

## INCHCAPE PLC

(incorporated and registered in England and Wales under number 609782)

# NOTICE OF ANNUAL GENERAL MEETING

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

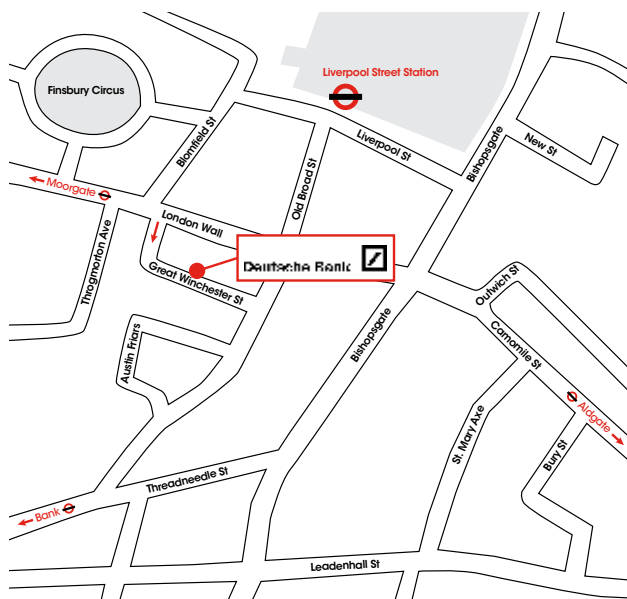
If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice of the Annual General Meeting of the Company to be held at 11.00 a.m. on Thursday, 25 May 2017 at Deutsche Bank AG, Winchester House, 1 Great Winchester Street, London EC2N 2DB is set out on pages 4 to 6 of this Circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received no later than 11.00 a.m. on Tuesday, 23 May 2017. Completion of the Form of Proxy will not preclude you from attending and voting at the Annual General Meeting should you choose to do so.

Alternatively, you may register your appointment of a proxy electronically by logging on to the Registrar's website ([www.eproxyappointment.com](http://www.eproxyappointment.com)) or, if you hold your shares via CREST, by using the CREST electronic proxy appointment service. Further details are set out in the Explanatory Notes on pages 7 to 9 of this Circular and in the Form of Proxy.



### DIRECTIONS

The venue is a short walk from both Liverpool Street and Moorgate stations on Great Winchester Street.

For wheelchair access please use the entrance on London Wall.

Ken Hanna\* (Chairman)  
Stefan Bomhard (Group Chief Executive)  
Jerry Buhlmann\*  
Alison Cooper\*  
Rachel Empey\*  
Richard Howes (Chief Financial Officer)  
John Langston\*  
Coline McConville\*  
Nigel Northridge\* (Senior Independent Director)  
Nigel Stein\*  
Till Vestring\*

\*Non-Executive Director

14 March 2017

**DEAR SHAREHOLDER,**

I am pleased to be writing to you with details of this year's Annual General Meeting ("AGM") which we are holding at Deutsche Bank AG, Winchester House, 1 Great Winchester Street, London EC2N 2DB on Thursday, 25 May 2017 at 11.00 a.m.

The formal notice of the AGM is set out on pages 4 to 6 of this document. I thought it might be helpful for me to write a few words on the resolutions to be proposed at the AGM.

**RESOLUTIONS 1 TO 16**

These resolutions deal with: the Annual Report and Accounts of the Company for the financial year ended 31 December 2016, together with the reports of the Directors (resolution 1); the Directors' Report on Remuneration (resolution 2); the Directors' Remuneration Policy (resolution 3), the declaration of a final dividend for the year ended 31 December 2016 (resolution 4); the election or re-election of Directors (resolutions 5 to 14); and the re-appointment and remuneration of the Company's auditors (resolutions 15 and 16).

Each of these resolutions will be proposed as an ordinary resolution.

Shareholders are being asked to approve a final dividend of 16.8 pence per ordinary share of 10 pence each for the year ended 31 December 2016.

If you approve the recommended final dividend, this will be paid on 23 June 2017 to all ordinary shareholders who are on the register of members on 19 May 2017.

**RESOLUTIONS 17 TO 20**

Resolutions 17 to 20 deal with: the Directors' authority to allot shares (resolution 17); authority to disapply pre-emption rights (resolution 18 and resolution 19); and authority for the Company to make market purchases of its own shares (resolution 20). Resolution 17 will be proposed as an ordinary resolution and resolutions 18, 19 and 20 will be proposed as special resolutions.

**RESOLUTION 21**

The Companies Act 2006 requires that all general meetings must be held on 21 days' notice unless shareholders agree to a shorter notice period. At our 2016 AGM, a resolution was passed enabling us to preserve our ability to call general meetings (other than annual general meetings) on 14 clear days' notice. Resolution 21 will be proposed as a special resolution.

**EXPLANATION OF BUSINESS**

Explanatory notes on all the business to be considered at this year's AGM appear on pages 10 to 12 of this document.

**RECOMMENDATION**

Your Directors consider that each resolution to be proposed at the AGM is in the best interests of the shareholders as a whole and unanimously recommend shareholders to vote in favour of all resolutions, as they intend to do in respect of their own shareholdings.

**ACTION TO BE TAKEN**

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the enclosed Form of Proxy and return it to our Registrars, Computershare, as soon as possible. They must receive it by 11.00 a.m. on Tuesday, 23 May 2017. If you prefer, you can submit your proxy electronically either by logging on to the Registrar's website ([www.eproxyappointment.com](http://www.eproxyappointment.com)) or, if you are a CREST member, through the CREST system by completing and transmitting a CREST proxy instruction as described in the Explanatory Notes on pages 7 to 9 of this Circular and in the Form of Proxy.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ken Hanna', with a large loop at the end.

**KEN HANNA**  
CHAIRMAN

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("AGM") of Inchcape plc (the "Company") will be held at Deutsche Bank AG, Winchester House, 1 Great Winchester Street, London EC2N 2DB on Thursday, 25 May 2017 at 11.00 a.m.

You will be asked to consider and, if thought fit, to pass the resolutions below. Resolutions 18 to 21 (inclusive) will be proposed as special resolutions.

All other resolutions will be proposed as ordinary resolutions.

### ORDINARY RESOLUTIONS

1. To receive the Annual Report and Accounts of the Company for the financial year ended 31 December 2016, together with the reports of the Directors.
2. To approve the Directors' Report on Remuneration, other than the part containing the Directors' Remuneration Policy, for the financial year ended 31 December 2016.
3. To approve the Directors' Remuneration Policy contained in the Directors' Report on Remuneration.
4. To declare a final dividend of 16.8 pence per ordinary share of 10 pence in the capital of the Company.
5. To re-elect Ken Hanna as a Director of the Company.
6. To re-elect Stefan Bomhard as a Director of the Company.
7. To elect Jerry Buhlmann as a Director of the Company.
8. To elect Rachel Empey as a Director of the Company.
9. To re-elect Richard Howes as a Director of the Company.
10. To re-elect John Langston as a Director of the Company.
11. To re-elect Coline McConville as a Director of the Company.
12. To re-elect Nigel Northridge as a Director of the Company.
13. To re-elect Nigel Stein as a Director of the Company.
14. To re-elect Till Vestring as a Director of the Company.
15. To re-appoint PricewaterhouseCoopers LLP as auditor of the Company (the "auditor") to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
16. To authorise the Audit Committee of the Board to determine the auditor's remuneration.
17. To authorise the Directors generally and unconditionally, in substitution for all subsisting authorities, to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to a nominal amount of £14,027,205, such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 25 August 2018) save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

**SPECIAL RESOLUTIONS**

18. THAT if Resolution 17 is passed, the Directors be and they are hereby authorised pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash pursuant to the authority conferred by Resolution 17 or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:
- (a) the allotment of equity securities or sale of treasury shares in connection with an offer of securities in favour of the holders of ordinary shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date(s), subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of ordinary shares being represented by depositary receipts or any other matter; and
  - (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) of this Resolution 18) to any person or persons up to an aggregate nominal amount of £2,104,080,

and shall expire upon the expiry of the general authority conferred by Resolution 17, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

19. THAT, if Resolution 17 is passed and in addition to the power conferred by Resolution 18, the Directors be and they are hereby authorised pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash pursuant to the authority conferred by Resolution 17 or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall:
- (a) be limited to the allotment of equity securities or sale of treasury shares to any person or persons up to an aggregate nominal amount of £2,104,080; and
  - (b) only be used for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

and shall expire upon the expiry of the general authority conferred by Resolution 17, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

20. To authorise the Company 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 the ordinary shares on such terms and in such manner as the Directors may from time to time determine, such power to be limited:
- (a) to a maximum number of 42,081,616 ordinary shares;
  - (b) by the condition that the minimum price (exclusive of expenses) which may be paid for an ordinary share is the nominal amount of that share and the maximum price (exclusive of expenses) which may be paid for an ordinary share is the highest of:
    - (i) an amount equal to 5 per cent above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
    - (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share on the trading venues where the purchase is carried out at the relevant time;

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 25 August 2018) but during this period the Company may enter into a contract to purchase ordinary shares which would or might 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.

21. To approve that a general meeting other than an AGM may be called on not less than 14 clear days' notice.

By order of the Board



**TAMSIN WATERHOUSE**  
GROUP COMPANY SECRETARY  
Date: 14 March 2017

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. Your proxy must vote as instructed and must attend the meeting for your vote to be counted. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC, on 0370 707 1076. Calls from a BT landline can cost up to 10p per minute, though charges from other operators may vary. Lines are open between 8.30 a.m. and 5.30 p.m.
2. To be valid any proxy form or other instrument appointing a proxy must be received: (i) by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; or (ii) electronically by logging on to the Registrar's website ([www.eproxyappointment.com](http://www.eproxyappointment.com)), in each case no later than 11.00 a.m. on Tuesday, 23 May 2017.
3. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company, an attorney for the company or any other person authorised to sign it.
4. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
5. If a member appoints more than one proxy and the proxy forms appointing those proxies would give those proxies the apparent rights to exercise votes on behalf of the member over more shares than are held by the member, then each of those proxy forms will be invalid and none of the proxies so appointed will be entitled to attend, speak or vote at the AGM.
6. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 12 ) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
7. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Such persons should direct any communications and enquiries to the registered holder of the shares by whom they were nominated and not to the Company or its Registrar.
8. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
9. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 5.00 p.m. on Tuesday, 23 May 2017 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Shareholders then on the register of members shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.



10. As at 6 March 2017 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 420,816,168 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 11.00 a.m. on Tuesday, 23 May 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. 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 message. 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 a voting service provider, 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. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
15. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, 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).
16. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
17. Under section 527 of the Companies Act 2006 members 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 AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. 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 Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, 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 AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.



18. Any member attending the AGM has the right to ask questions and participate in the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
19. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.inchcape.com](http://www.inchcape.com).
20. Resolutions 1 to 21 will be put to a vote on a poll at the AGM. The voting results, which will include all votes cast for and against each resolution at the AGM, and all proxies lodged prior to the AGM, will be announced at the AGM and published on the Company's website as soon as practicable after the AGM. The Company will also disclose the number of votes withheld at the AGM and on its website. This practice provides shareholders present with sufficient information regarding the level of support and opposition to each resolution, and ensures all votes cast either at the AGM or through proxies are included in the result.
21. Under section 338 and section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the AGM and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 13 April 2017, being the date six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.
22. Except as provided above, members who have general queries about the AGM should call the shareholder helpline on 0370 707 1076 (no other methods of communication will be accepted).

## EXPLANATORY NOTES TO THE RESOLUTIONS

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 17 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 18 to 21 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### ORDINARY RESOLUTIONS

#### RESOLUTION 1: ANNUAL REPORT AND ACCOUNTS

English company law requires the Directors to lay the Annual Report and Accounts of the Company for the financial year ended 31 December 2016, together with the reports of the Directors, before a general meeting of the Company.

#### RESOLUTION 2: DIRECTORS' REPORT ON REMUNERATION

The Directors are required to prepare an annual report detailing the remuneration of the Directors and a statement by the chair of the Remuneration Committee (together, the "Directors' Report on Remuneration"). The Company is required to seek shareholders' approval in respect of the contents of this report on an annual basis. The vote is an advisory vote. You can find the Directors' Report on Remuneration on pages 57 to 77 of the Annual Report and Accounts.

#### RESOLUTION 3: DIRECTORS' REMUNERATION POLICY

This year, the Company is required to seek shareholders' approval of its policy on remuneration of Directors (the Directors' Remuneration Policy") it having been three years since the current Directors' Remuneration Policy was approved by shareholders at the AGM.

The proposed Directors' Remuneration Policy is set out in the Directors' Report on Remuneration on pages 60 to 67 of the Annual Report and Accounts. This vote is a binding vote. The Directors' Remuneration Policy, if approved, will take effect from 25 May 2017 and will apply for up to three years without further shareholder approval. Once the policy is effective, the Company will not be able to make remuneration payments to a Director, or loss of office payments to a current or past Director, unless the payment is consistent with the approved policy or has been approved by shareholders.

If the Directors Remuneration Policy is not approved by shareholders for any reason, the Company will, if and to the extent permitted to do so under the Companies Act 2006, continue to make payments to Directors in accordance with the Company's existing policy on Directors' remuneration.

#### RESOLUTION 4: FINAL DIVIDEND

A final dividend can only be paid by the Company after it has been approved by shareholders. The Directors are recommending a final dividend of 16.8 pence per ordinary share payable on 23 June 2017 to shareholders on the register of members at the close of business on 19 May 2017. The dividend payable to each shareholder will be rounded down to the nearest whole penny.

#### RESOLUTIONS 5 TO 14: ELECTION OR RE-ELECTION OF DIRECTORS

In accordance with the provisions of the UK Corporate Governance Code (the "Code"), all Directors of the Company must retire at every AGM and in addition, the Company's Articles of Association provide that any Director appointed since the previous AGM shall stand for election by the members at the next AGM.

Biographical details of Directors standing for election or re-election are set out on page 45 of the Company's Annual Report and Accounts. Jerry Buhlmann was appointed by the Board on 1 March 2017 and will stand for election for the first time at the AGM. Jerry brings complementary skills to the Board, including knowledge of media, marketing and a close working experience of digital transformation that is highly relevant for our growth strategy.

The Board has concluded that each Non-Executive Director is independent in accordance with the provisions of the Code. Following formal evaluations, the Board is satisfied that each Director continues to contribute effectively to the Board and gives sufficient time to his or her duties as a Director of the Company. Full details on the role of the Board and its Committees can be found in the Corporate Governance Report on pages 46 to 86 of the Annual Report and Accounts.

#### **RESOLUTIONS 15 AND 16: RE-APPOINTMENT OF AUDITORS**

In accordance with English company law, the Company is required to appoint an auditor at each general meeting at which accounts are laid before the shareholders. The Directors are recommending retaining PricewaterhouseCoopers LLP as the Company's auditor and seek authority for the Audit Committee of the Board to determine the remuneration of the auditor.

#### **RESOLUTION 17: AUTHORITY TO ALLOT**

At last year's AGM, shareholders passed a resolution giving the Directors authority to allot ordinary shares in the Company. That power will expire at the conclusion of this year's AGM.

Resolution 17 gives the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £14,027,205 (representing 140,272,050 ordinary shares). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 6 March 2017, the latest practicable date prior to publication of this Notice. The Company does not hold any ordinary shares in treasury.

The authority sought under Resolution 17 will expire at the earlier of close of business on 25 August 2018 and the conclusion of the AGM of the Company held in 2018. The Directors have no immediate plans to make use of this authority, however consider it appropriate to maintain the flexibility this authority provides.

#### **SPECIAL RESOLUTIONS**

##### **RESOLUTIONS 18 AND 19: DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS**

Resolutions 18 and 19 will give the Directors authority to allot ordinary shares in the capital of the Company pursuant to the authority granted under Resolution 17 for cash without complying with the pre-emption rights in the Companies Act 2006 in certain circumstances.

This disapplication authority is in line with institutional shareholder guidance, and in particular with the Pre-emption Group's Statement of Principles (the "Pre-emption Principles"). The Pre-emption Principles were revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to include: (i) an authority over five per cent of a Company's issued share capital for use on an unrestricted basis; and (ii) an additional authority over a further five per cent of a Company's issued share capital for use in connection with an acquisition or specified capital investment announced contemporaneously with the issue, or has taken place in the six month period preceding the announcement of the issue.

Resolution 18 will permit the directors to allot:

- (a) equity securities up to a nominal amount of £14,027,205, representing one-third of the Company's issued share capital as at 6 March 2017 (the latest practicable date prior to publication of this document) on an offer to existing shareholders on a pre-emptive basis (that is including a rights issue or an open offer), subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit; and
- (b) equity securities up to a maximum nominal value of £2,104,080, representing approximately 5 per cent of the issued ordinary share capital of the Company as at 6 March 2017 (the latest practicable date prior to publication of this document) otherwise than in connection with a pre-emptive offer to existing shareholders.

Resolution 19 will permit the Directors to allot additional equity securities up to a maximum nominal value of £2,104,080, representing approximately a further 5 per cent of the issued ordinary share capital of the Company as at 6 March 2017 (the latest practicable date prior to publication of this document), otherwise than in connection with a pre-emptive offer to existing shareholders for the purposes of financing or refinancing a transaction as contemplated by the Pre-emption Principles described above. The Directors believe that it is appropriate to seek this additional 5 per cent authority in Resolution 19 to give the Company the flexibility that this resolution affords.

The Directors confirm that, in accordance with the Pre-emption Principles, they do not intend to issue shares for cash representing more than 7.5 per cent of the Company's issued ordinary share capital in any rolling three-year period to those who are not existing shareholders (save in accordance with Resolution 19) without prior consultation with shareholders.

As noted in relation to Resolution 17, the Directors have no current intention of issuing ordinary shares.

The authority contained in Resolutions 18 and 19 will expire upon the expiry of the authority to allot shares conferred in Resolution 17 (that is at the end of the next AGM of the Company or, if earlier, on 25 August 2018).

**RESOLUTION 20: AUTHORITY TO MAKE MARKET PURCHASES OF OWN SHARES**

Authority is sought for the Company to purchase up to 10 per cent of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous AGMs.

The minimum price, exclusive of expenses, which may be paid for an ordinary share is its nominal value. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 105 per cent of the average market value for an ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

In considering whether to use this authority, the Directors will take into account factors including the financial resources of the Company, the Company's share price and future funding opportunities. The authority will only be exercised if the Directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors current intention is to cancel any shares it may purchase pursuant to this authority, however they will consider holding any ordinary shares the Company may purchase as treasury shares depending on the Company's capital requirements and prevailing market conditions.

The total number of options to subscribe for ordinary shares in the Company outstanding as at the close of business on 6 March 2017 was 7,595,561 representing approximately 1.8 per cent of the issued ordinary share capital of the Company as at that date and, if the authority to make market purchases now being sought were to be fully used, would represent approximately 2.01 per cent of the Company's issued ordinary share capital.

The authority will expire at the earlier of close of business on 25 August 2018 and the conclusion of the AGM of the Company held in 2018.

The Company purchased 8,114,753 ordinary shares in the period from the last AGM to 6 March 2017 under the existing authority.

**RESOLUTION 21: NOTICE OF GENERAL MEETINGS**

The Companies Act 2006 requires that all general meetings be held on 21 days' notice unless shareholders agree to a shorter notice period. This Resolution seeks to renew the authority granted by shareholders at the Company's 2016 AGM which preserved the Company's ability to call general meetings (other than annual general meetings) on 14 clear days' notice. This authority will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company confirms that it will give as much notice as is practicable when calling a general meeting. The 14 clear days' notice period will not be used as a matter of routine, but only in circumstances where it would clearly be to the advantage of shareholders as a whole, the business of the meeting is time-sensitive or flexibility is merited by the nature of the business of the meeting.

**INSPECTION OF DOCUMENTS**

The following documents are available for inspection at 22a St James's Square, London, SW1Y 5LP, the registered office of the Company, on Monday to Friday (except for public holidays) during normal working hours and at the AGM at Deutsche Bank AG, Winchester House, 1 Great Winchester Street, London EC2N 2DB from 15 minutes before the AGM until it ends:

- copies of the Executive Directors' service contracts;
- copies of letters of appointment of the Non-Executive Directors