

# THE RANK GROUP PLC

## NOTICE OF ANNUAL GENERAL MEETING

THURSDAY, 19 OCTOBER 2017 AT 11AM  
TOR, SAINT-CLOUD WAY,  
MAIDENHEAD, SL6 8BN.

**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 the action that you should take, you are recommended to seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in The Rank Group Plc please send this document and form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## Directors

Mr Ian Burke *Chairman*  
Mr Chris Bell  
Mr Henry Birch  
Mr Steven Esom  
Ms Susan Hooper  
Mr Clive Jennings  
The Rt. Hon. the Earl of Kilmorey, PC  
Mr Owen O'Donnell  
Mr Alex Thursby



**The Rank Group Plc**  
TOR  
Saint-Cloud Way  
Maidenhead SL6 8BN  
T. +44 1628 504 000  
W. [www.rank.com](http://www.rank.com)

8 September 2017

To ordinary shareholders

**Dear Shareholder**

### **2017 Annual General Meeting**

This document contains the notice of the 2017 annual general meeting of the Company, which will be held at TOR, Saint-Cloud Way, Maidenhead SL6 8BN at 11am on Thursday, 19 October 2017. A general description of the matters to be considered at this meeting can be found in the explanatory notes starting on page 5.

You will see that in addition to the ordinary business to be conducted at the meeting there are four items of special business.

The items of special business relate to the Company's authority to make market purchases of its ordinary shares, to make political donations as defined in the Companies Act 2006, to adopt new articles of association and to call general meetings (other than annual general meetings) on short notice.

The election of independent directors must be approved by the shareholders as a whole, and by all shareholders excluding the controlling shareholder (the 'Independent Shareholders'). The notes starting on page 3 more fully explain the voting process and the background to each of the resolutions to be proposed at the meeting.

Voting on all 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 annual 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 annual general meeting.

### **Actions to be taken**

A form of proxy for use at the forthcoming annual 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 annual general meeting on page 4. Completion and return of the form will not prevent you from attending and voting at the meeting in person if you wish.

### **Recommendation**

Your directors consider the passing of all of the resolutions at the annual general meeting, including those to be proposed as special business, to be in the best interests of the Company and the shareholders as a whole and that they will promote the success of the Company for their benefit.

Accordingly, your directors unanimously recommend shareholders to vote in favour of all of the resolutions to be proposed at the annual 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 the twenty first annual general meeting (the 'Meeting') of The Rank Group Plc (the 'Company') will be held at TOR, Saint-Cloud Way, Maidenhead SL6 8BN at 11am on Thursday, 19 October 2017 for the shareholders of the Company as a whole to consider and pass the resolutions below. Resolutions 14, 16 and 17 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

1. To receive the strategic report, the report of the directors and the audited financial statements for the year ended 30 June 2017 together with the report of the independent auditor thereon.
2. To approve the annual statement by the chairman of the remuneration committee and annual report on remuneration within the directors' remuneration report for the year ended 30 June 2017 set out on pages 70 to 84 (inclusive) of the annual report.
3. To declare a final dividend of 5.30p per ordinary share recommended by the directors.
4. To elect Alex Thursby as a director with effect from the end of the Meeting, provided that resolution 18 is passed.
5. To re-elect Chris Bell as a director with effect from the end of the Meeting, provided that resolution 19 is passed.
6. To re-elect Henry Birch as a director, with effect from the end of the Meeting.
7. To re-elect Ian Burke as a director, with effect from the end of the Meeting.
8. To re-elect Steven Esom as a director with effect from the end of the Meeting, provided that resolution 20 is passed.
9. To re-elect Susan Hooper as a director with effect from the end of the Meeting, provided that resolution 21 is passed.
10. To re-elect Clive Jennings as a director, with effect from the end of the Meeting.
11. To re-elect Lord Kilmorey as a director with effect from the end of the Meeting, provided that resolution 22 is passed.
12. To re-appoint Ernst & Young LLP as auditor to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
13. To authorise the audit committee of the board of directors to agree the remuneration of the auditor.

As special business to consider and, if thought fit, to pass the following resolutions of which resolution numbered 15 will be proposed as an ordinary resolution and resolutions numbered 14, 16 and 17 will be proposed as special resolutions.

14. That the Company is authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 13% pence each in the capital of the Company ('Ordinary Shares'), such power to be limited:
  - (a) to a maximum of 39,068,352 Ordinary Shares;
  - (b) by the condition that the minimum price which may be paid for an Ordinary Share is 13% pence and the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of:
    - a. an amount equal to 5% above the average market quotations of an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
    - b. the price of the last independent trade or the highest current independent bid for an ordinary share as derived from the London Stock Exchange trading service SETS,

whichever shall be the higher, in each case exclusive of expenses, such power to apply until the end of the annual general meeting to be held in 2018 or until 31 December 2018, whichever is sooner, but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

## NOTICE OF ANNUAL GENERAL MEETING CONTINUED

15. That the Company, and any company which is or becomes its subsidiary during the period to which this resolution relates, be authorised:

- (a) to make political donations to political parties and/or independent election candidates not exceeding £25,000 in total;
- (b) to make political donations to political organisations other than political parties not exceeding £25,000 in total; and
- (c) to incur political expenditure not exceeding £50,000 in total,

during the period beginning with the date of passing this resolution and ending at the conclusion of the next annual general meeting of the Company after the date on which this resolution is passed or on the date falling 15 months from the date of passing of this resolution, whichever is earlier.

In any event, the aggregate amount of donations made and political expenditure incurred by the Company pursuant to this resolution shall not exceed £100,000.

For the purposes of this resolution, the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.

16. That with effect from the end of the Meeting, the articles of association produced to the Meeting and initialled for the purpose of identification by the chair of the meeting be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

17. That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

In accordance with Listing Rule 9.2.2ER, notice is also hereby given for the Independent Shareholders of the Company only:

18. To elect Alex Thursby as a director with effect from the end of the Meeting, provided that resolution 4 is passed.

19. To re-elect Chris Bell as a director with effect from the end of the Meeting, provided that resolution 5 is passed.

20. To re-elect Steven Esom as a director with effect from the end of the Meeting, provided that resolution 8 is passed.

21. To re-elect Susan Hooper as a director with effect from the end of the Meeting, provided that resolution 9 is passed.

22. To re-elect Lord Kilmorey as a director with effect from the end of the Meeting, provided that resolution 11 is passed.

By order of the board

**Frances Bingham**

Secretary

8 September 2017

The Rank Group Plc

Registered in England & Wales No. 03140769

Registered office TOR, Saint-Cloud Way, Maidenhead SL6 8BN

## 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 6.30pm on Tuesday, 17 October 2017 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 on the relevant register of members after 6.30pm on Tuesday, 17 October 2017 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 or 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. A shareholder may only appoint a proxy or proxies 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).

To appoint more than one proxy, you may either photocopy the form(s) of proxy accompanying this Notice or contact Equiniti on 0371 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.

### Paper proxy appointment

4. The forms 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 Tuesday, 17 October 2017, or 48 hours before the time appointed for holding any adjourned Meeting.

### CREST proxy appointment

5. 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 Tuesday, 17 October 2017, 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)).

<sup>1</sup> Lines are open 08:30 to 17:30, Monday to Friday.

## **NOTICE OF ANNUAL GENERAL MEETING** CONTINUED

6. 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 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.
7. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. 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**

9. 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 Tuesday, 17 October 2017, or if received 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**

10. 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**

11. 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**

12. As at 6 September 2017, 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 6 September 2017 were 390,683,521.
13. 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 annual general meeting this year, 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.
14. 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 will replace your previously lodged vote.
15. 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).

### **Right to ask questions**

16. 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.

### **Shareholder requests under section 527 of the Act**

17. Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the last annual general meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

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

18. 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 TOR, Saint-Cloud Way, Maidenhead SL6 8BN; or
- (b) by writing to the registrars, Equiniti, 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 2016/17 annual report and financial statements and 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**

19. The directors' service agreements, the terms and conditions of appointment of non-executive directors, a statement of the interests of the directors (and their families) in the shares of the Company and the new articles of association of the company, showing the changes to the current articles proposed in resolution 16 are available for inspection at the registered office of the Company during normal business hours. All of these documents will also be available for inspection on the date of the Meeting at the Company's registered office 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**

20. 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 to 13, 15 and resolutions 18 to 22 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. Resolutions 14, 16 and 17 are proposed as special resolutions. This means that for the resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The Company has a controlling shareholder (a shareholder who exercises 30% or more of the votes), Hong Leong Company (Malaysia) Berhad. Therefore, the election or re-election of any director whom the Company has determined to be independent under the UK Corporate Governance Code (the 'Code') must be approved by the shareholders as a whole, and separately by all shareholders excluding the controlling shareholder (the 'Independent Shareholders'). Therefore, there will be two votes in relation to the election or re-election of each non-executive director, one vote by the shareholders as a whole and another vote by the Independent Shareholders.

## **NOTICE OF ANNUAL GENERAL MEETING** CONTINUED

If a vote to elect or re-elect any of the non-executive directors is not passed by the Independent Shareholders, the Company may propose a further resolution to re-elect the relevant director between 90 and 120 days from the date of the original vote. This further resolution must be passed by a majority of the shareholders as a whole only, and there is no requirement for an additional vote by the Independent Shareholders. LR 9.2.2DG allows any non-executive director who is not re-elected by the Independent Shareholders to remain in office until the further resolution has been voted on.

### **Resolution 1 – Report and financial statements**

The directors of the Company are required to present to shareholders the strategic report, the financial statements, the directors' report and the auditor's report on the financial statements for the year ended 30 June 2017.

### **Resolution 2 – Directors' remuneration report**

This resolution seeks shareholder approval for the annual report on remuneration and the annual statement by the chairman of the remuneration committee, which together form part of the directors' remuneration report. These parts of the directors' remuneration report can be found on pages 70 to 84 of the 2016/17 annual report and financial statements. The annual report on remuneration gives details of the implementation of the Company's current remuneration policy in terms of the payments and share awards made to the directors in connection with their performance and that of the Company during the year ended 30 June 2017. This vote is advisory and will not affect the way in which the pay policy has been implemented or the future remuneration of the directors.

### **Resolution 3 – Declaration of a final dividend**

Shareholders are required to approve the amount of the final dividend being recommended by the directors in respect of the financial year ended 30 June 2017. If approved, the dividend will be paid on 31 October 2017 to shareholders on the register at the close of business on 22 September 2017.

### **Resolution 4 – Election of director**

In accordance with the Company's articles of association each new director appointed to the board is subject to election by shareholders at the first annual general meeting following their appointment.

Alex Thursby was appointed to the board with effect from 1 August 2017. He serves on the board's audit, remuneration and nominations committees and, with effect from the conclusion of the annual general meeting, will chair the audit committee. Mr Thursby was selected for appointment to the board following a search process led by the chairman. His biographical details can be found on page 51 of the 2016/17 annual report. A description of the process by which Mr Thursby was appointed can be found on page 65 of the 2016/17 annual report. In view of Mr Thursby's long career including his experience of developing new, and transforming existing, businesses with the use of technology platforms and his extensive experience in compliance and risk governance in a highly regulated sector the board considers that Mr Thursby brings valuable skills to the board and that he will be an effective director. Mr Thursby is known to the Company's majority shareholder due to his previous professional banking experience in Asia. There are no relationships, transactions or arrangements to be disclosed pursuant to LR13.8.17R(1) in relation to Mr Thursby. At a board meeting on 16 August 2017, the board considered the independence of Mr Thursby by reference to the criteria in the Code, the information provided above in relation to the additional disclosures required by LR 13.8.17R and his biography set out in the 2016/17 annual report and financial statements. The board is satisfied that Mr Thursby is independent by reference to the criteria set out in provision B.1.1 of the Code. Accordingly, the board unanimously recommends the election of Mr Thursby.

### **Resolutions 5 to 11 – Re-election of directors**

In accordance with provision B.7.1 of the Code, all other directors of the Company are offering themselves for re-election. The re-election of the directors will take effect at the end of the Meeting.

Biographical details of all directors seeking re-election can be found on pages 50 and 51 of the 2016/17 annual report and financial statements.



The following disclosures are made in relation to the independent non-executive directors for the purposes of LR 13.8.17R:

**Steven Esom** – Mr Esom was appointed to the board with effect from 1 March 2016. Mr Esom was selected for appointment to the board following a search process led by the chairman which was undertaken using an external search agency. Mr Esom is highly experienced and in view of his extensive commercial experience gained within several of consumer-focused multi-site retail businesses, the board considers that he brings valuable skills to the board and provides an objective perspective. Mr Esom chairs the board's remuneration committee and also serves on the audit and nominations committees of the board. There are no relationships, transactions or arrangements to be disclosed pursuant to LR 13.8.17R(1) in relation to Mr Esom.

**Chris Bell** – Mr Bell was appointed to the board effective from 1 June 2015 following a search process led by the chairman which was undertaken using an external search consultancy. Mr Bell has had extensive experience within the gambling industry as well as considerable corporate experience. Mr Bell is the senior independent director and also serves on the audit and nominations committees of the board. There are no relationships, transactions or arrangements to be disclosed pursuant to LR 13.8.17R(1) in relation to Mr Bell.

**Susan Hooper** – Ms Hooper was appointed to the board effective from 1 September 2015 following a search process led by the chairman which was undertaken using an external search consultancy. At that time the Company had been looking to broaden the commercial non-executive experience on the board. Ms Hooper also serves on the remuneration, nominations and responsible gambling committees of the board. There are no relationships, transactions or arrangements to be disclosed pursuant to LR 13.8.17R(1) in relation to Ms Hooper.

**Lord Kilmorey** – In 2012 the board wished to recruit an additional independent non-executive director who would be able to assist the Group with its lobbying efforts in the UK given the highly-regulated nature of the Group's operations and the impact that changes in regulation had had in the past. Lord Kilmorey, who had such experience, was selected for appointment to the board following an introduction to the chairman and subsequent interviews with board members. Lord Kilmorey joined the board on 1 May 2012. He chairs the board's responsible gambling committee. There are no relationships, transactions or arrangements to be disclosed pursuant to LR 13.8.17R(1) in relation to Lord Kilmorey.

The board considers that each of the directors proposed for re-election continues to make an effective and valuable contribution and demonstrates commitment to their role. Any absences from scheduled board and committee meetings have been due to unavoidable personal circumstances.

All of the independent non-executive directors offering themselves for re-election are highly experienced and have a broad knowledge of the gambling industry. In view of their career experience, the board considers that they each bring valuable skills to the board and provide an objective perspective. The effectiveness of each of the independent non-executive directors was considered at a board meeting on 16 August 2017 and the board is able to confirm that all of the independent non-executive directors standing for re-election are effective.

At the same board meeting on 16 August 2017, the board considered the independence criteria in the Code, the information provided above in relation to the additional disclosures required by LR 13.8.17R and the biographies of the independent non-executive directors set out in the 2016/17 annual report and financial statements. The board was satisfied that Mr Esom, Mr Bell, Ms Hooper and Lord Kilmorey were independent by reference to the criteria set out in provision B.1.1 of the Code.

Accordingly, the board unanimously recommends the re-election of the chairman (Mr Burke), both the executive directors (Mr Birch and Mr Jennings) and the independent non-executive directors (Mr Bell, Mr Esom, Ms Hooper and Lord Kilmorey).

#### **Resolutions 12 and 13 – Re-appointment and remuneration of auditor**

The Company is required to appoint an auditor at each general meeting at which accounts are laid, to hold office until the next general meeting. On the recommendation of the audit committee, the board proposes that the existing auditors, Ernst & Young LLP, be re-appointed as auditor of the Company for a further year. Additionally, the board proposes that the audit committee be authorised to agree the auditor's remuneration.

## **NOTICE OF ANNUAL GENERAL MEETING** CONTINUED

### **Resolution 14 – Authority to make market purchases**

Resolution 14 will authorise the Company to purchase up to 10% of its issued Ordinary Shares at or between the minimum and maximum prices specified in the relevant resolution. The directors have no present intention of exercising the authority to make market purchases, but the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. If the Company were to purchase any of its own Ordinary Shares it would consider holding them as treasury shares pursuant to the authority conferred by this resolution. This would enable the Company to re-issue such shares quickly and cost-effectively and would provide the Company with additional flexibility in the management of its capital base. The Company currently has no Ordinary Shares in treasury.

As at 6 September 2017 (being the latest practicable date prior to the publication of this document), there were contingent share awards outstanding over 4,107,025 Ordinary Shares, representing 1.05% of the issued share capital of the Company. If the authority granted under resolution 14 were to be exercised in full by the directors, such shares would represent 1.17% of the issued share capital of the Company. The Company has no warrants in issue in relation to its shares.

### **Resolution 15 – Political donations**

The Act requires the Company to seek shareholders' authority for political donations and political expenditure (each as defined in the Act) made by the Company. It has been the Company's long-standing practice not to make political donations or incur political expenditure, within the normal meaning of those terms, and it intends that this will remain the case. However, the Act is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities.

Accordingly, the directors have decided to seek shareholders' authority for political donations and political expenditure (each as defined in the Act) in case any of the Company's activities are inadvertently caught by the legislation. The authority sought would be capped at £100,000 for the next year and, although the Act permits shareholders to grant authority for up to four years, the directors will seek to renew this authority at each annual general meeting in accordance with current best practice. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's annual report and accounts.

### **Resolution 16 – Adoption of new articles of association**

It is proposed in resolution 16 to adopt new articles (the 'New Articles') in order to update the existing articles to reflect an increase in the limit on aggregate directors' fees, to enable virtual annual general meetings to take place in the future, to reflect the requirement under the Code that all directors be re-elected and to update the provisions relating to the payment of dividends and uncertificated shares.

We have summarised in the appendix to this notice those changes introduced in the New Articles which we consider will be of most interest to shareholders. Other changes, which are of a minor, technical or clarifying nature, or conform the language of the New Articles with that used in the model articles for public companies, have not been noted in the appendix. The New Articles showing all the changes to the existing articles are available for inspection, as noted on page 5 of this document.

### **Resolution 17 – Short notice of general meetings**

Under the Act general meetings (other than annual general meetings) may be called on 14 clear days' notice. However, The Companies (Shareholders' Rights) Regulations 2009 increased the notice period required for general meetings of a company to 21 clear days. Companies do have the ability pursuant to the Act to reduce this notice period to not less than 14 clear days, provided that they offer facilities for shareholders to vote and appoint proxies by electronic means and that, annually, shareholder approval is obtained to reduce the minimum notice period from 21 clear days to 14 clear days. Annual general meetings must continue to be held on at least 21 clear days' notice. It is intended that the shorter notice would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

The directors are, therefore, proposing this resolution to seek this shareholder approval for 14 clear days to be the minimum period of notice for all general meetings of the Company, other than annual general meetings. The approval will expire at the conclusion of the next annual general meeting, when it is intended that renewal of this authority will be sought.

## **APPENDIX**

### **NEW ARTICLES**

#### **Explanatory notes of principal changes to the company's articles of association**

##### **Director's Fees**

The aggregate directors' fees limit in the Company's current articles of association have not been increased since 2005. While the board has no plans to materially increase the fee levels for non-executive directors, the board considers it appropriate to seek shareholder approval to increase the aggregate director fees limit in the New Articles from £500,000 per annum to £750,000 per annum to ensure the board has sufficient flexibility to reflect its remuneration policy and to provide enough head-room to enable to the board to execute any succession plans for the future. The Board is satisfied that this new aggregate limit is in keeping with current market practice.

##### **Virtual AGMs**

The New Articles allow for general meetings to be held electronically as well as physically in accordance with the Companies (Shareholders' Rights Regulations) 2009 and the Companies Act 2006. If this resolution is passed, the changes introduced in the New Articles will allow for meetings to be held and conducted in such a way that persons who are not present together at the same place may attend at, speak and vote at the meeting by electronic means. Nothing in the New Articles will preclude physical general meetings being held.

##### **Annual re-election of directors**

Since 2010 the Code has required all directors of FTSE 350 companies to be subject to annual election by shareholders and although the Company has in practice been compliant with this provision the board proposes that the requirement be enshrined within the New Articles.

##### **Method of paying dividends**

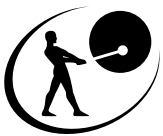
The New Articles update the dividend payment provisions following guidance published by the ICSA Registrars' Group in March 2014. The process of distributing cash to shareholders is one that is central to all companies who pay dividends. Historically, companies' articles have been set up to reflect the fact that cheques were the predominant payment method within the UK. However, payment by cheque is no longer necessarily the preferred option for many shareholders. The proposed New Articles capture the different methods by which dividend payments can be made and also provides flexibility for different payment methods which may become available in the future.

##### **Uncertificated shares**

The New Articles include some further detail on uncertificated shares, including the mechanisms in relation to their transfer and/or conversion into certified form in line with the Uncertificated Securities Regulations 2001.

##### **General**

As we are proposing to adopt the New Articles to make the changes described above, the opportunity has been taken generally to clarify minor inconsistencies in certain other parts of the New Articles, to update provisions to reflect current statutory and regulatory rules and to remove redundant provisions (such as wording in relation to the old ADR depository).



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