



IMPERIAL BRANDS PLC

121 Winterstoke Road
Bristol BS3 2LL, UK

Tel: +44 (0)117 963 6636
www.imperialbrandsplc.com

Mark Williamson

Chairman

Dear Shareholder

ANNUAL GENERAL MEETING OF IMPERIAL BRANDS PLC

I am pleased to invite you to attend our annual general meeting (AGM or the Meeting) to be held on Wednesday 6 February 2019 at 2.30 pm.

If you requested electronic copies of the Annual Report and Accounts and associated documents or if you did not return the election card previously sent to you, this letter is notification that the Annual Report and Accounts and associated documents have now been published on our website under Investors-Shareholder Centre-AGM (www.imperialbrandsplc.com/Investors/Shareholder-centre/AGM.html).

If you have requested a printed copy of the Annual Report and Accounts, it is enclosed with this letter together with the associated documents.

This was an important year in which we delivered pleasing results in tobacco and significantly enhanced our position in Next Generation Products.

Our purpose is to create something better for the world's smokers and I am delighted with how this is being brought to life in Imperial. There is a tangible sense of excitement about how our Next Generation Products (NGP) operations are developing and the contribution our products are making to the global harm reduction agenda.

Many smokers currently continue to choose to enjoy tobacco and we will keep providing them with the high quality products they expect. But our aim is to increasingly transition smokers to our NGP portfolio, which consists of products that are significantly less harmful than cigarettes.

Vapour is by far the largest and most developed NGP category and we have made excellent progress in expanding our presence with our blu brand during the year. I was also pleased to see us achieve further share gains in priority tobacco markets with our Growth Brands, which together with our Specialist Brands, now account for 67 per cent of the Group's tobacco net revenue.

Growing Returns for Shareholders

These good brand and market performances are reflected in our financial results. On a constant currency basis we grew tobacco and NGP net revenue by two per cent and adjusted operating profit by three per cent. In addition, reported operating profit increased by six per cent at actual rates. Cash conversion was strong at 97 per cent and we increased the dividend by 10 per cent for the tenth consecutive year.

The Board recognises how important the dividend is to many shareholders and regularly reviews the dividend policy to ensure it is aligned to performance, the balance sheet and the investment needs of the business. Our strong cash flows underpin our dividend pay-out and investment needs, and our dividend policy is to deliver annual 10 per cent growth over the medium term.

Registered in England
and Wales No: 3236483

Registered Office:
121 Winterstoke Road,
Bristol BS3 2LL, UK

Creating Additional Value

We have developed a greater focus on the products, brands and markets that are essential for delivering long-term sustainable growth.

We have also identified assets that are less central to our strategic agenda, which we can exit or divest on behalf of our stakeholders to simplify the business, enhance our focus and allocate capital effectively.

As part of this process, we realised £281 million from the sale of a portfolio of other tobacco products in the USA and a further 9.99 per cent of our European distribution business Logista, reducing our holding to 50.01 per cent of Logista's issued share capital. In total we expect divestments to generate proceeds of up to £2 billion within the next 12-18 months.

Governance and Responsibility

Our Governance Report, on pages 35-55 of our 2018 Annual Report and Accounts, provides an overview of our governance framework and the work of the Board and its Committees.

High standards of governance are integral to our long-term sustainability and the Board remains focused on ensuring Imperial is governed and managed in an open and transparent manner.

The responsible way we run the business is also reflected in our Sustainability Review. During the year we refocused our sustainability strategy to more closely align it with the Group strategy and our expanding NGP operations.

An overview of the progress we are making against our sustainability priorities is set out on pages 30-34 of our 2018 Annual Report and Accounts, with more detailed information available on our corporate website www.imperialbrandsplc.com

Delivering Future Growth

The progress we made this year has put the Group in a strong position to deliver growing returns for shareholders and I would like to thank our employees around the world for all their hard work and support.

Our operating environment is changing and we are changing too, transforming into a leaner and more agile business that looks to the future with confidence.

Our global cigarette share is relatively small and we therefore see NGP as an additive financial opportunity for the Group. This is an exciting new chapter for Imperial and we look forward to delivering continued quality growth in the years ahead.

Important information about our Annual General Meeting

The AGM will be held at the Bristol Marriott Hotel City Centre on Wednesday 6 February 2019 at 2.30 pm. The notice, particulars of the resolutions on which you can vote and details of the arrangements we have made for you to be able to attend the AGM are set out on the following pages.

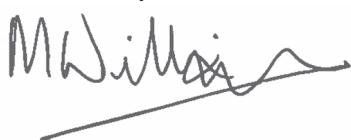
At the AGM all resolutions will be voted on by poll. The results of the polls will be announced on both a regulatory information service and our website after the conclusion of the Meeting.

If you are unable to attend the AGM you can still use your vote if you appoint a proxy or proxies. To appoint a proxy you will need to complete your proxy form. The proxy form can be completed either electronically at www.sharevote.co.uk (to do this you will need your personal voting reference which is shown on your enclosed proxy form) or you can complete the enclosed paper proxy form and return it to the Company's registrar, Equiniti Limited, in the enclosed reply-paid envelope. Please note that all proxy forms must be received by the Company's registrar not less than 48 hours before the start of the Meeting.

Your Directors believe that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. They unanimously recommend shareholders to vote in favour of all the resolutions set out in the notice of the AGM. Your Directors will all be voting in favour of all the resolutions in respect of their own shareholdings.

If you have recently sold or transferred all of your shares in the Company, please pass both this booklet and the accompanying associated documents, if applicable, to the purchaser, transferee or agent through whom the transfer was effected for transmission to the purchaser or transferee.

Yours sincerely



Mark Williamson
Chairman

IMPERIAL BRANDS PLC 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 CONTENTS OF THIS DOCUMENT OR THE ACTION YOU SHOULD TAKE YOU ARE RECOMMENDED TO CONSULT AN INDEPENDENT ADVISOR AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

Notice is hereby given that the annual general meeting (the AGM) of Imperial Brands PLC (the Company) will be held at the Bristol Marriott Hotel City Centre, 2 Lower Castle Street, Old Market, Bristol BS1 3AD on Wednesday 6 February 2019 at 2.30 pm for the transaction of the following business:

BUSINESS OF THE MEETING

To consider and, if thought fit, pass resolutions 1 to 17 as ordinary resolutions:

Resolution 1

THAT the Annual Report and Accounts for the financial year ended 30 September 2018 be received.

Resolution 2

THAT the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 56 to 75 of the Annual Report and Accounts for the financial year ended 30 September 2018, be approved.

Resolution 3

THAT a final dividend for the financial year ended 30 September 2018 of 65.46 pence per ordinary share of 10 pence payable on 29 March 2019 to those shareholders on the register at the close of business on 22 February 2019 be declared.

Resolution 4

THAT Susan Clark be elected as a Director of the Company.

Resolution 5

THAT Alison Cooper be re-elected as a Director of the Company.

Resolution 6

THAT Therese Esperdy be re-elected as a Director of the Company.

Resolution 7

THAT Simon Langelier be re-elected as a Director of the Company.

Resolution 8

THAT Matthew Phillips be re-elected as a Director of the Company.

Resolution 9

THAT Steven Stanbrook be re-elected as a Director of the Company.

Resolution 10

THAT Oliver Tant be re-elected as a Director of the Company.

Resolution 11

THAT Mark Williamson be re-elected as a Director of the Company.

Resolution 12

THAT Karen Witts be re-elected as a Director of the Company.

Resolution 13

THAT Malcolm Wyman be re-elected as a Director of the Company.

Resolution 14

THAT PricewaterhouseCoopers LLP be reappointed as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Resolution 15

THAT the Audit Committee (for and on behalf of the Board) be authorised to set the remuneration of the auditor.

Resolution 16

THAT in accordance with section 366 of the Companies Act 2006 the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised to:

- i. make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
- ii. make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- iii. incur political expenditure not exceeding £100,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000, during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2020.

For the purpose of this resolution the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Companies Act 2006.

Resolution 17

THAT

- i. the Directors be authorised to allot ordinary shares of 10 pence each in the capital of the Company (Ordinary Shares) or grant rights to subscribe for, or convert any security into, Ordinary Shares in accordance with article 7 of the Company's Articles of Association, up to a maximum nominal amount of £14,300,000;
- ii. this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2020; and
- iii. all previous unutilised authorities under section 551 of the Companies Act 2006 (the Act) shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require Ordinary Shares to be allotted or rights to be granted on or after that date).

SPECIAL RESOLUTIONS

To consider and, if thought fit, pass resolutions 18 to 20 as special resolutions:

Resolution 18

THAT

- i. in accordance with article 8 of the Company's Articles of Association, the Directors be given power to allot equity securities for cash;
- ii. the power under paragraph (i) above (other than in connection with a rights issue, as defined in article 8(b)(ii) of the Company's Articles of Association) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £4,760,000;
- iii. this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2020; and
- iv. all previous unutilised authorities under sections 570 and 573 of the Companies Act 2006 shall cease to have effect.

Resolution 19

THAT in accordance with the Companies Act 2006 (the Act), the Company is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10 pence each in the capital of the Company (Ordinary Shares) on such terms and in such manner as the Directors may from time to time determine, provided that:

- i. the maximum number of Ordinary Shares that may be purchased under this authority is 95,370,000;
- ii. the minimum price which may be paid for each Ordinary Share is 10 pence (exclusive of all expenses);
- iii. the maximum price which may be paid for each Ordinary Share (exclusive of all expenses) shall not be more than the higher of:
 - (A) an amount equal to 105 per cent of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased; and
 - (B) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out; and
- iv. the authority hereby conferred shall, unless previously revoked or varied, expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 31 March 2020 save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry, where the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

All previous unutilised authorities for the Company to make market purchases of Ordinary Shares are revoked, except in relation to the purchase of Ordinary Shares under a contract or contracts concluded before the date of this resolution and where such purchase has not yet been executed.

Resolution 20

THAT a general meeting of the Company other than an AGM of the Company may be called on not less than 14 clear days' notice.

Registered Office:
121 Winterstoke Road
Bristol BS3 2LL
Registered in England and Wales No: 3236483

By order of the Board
John M Downing
Company Secretary

11 December 2018

Notes

1. Only holders of Ordinary Shares are entitled to attend and vote at this AGM. Members entitled to attend and vote are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote instead of them. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares. A proxy need not be a member of the Company.

You may appoint your proxy electronically at www.sharevote.co.uk. You will need the Voting I.D., Task I.D. and Shareholder Reference which together make up your personal voting reference number printed on the front of the proxy form enclosed with this notice. Alternatively, if you have already registered with Equiniti's online portfolio service, Shareview, you can submit your proxy form at www.shareview.co.uk by logging onto your portfolio using your usual user I.D. and password. Once logged in simply click "View" on the "My Investment" page, click on the link to vote then follow the on screen instructions. For further information see the instructions printed on your proxy form.

As an alternative to appointing your proxy electronically a proxy form is enclosed with this notice and instructions for its completion are shown on the form. Proxy forms and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority need to be deposited with the Company's registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. All proxy forms, whether completed electronically or on paper, must be received by the Company's registrar not less than 48 hours before the scheduled start of the AGM or any adjournment thereof.

Completion of a proxy form, either in electronic or paper format, does not preclude you from attending the AGM and voting in person. A vote withheld option is provided on the proxy form to enable you to instruct your proxy not to vote on any particular resolution. It should, however, be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

A member must inform the Company's registrar in writing of any termination of the authority of a proxy.

A 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 them and the shareholder by whom they were 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, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in this notice do not apply to a Nominated Person. The rights of members in relation to the appointment of proxies can only be exercised by registered members of the Company. Nominated Persons are reminded that they should contact the registered holder of their Ordinary Shares (and not the Company) on matters relating to their investments in the Company.

2. Under section 319A of the Act, a member attending the meeting has the right to ask questions in relation to the business of the meeting. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting 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 meeting that the question be answered.

3. As at 11 December 2018 (being the last business day prior to publication of this notice) the Company's issued share capital consisted of 1,031,026,084 Ordinary Shares carrying one vote each (including 77,289,137 Ordinary Shares held by the Company in treasury which do not carry any voting rights). The total number of exercisable voting rights in the Company as at 11 December 2018 was, therefore, 953,736,947.
4. The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (Saturdays, Sundays and public holidays excluded), will also be available for inspection at the place of the AGM from 1.30 pm on the day of the AGM until the end of the meeting:
 - i. copies of the service contracts of the Executive Directors under which they are employed by the Company and the letters of appointment (and other related documents) of the Non-Executive Directors; and
 - ii. the Articles of Association of the Company.
5. The Company specifies that only those shareholders registered in the register of members of the Company as at 6.30 pm on 4 February 2019 (or, in the event of any adjournment, 6.30 pm on the date which is two days before the adjourned meeting) shall be entitled to attend and/or vote at the aforesaid AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.30 pm on 4 February 2019 (or, in the event of any adjournment, 6.30 pm on the date which is two days before the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the AGM.

6. Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Company's AGM to be held on 6 February 2019 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

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 (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to 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 RA19) by the latest time(s) for receipt of proxy appointments specified in this notice. 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 Applications 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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 a voting service provider(s), to procure that their 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 service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.

7. In accordance with the Company's established practice, all resolutions will be taken on a poll so as to accurately record the decision of all members based on their shareholding interests in the Company.
8. 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, if more than one, they do not do so in relation to the same Ordinary Shares.

9. It is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on its website a statement setting out any matter relating to 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 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. The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Act and it must forward the statement to the Company's auditors 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 Act to publish on its website.
10. A copy of this notice and other information required by section 311A of the Act can be found on the Company's website under Investors-Shareholder Centre-AGM (www.imperialbrandsplc.com/Investors/Shareholder-centre/AGM.html).
11. You may not use any electronic address provided either in this notice or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
12. Under section 338 and section 338A of the Act, 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 meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in such business. A resolution may properly be moved or a matter may properly be included in the business of the meeting 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 of the meeting, must be authorised by the person or persons making it, must be received by the Company not later than 25 December 2018, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business of the meeting only) must be accompanied by a statement setting out the grounds for the request.

EXPLANATORY NOTES

Annual Report and Accounts (Resolution 1)

The Directors of the Company must present the Company's Annual Report and Accounts to the AGM.

Directors' Remuneration Report (Resolution 2)

In accordance with section 439 of the Act, the Company is required to present the Directors' Remuneration Report to shareholders for their approval as a means of providing shareholder feedback to the Company in respect of overall remuneration packages. This vote will be advisory and the Directors' entitlement to remuneration is not conditional on it. The Directors' Remuneration Report can be found on pages 56 to 75 of the 2018 Annual Report and Accounts which is available on the Company's website.

Declaration of a dividend (Resolution 3)

A final dividend can only be paid after the shareholders at a general meeting have approved it. A final dividend of 65.46 pence per Ordinary Share is recommended by the Directors for payment to shareholders who are on the register at the close of business on 22 February 2019. If approved, the final dividend will become due and payable on 29 March 2019. In accordance with our policy of paying quarterly dividends, interim dividends of 28.435 pence per Ordinary Share were paid on 29 June 2018 and 28 September 2018 and an interim dividend of 65.46 pence per ordinary share will be paid on 31 December 2018.

Election and re-election of Directors (Resolutions 4 to 13)

The Company's Articles of Association require that all Directors retire from office at each AGM and that those wishing to serve again shall submit themselves for election or re-election by the shareholders. Brief biographies of the Directors standing for re-election appear on pages 36 and 37 of the 2018 Annual Report and Accounts and on the Company's website. Having considered the performance of each Director seeking re-election as part of the Board Evaluation, the contribution made by each of these Directors and the independence of Non-Executive Directors particularly in respect of those who have served in excess of six years, the Board is satisfied that the performance of each Director seeking re-election continues to be effective and to demonstrate commitment to the role and as such recommends their election or re-election. In reaching its recommendations the Board also considered both the individual skills and experience brought by each member and the overall skill set of the Board. Susan Clark joined the Board on 1 December 2018 and brings significant international executive committee and board level experience gained in the FMCG, regulated transport and utility sectors. Her biography appears on the Company's website. The Board believes her experience will be a great asset to the Board and the Company and, therefore, recommends her election.

Reappointment and remuneration of Auditor (Resolutions 14 and 15)

Following the recommendation of the Audit Committee, these resolutions propose the reappointment of PricewaterhouseCoopers LLP as Auditor of the Company and authorise the Audit Committee (on behalf of the Board) to set its remuneration.

Authority to make donations to political organisations and to incur political expenditure (Resolution 16)

Neither the Company nor any of its subsidiaries has any intention of making political donations or incurring any political expenditure under the terms of this resolution.

Part 14 of the Act, amongst other things, prohibits the Company and its subsidiaries from making donations to an EU political party or other EU political organisation or to an independent election candidate in the EU of more than £5,000 in any 12 month period unless they have been authorised to make donations by the Company's shareholders.

The Act defines political organisations widely. It includes organisations which carry on activities which are capable of being reasonably regarded as intended to affect public support for a political party or an independent election candidate in any EU Member State or to influence voters in relation to any referendum in any EU Member State. As a result, it is possible that the definition may include bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Act through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred. The resolution authorises the Company and its subsidiaries to:

- i. make political donations to political parties, or independent election candidates, not exceeding £100,000 in total;
- ii. make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- iii. incur political expenditure not exceeding £100,000 in total,

in the period commencing on the date of the resolution and ending at the conclusion of the AGM of the Company held in 2020 or, if earlier, the close of business on 31 March 2020. The overall expenditure under i, ii and iii above shall be capped at £100,000 in total.

For the purpose of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Act.

Directors' authority to allot securities (Resolution 17)

The Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by shareholders. The authority granted at the last AGM to allot Ordinary Shares or grant rights to subscribe for, or convert any security into, Ordinary Shares is due to expire at the conclusion of the 2019 AGM. Accordingly, this resolution seeks to grant a new authority under section 551 of the Act to authorise the Directors to allot Ordinary Shares or grant rights to subscribe for, or convert any security into, Ordinary Shares and will expire at the conclusion of the next AGM of the Company in 2020 or, if earlier, the close of business on 31 March 2020.

If passed, Resolution 17 would give the Directors authority to allot Ordinary Shares or grant rights to subscribe for, or convert any security into, Ordinary Shares up to an aggregate nominal value of £14,300,000 representing approximately 15 per cent of the Company's existing issued share capital (excluding Ordinary Shares held in treasury) and calculated as at 11 December 2018 (being the latest practicable date prior to publication of this notice).

There is no present intention of exercising this authority. However, it is considered prudent to maintain the flexibility that this authority provides. As at 11 December 2018, the Company held 77,289,137 Ordinary Shares in treasury, which represent approximately 8.1 per cent of the issued share capital (excluding Ordinary Shares held in treasury) as at 11 December 2018. The Directors intend to renew this authority annually.

Disapplication of pre-emption rights (Resolution 18)

Under section 561(1) of the Act, if the Directors wish to allot any shares or grant rights over shares or sell shares held in treasury for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of Ordinary Shares for cash without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights. Resolution 18 asks shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities, the authority will be limited to the issue of Ordinary Shares for cash up to a maximum aggregate nominal value of £4,760,000 (which includes the sale on a non pre-emptive basis of any Ordinary Shares held in treasury for cash), which is equivalent to approximately 5 per cent of the Company's issued share capital as at 11 December 2018 (being the latest practicable date prior to publication of this notice). The Directors do not intend to issue more than 7.5 per cent of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three year period without prior consultation with shareholders. Shareholders will note that this resolution also relates to Ordinary Shares held in treasury and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next AGM of the Company in 2020 or, if earlier, the close of business on 31 March 2020. The Directors intend to renew this authority annually.

Authority to purchase own shares (Resolution 19)

In certain circumstances it may be advantageous for the Company to purchase its own Ordinary Shares and Resolution 19 seeks the authority from shareholders to continue to do so. Authority was given to the Company to make market purchases up to an aggregate of 95,370,000 of its Ordinary Shares at the AGM held on 7 February 2018 (being equal to approximately 10 per cent of the Company's issued ordinary share capital, excluding Ordinary Shares held in treasury, as at 11 December 2017, the latest practicable date prior to the publication of the notice for the AGM held on 7 February 2018). This authority is due to expire at the end of the AGM and it is proposed that the Company be authorised to make market purchases up to an aggregate of approximately 10 per cent of the Company's issued share capital, excluding Ordinary Shares held in treasury, as further described below. The Directors will exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will be likely to promote the success of the Company for the benefit of its members as a whole. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority. Any Ordinary Shares purchased in this way will either be held in treasury or cancelled and the number of Ordinary Shares in issue reduced accordingly. If the Directors consider it appropriate to do so, the Company may hold in treasury any of its Ordinary Shares that it purchases pursuant to the Act and the authority conferred by this resolution as an alternative to cancelling them. This gives the Company the ability to reissue Ordinary Shares held in treasury quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with Ordinary Shares held in treasury. Ordinary Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under employee share schemes. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the Ordinary Shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the Ordinary Shares held in treasury.

The proposed authority would be limited to purchases of up to 95,370,000 Ordinary Shares which is equal to approximately 10 per cent of the Company's issued share capital, excluding Ordinary Shares held in treasury, as at 11 December 2018 (being the latest practicable date prior to publication of this notice). The resolution specifies the maximum and minimum prices at which the Company's Ordinary Shares may be bought.

The minimum price which may be paid for each Ordinary Share is 10 pence (exclusive of all expenses). The maximum price which may be paid for each Ordinary Share is the higher of the amount equal to 105 per cent of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased and an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out (in each case exclusive of all expenses).

For information, as at 11 December 2018 (being the latest practicable date prior to publication of this notice) there were outstanding 5,005,135 awards and options to subscribe for Ordinary Shares, representing 0.52 per cent of the Company's issued share capital (excluding Ordinary Shares held in treasury). If both the new authority and the existing authority were exercised in full, the awards and options would represent 0.66 per cent of the Company's ordinary share capital (excluding Ordinary Shares held in treasury).

Resolution 19 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next AGM of the Company in 2020 or, if earlier, the close of business on 31 March 2020.

The Directors intend to seek renewal of this authority annually.

Authority to hold general meetings (other than annual general meetings) on 14 clear days' notice (Resolution 20)

The notice period required by the Act for general meetings of the Company is 21 clear days unless shareholders approve a shorter period which cannot, however, be less than 14 clear days. AGMs must always be held on at least 21 clear days' notice. At the AGM held on 7 February 2018, shareholders authorised the calling of general meetings other than an AGM on not less than 14 clear days' notice, and it is proposed that this authority be renewed. The authority granted by Resolution 20, if passed, will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. Resolution 20 seeks the approval of shareholders to renew the authority to be able to call general meetings (other than an AGM) on 14 clear days' notice. The flexibility offered by Resolution 20 will only be used where, taking into account the circumstances the Directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.