, you may either photocopy the form(s) of proxy accompanying this Notice or contact the Company's registrars, Equiniti, on 0871 384 2098<sup>1</sup> (from the UK) or +44 121 415 7047 (from outside the UK) to request additional personalised form(s) of proxy. If more than one proxy appointment is returned in respect of the same holding of shares, either by paper or electronic communication, that proxy received last by Equiniti before the latest time for the receipt of proxies will take precedence. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, 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).

### Paper proxy appointment

5. The form(s) of proxy and the authority (if any) under which they are signed or a certified copy of such authority must be deposited at the offices of the Company's registrars – Equiniti, Aspect House, Spencer Road, Lancing BN99 6DA – by not later than 11am on Monday, 20 April 2015, or 48 hours before the time appointed for holding any adjourned Meeting.

### CREST proxy appointment

6. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID RA19) by 11am on Monday, 20 April 2015, or not less than 48 hours before the time appointed for holding an adjourned Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. The appropriate CREST message must be properly authenticated in accordance with Euroclear UK & Ireland Limited specifications and must contain the information required for such instructions, as described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)).
7. 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 messages. 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 voting service provider(s), to procure that his

<sup>1</sup> Calls to this number cost 8p a minute plus network extras. Lines are open 08:30 to 17:30, Monday to Friday.

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.

8. A proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 may be treated as invalid.
9. CREST personal members or other CREST sponsor or voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual.

#### **Electronic proxy appointment**

10. Electronic proxy appointment is available for the Meeting. This facility enables shareholders to lodge their proxy appointment by electronic means on a website provided by Equiniti. Shareholders who have already registered their holding(s) with the Shareview portfolio service will be sent an e-mail with full instructions on the electronic proxy voting procedure. Other shareholders may submit an electronic proxy appointment online, using the reference numbers printed on the form of proxy, at [www.sharevote.co.uk](http://www.sharevote.co.uk) where details of the voting procedure are shown. Electronic proxies will not be valid if received after 11am on Monday, 20 April 2015, or not less than 48 hours before the time appointed for holding an adjourned Meeting, and will not be accepted if found to contain a computer virus.

#### **Voting by corporate representatives**

11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that if two or more representatives purport to vote in relation to the same shares:
  - (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
  - (ii) in other cases the power is treated as not exercised.

#### **Nominated persons**

12. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he 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 may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies at Note 3 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

#### **Voting and voting rights**

13. As at 27 March 2015, being the latest practicable date prior to the publication of this Notice, the issued share capital of the Company was 390,683,521 ordinary shares of 13% pence each (excluding treasury shares) with each ordinary share carrying one vote. Therefore the total voting rights in the Company as at 27 March 2015 were 390,683,521.
14. Voting on all resolutions will be by way of poll. A poll reflects the number of voting rights exercisable by each member and so the board considers it a more democratic method of voting. If you attend the Meeting, you will be issued with a paper poll card on registration and full instructions for completing this will be given at the appropriate time during the meeting.
15. If you have already voted by proxy you will still be able to vote by completing the paper poll card and your vote on the day of the Meeting will replace your previously lodged vote.
16. The results of the voting at the Meeting will be announced through a Regulatory Information Service and will appear on our website [www.rank.com](http://www.rank.com).
17. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

#### **Right to ask questions**

18. A shareholder attending the Meeting has the right to ask questions relating to the business being dealt with at the Meeting in accordance with section 319A of the Act. In certain circumstances prescribed by section 319A of the Act, the Company need not answer a question.

**Communicating with the Company in relation to the Meeting**

19. Except as provided above, shareholders who wish to communicate with the Company in relation to the Meeting should do so using the following means:

- (a) by writing to the Company Secretary at the Company's registered office address at Statesman House, Stafferton Way, Maidenhead SL6 1AY; or
- (b) by writing to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing BN99 6DA.

No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice or in any related documents (including, without limitation the form(s) of proxy) to communicate with the Company for any purpose other than those expressly stated in this Notice or in such other related documents.

**Inspection of documents**

20. Copies of the rules of The Rank Group Plc 2010 Long-Term Incentive Plan and the directors' remuneration policy showing the proposed amendments are available for inspection during normal business hours at the offices of Olswang LLP, 90 High Holborn, London WC1V 6XX. All of these documents will also be available for inspection on the date of the Meeting at the Company's registered office at Statesman House, Stafferton Way, Maidenhead SL6 1AY where the Meeting is being held for a period of at least 15 minutes prior to the commencement of the Meeting and until the Meeting closes.

**Website**

21. A copy of this Notice, and other information required by section 311A of the Act, can be found at [www.rank.com](http://www.rank.com).

**Explanatory notes to resolutions**

These notes are intended to explain the business to be transacted at the Meeting. Resolutions 1 and 2 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half the votes must be in favour of the resolution.

**Resolution 1 – Rules of The Rank Group Plc 2010 Long-Term Incentive Plan**

This resolution seeks approval for the changes proposed to the rules of the LTIP that was approved by shareholders and adopted by the directors of the company on 22 April 2010.

Following the proposed amendments to the LTIP, the majority of its principal terms would remain the same as when it was approved by shareholders on 22 April 2010. A summary of the proposed amendments is set out below.

**Individual Limits (Rules 2.13 and 2.14)**

The remuneration committee currently has discretion to determine that a participant under the LTIP may be granted an Award with a value of up to one and a half times (or, in exceptional circumstances, two times) the participant's annual salary in any one financial year of the company. This limit is premised on the basis that Awards are made annually.

In order to allow for larger 'block' Awards to be granted less frequently, it is proposed that Rule 2.13 be amended to ensure that the average size of an Award made each year during any three consecutive financial years of the Company should not exceed two times the participant's annual salary. It is also proposed that the current Rule 2.14 be amended to allow, in exceptional circumstances, Awards to be made in breach of Rule 2.13 provided that the average size of an Award made each year during any three consecutive financial years of the Company should not exceed four times the participant's annual salary.

**Malus and Clawback (new Rule 7)**

This new rule is proposed in order to strengthen the remuneration committee's governance of the LTIP. Malus provisions allow the remuneration committee to reduce or delay the vesting of Awards in certain circumstances, such as the material misstatement of the accounts, if the quantum of an Award was originally calculated incorrectly or certain scenarios involving gross misconduct.

Clawback provisions allow the remuneration committee to require that a participant repays to the company a sum equal to any cash Award, or the cash equivalent of the market value of any share based Award, that a participant has received. The circumstances where 'clawback' can apply are the same as those where 'malus' can apply.

### Performance targets under the first cycle of the amended LTIP

The performance conditions attached to the first Award under the amended LTIP will consist of the following components:

- 50% of the Award will be based on Group and brand financial performance, including:

	Financial year ended 30 June 2017	
	Target for threshold (37.5%) vest	Target for maximum (50%) vest
• Group EBITDA	£136.0m	£148.0m
• Group profit after tax	£64.0m	£72.0m
• Group digital revenue	£106.0m	£121.0m

- The remaining 50% of the award will be based on a balanced scorecard of non-financial and strategic measures linked to the following business objectives:

- building Rank's digital capabilities;
- creating a multi-channel offering;
- investment in technology to improve efficiency and customer experience; and,
- other strategic imperatives.

The specific non-financial and strategic measures include:

- new digital platform in place during the course of the 2015/16 financial year;
- single account and wallet functionality by the end of calendar year 2016;
- range of product and functionality improvements and developments driving revenue efficiencies and customer experience; and
- development of bingo clubs in line with commitment to Government.

- At the end of the performance period, the committee will consider performance delivered in light of the Group's average return on capital employed ("ROCE") within the performance period, with absolute discretion to determine the extent to which the awards will vest, if at all, on account of ROCE performance. In considering ROCE performance, the committee will expect at least a 15% return to have been achieved.

### Resolution 2 – Directors' remuneration policy

This resolution seeks shareholder approval for changes to the directors' remuneration policy that was approved by shareholders at the Company's annual general meeting on 16 October 2014. The changes proposed are that:

- the annual limit on the size of Awards that may be made to a participant under the LTIP in any one financial year of the company be two times that participant's annual salary (subject to an exceptional circumstances limit of four times a participant's annual salary);
- the performance conditions that apply to Awards operate so that 50% of an Award vests by reference to EBITDA, profit after tax and digital revenue of the Group and its brands and 50% of an Award vests by reference to the strategic targets of the Group; and
- vesting of Awards be phased over two and a half years following the end of a three-year performance period.



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