

# **THE RANK GROUP PLC**

## **NOTICE OF ANNUAL GENERAL MEETING**

THURSDAY, 18 OCTOBER 2018 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 Steven Esom  
Ms Susan Hooper  
The Rt. Hon. the Earl of Kilmorey, PC  
Mr Alan Morgan  
Mr John O'Reilly  
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)

14 September 2018

To ordinary shareholders

## DEAR SHAREHOLDER

### 2018 ANNUAL GENERAL MEETING

This document contains the notice of the 2018 annual general meeting of the Company, which will be held at TOR, Saint-Cloud Way, Maidenhead SL6 8BN at 11am on Thursday, 18 October 2018. A general description of the matters to be considered at this meeting can be found in the explanatory notes on page 5.

You will see that in addition to the ordinary business to be conducted at the meeting there are three 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 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 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 3. 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 second 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, 18 October 2018 for the shareholders of the Company as a whole to consider and pass the resolutions below. Resolutions 13 and 15 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 2018 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 2018 set out on pages 76 to 94 (inclusive) of the annual report.
3. To declare a final dividend of 5.30p per ordinary share recommended by the directors.
4. To elect John O'Reilly as a director with effect from the end of the Meeting.
5. To elect Alan Morgan as a director with effect from the end of the Meeting.
6. To re-elect Chris Bell as a director with effect from the end of the Meeting, provided that resolution 16 is passed.
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 17 is passed.
9. To re-elect Susan Hooper as a director with effect from the end of the Meeting, provided that resolution 18 is passed.
10. To re-elect Alex Thursby as a director with effect from the end of the Meeting, provided that resolution 19 is passed.
11. 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.
12. 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 14 will be proposed as an ordinary resolution and resolutions numbered 13 and 15 will be proposed as special resolutions.

13. 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 2019 or until 31 December 2019, 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

14. 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.

15. 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:

- 16. To re-elect Chris Bell as a director with effect from the end of the Meeting, provided that resolution 6 is passed.
- 17. To re-elect Steven Esom as a director with effect from the end of the Meeting, provided that resolution 8 is passed.
- 18. To re-elect Susan Hooper as a director with effect from the end of the Meeting, provided that resolution 9 is passed.
- 19. To re-elect Alex Thursby as a director with effect from the end of the Meeting, provided that resolution 10 is passed.

By order of the board

**Luisa Wright**

Secretary

14 September 2018

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 52 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 6:30 p.m. on Tuesday, 16 October 2018 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 6:30 p.m. on Tuesday, 16 October 2018 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 9 below); or
  - (c) if you are a user of the CREST system (including CREST personal members), having an appropriate CREST message transmitted (see Note 5 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, 16 October 2018, 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, 16 October 2018, 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)).
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.

<sup>1</sup> Lines are open 08:30 to 17:30, Monday to Friday (excluding public holidays in England and Wales).

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

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, 16 October 2018, 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 5 September 2018, 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 5 September 2018 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 2017/18 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 articles of association of the Company 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 12, 14 and resolutions 16 to 19 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 13 and 15 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 re-election of each non-executive director, one vote by the shareholders as a whole and another vote by the Independent Shareholders.

If a vote to 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 2018.

#### **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 76 to 94 of the 2017/18 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 2018. 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 2018. If approved, the dividend will be paid on 30 October 2018 to shareholders on the register at the close of business on 21 September 2018.

#### **RESOLUTIONS 4 AND 5 – ELECTION OF DIRECTORS**

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.

John O'Reilly was appointed as chief executive and an executive director with effect from 7 May 2018. As this appointment was subsequent to the last annual general meeting of the Company, he will retire in accordance with the Company's Articles of Association and will offer himself for election in accordance with Resolution 4. John has extensive experience within the betting and gaming industry. He was a senior executive at Gala Coral Group between August 2011 and April 2015, prior to which he had a 19-year career at Ladbrokes. During his career at Ladbrokes he held several senior positions, including managing director of remote betting and gaming, and also served as an executive director on the board of Ladbrokes plc between 2006 and 2010. He was a non-executive director of William Hill PLC between January 2017 and April 2018 and non-executive chairman of Grand Parade Limited between June 2015 and August 2016, when Grand Parade was sold to William Hill. John was also a non-executive director and chair of the remuneration committee at Telety Group plc between September 2007 and January 2016.

Alan Morgan, the Company's managing director, retail, was appointed as an executive director with effect from 7 May 2018. As this appointment was subsequent to the last annual general meeting of the Company, he will retire in accordance with the Company's Articles of Association and will offer himself for election in accordance with Resolution 5. Alan joined the Company in September 2016 as managing director for Mecca's retail business and was appointed as the Group's UK retail managing director in October 2017. He has held a number of senior positions within the hospitality and leisure sector, including chief operating & commercial officer for Spirit Pub Company and roles in Whitbread and David Lloyd Leisure.

#### **RESOLUTIONS 6 TO 10 – 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 54 and 55 of the 2017/18 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:

**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, nominations, remuneration 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 Mr Bell.

**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.

**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.

**Alex Thursby** – Mr Thursby was appointed to the board effective from 1 August 2017 following a search process led by the chairman which was undertaken using an external search consultancy. Mr Thursby has experience of developing new and transforming existing, businesses with the use of new technology platforms and extensive experience in compliance and risk governance in a highly regulated sector. Mr Thursby chairs the audit committee, and also serves on remuneration 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 Thursby.

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 15 August 2018 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 15 August 2018, 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 2017/18 annual report and financial statements. The board was satisfied that Mr Bell, Mr Esom, Ms Hooper and Mr Thursby 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) and the independent non-executive directors (Mr Bell, Mr Esom, Ms Hooper and Mr Thursby).

## **RESOLUTIONS 11 AND 12 – 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.

### **RESOLUTION 13 – AUTHORITY TO MAKE MARKET PURCHASES**

Resolution 13 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 5 September 2018 (being the latest practicable date prior to the publication of this document), there were contingent share awards outstanding over 5,725,523 Ordinary Shares, representing 1.47% of the issued share capital of the Company. If the authority granted under resolution 13 were to be exercised in full by the directors, such shares would represent 1.63% of the issued share capital of the Company. The Company has no warrants in issue in relation to its shares.

### **RESOLUTION 14 – 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 15 – 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.

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