

# The Rank Group Plc

## Resolutions passed at the Annual General Meeting of the Company held on 11 November 2020

At the annual general meeting of The Rank Group Plc, duly convened and held at TOR, Saint-Cloud Way, Maidenhead, SL6 8BN on Wednesday, 11 November 2020 ("Meeting"), the following resolutions were duly passed:

### Ordinary Resolutions

#### **Resolution 14 – Directors' authority to allot shares**

That the Directors be generally and unconditionally authorised pursuant to, and in accordance with, section 551 of the Companies Act 2006 ("2006 Act") to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any security into shares up to an aggregate nominal amount of £5,426,594. This authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) on 11 February 2022 or, if earlier, at the conclusion of the annual general meeting of the Company in 2021, except that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or such rights to be granted after such expiry and the directors may allot shares or grant such rights pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

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

For the purposes of section 366 of the Companies Act 2006, 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 11 February 2022, whichever is earlier, and provided that the aggregate amount of donations which may be made and political expenditure incurred by the Company pursuant to the authority conferred by 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.

### **Resolution 16 – Approval of new LTIP**

To approve the rules of the Company's Long-Term Incentive Plan 2020 ("2020 LTIP"), the principle terms of which are summarised in the appendix to this resolution and a copy of the rules being available at [www.rank.com](http://www.rank.com), and a copy of the rules of which are produced in draft to the Meeting and which, for the purpose of identification, are initialled by the Chair of the Meeting, and the directors are authorised to:

- (a) adopt and make such modifications to the 2020 LTIP as they may consider appropriate to take account of the requirements of best practice and for the implementation of the 2020 LTIP and to adopt the 2020 LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the 2020 LTIP; and
- (b) establish further plans based on the 2020 LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any awards made available under such further plans are treated as counting against the limits on individual or overall participation in the 2020 LTIP.

### Special Resolution

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

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



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Luisa Wright  
Secretary

## **SUMMARY OF THE PRINCIPAL TERMS OF THE RANK GROUP PLC 2020 LONG-TERM INCENTIVE PLAN**

### **Operation**

The remuneration committee will supervise the operation of the 2020 Long Term Incentive Plan (in the remainder of this Appendix 2 referred to as the "Plan").

### **Eligibility**

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the Plan at the discretion of the remuneration committee.

It is currently anticipated that participation in the Plan will be limited to the Company's executive directors and selected senior management ("Participants").

The first awards under the Plan to Participants are currently expected to be made in November 2020 in line with the new directors' remuneration policy.

### **Grant of awards**

No Award may be granted under the Plan until the Plan is approved by the Company's shareholders in general meeting and also by the shareholders of Guoco Group Limited (the Company's majority shareholder) in accordance with Hong Kong Stock Exchange Listing Rules ("HKSE Listing Rules").

The remuneration committee may thereafter grant awards under the Plan within six weeks following the later of such aforementioned approvals or within six weeks of the Company announcing its results for any period. The remuneration committee may also grant awards at any other time when the remuneration committee considers there are exceptional circumstances which justify such grant.

The remuneration committee shall ordinarily grant awards as conditional share awards or nil (or nominal) cost options.

The remuneration committee may also grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash in full or in part although in practice, this is only expected to be the case (if at all) in exceptional circumstances or in relation to net settlements.

An award may not be granted more than 10 years after shareholder approval of the Plan.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

### **Individual limit under the Plan**

An employee may not receive awards in respect of any financial year over shares having a market value in excess of 200 per cent. of their annual base salary in that financial year.

Market value for the purposes of the above limit shall ordinarily be based on the market value of shares on the dealing day immediately preceding the grant of an award or by reference to a short averaging period ending on such dealing day.

Furthermore, an employee may not be granted an award in respect of unissued shares if such grant (together with any other award granted in the preceding 12 months) would entitle that employee to acquire a number of unissued shares under the Plan that represents more than 1% of the ordinary share capital of the Company from time to time unless such award (or relevant portion thereof) is made subject to the approval of the shareholders of Guoco Group Limited in accordance with the HKSE Listing Rules.

### **Performance conditions**

The extent of vesting of awards granted to Participants will be subject to performance conditions set by the remuneration committee.

The terms of the performance conditions for awards to the Participants shall be set in line with the applicable directors' remuneration policy from time to time.

The remuneration committee may vary performance conditions applying to any award if an event occurs which causes the remuneration committee to consider that it would be appropriate to amend the performance conditions, provided the remuneration committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

### **Vesting of awards**

Awards shall ordinarily vest on such normal vesting date specified for the award or, if later, when the remuneration committee determines the extent to which any performance conditions have been satisfied. The normal vesting date will be no earlier than the third anniversary of the grant of the awards save that in the event of material delays in granting awards the Committee may specify an earlier normal vesting date to offset the delay at its discretion.

Where awards are granted in the form of options, once vested, such options will then be exercisable up until the tenth anniversary of grant (or such shorter period specified by the remuneration committee at the time of grant) unless they lapse earlier. Shorter exercise periods shall apply in the case of "good leavers" and/or vesting of awards in connection with corporate events.

### **Holding Period**

The terms of the Plan require that Participants will be required to retain any vested shares (on an after-tax basis) acquired under the Plan until at least the second anniversary of the vesting of the relevant award. During this two year period, awards would lapse/shares would be forfeited if the Participant (i) was determined to be in breach of their service agreement or (ii) is engaged by a competitor in an executive capacity.

Exceptionally, the remuneration committee may, in its discretion, allow such Participants to sell, transfer, assign or dispose of some or all of these shares before the end of the holding period, subject to such additional terms and conditions that the remuneration committee may specify.

### **Dividend equivalents**

Where options are granted, the remuneration committee may decide that Participants will receive a payment (in cash and/or shares) of an amount equivalent to the dividends that would have been payable on an award's vested shares between the date of vesting of the award and the earlier of the expiry of any applicable holding period and the exercise date. This amount may assume the reinvestment of dividends and shall be paid at the same time as the delivery of the related vested shares (or cash payment as relevant).

Alternatively, Participants may have their awards increased during the holding period as relevant as if dividends were paid on the shares subject to their award and then reinvested in further shares.

### **Leaving employment**

As a general rule, an award will lapse upon a Participant's termination of employment within the Group. However, if a Participant ceases to be an employee because of death, injury, ill-health, disability, redundancy, retirement with the agreement of the remuneration committee, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the remuneration committee, then their award will ordinarily vest on the normal timetable. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have, in the opinion of the remuneration committee, been satisfied over the original performance measurement period, and (ii) pro rating of the award to reflect the proportion of the normal vesting period spent in service. The remuneration committee can decide to pro-rate

an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

Alternatively, in such "good leaver" circumstances specified above (including in circumstances where the remuneration committee determines that the Participant shall be deemed a "good leaver"), the remuneration committee can decide that the Participant's award will vest when they leave, subject to: (i) the performance conditions measured at that time; and (ii) pro-rating as described above (including the remuneration committee's discretion as described above in respect of pro-ration).

#### **Corporate events**

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions (if any) have been satisfied at that time; and (ii) pro-rating of the award to reflect the proportion of the normal vesting period that has elapsed. The remuneration committee can decide to pro-rate an award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the remuneration committee decides that awards should vest on the basis which would apply in the case of a takeover.

In the event of a demerger, special dividend or other material corporate event which, in the opinion of the remuneration committee, would affect the market price of shares to a material extent and/or the operation of the Plan, the remuneration committee may decide that awards shall vest early on such basis as considered appropriate.

#### **Override**

Notwithstanding any other provision of the Plan, and irrespective of whether any performance condition attached to an award has been satisfied, the remuneration committee retains discretion under the Plan to adjust the level of vesting that would otherwise result by reference to formulaic outcomes alone.

Such discretion would only be used in exceptional circumstances and may include regard to corporate and personal performance.

#### **Participants' rights**

Awards settled in shares will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the Participants have received their shares.

#### **Rights attaching to shares**

Any shares allotted when an award vests or is exercised will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

#### **Variation of capital**

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the shares, the remuneration committee may make such adjustment as it considers appropriate to the number of shares subject to an award and/or the exercise price payable (if any).

#### **Overall Plan limits**

The Plan may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten-calendar year period, the Company may not issue (or grant rights to issue) more than:

- (i) ten per cent of the issued ordinary share capital of the Company under the Plan and any other employee share plan adopted by the Company; and

- (ii) five per cent of the issued ordinary share capital of the Company under the Plan and any other executive share plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of these limits unless institutional investor guidelines provide that they need not count.

Furthermore, for so long as the Company is a subsidiary of Guoco Group Limited, for reasons relating to compliance with HKSE Listing Rules, the terms of the Plan include that:

- (i) subject to the exception noted below, the total number of unissued shares in respect of which awards may be granted under the Plan shall not, when aggregated with the number of shares issued, or capable of issue, pursuant to options, awards or rights granted under any other employees' share scheme adopted by the Company, exceed 10% of the Company's share capital as at the date of approval of the Plan by the shareholders of Guoco Group Limited; and
- (ii) the aforementioned limit may only be exceeded if the shareholders of Guoco Group Limited approve the grant of the awards that would cause that limit to be exceeded in accordance with the HKSE Listing Rules and provided that, the total number of unissued shares in respect of which awards may be granted under the Plan does not, when aggregated with the number of shares capable of issue pursuant to options, awards or rights granted under any other employees' share scheme adopted by the Company (but in each case excluding lapsed awards), exceed 30% of the Company's share capital from time to time.

#### **Recovery and withholding**

The remuneration committee may apply the Plan's recovery and withholding provisions in exceptional circumstances at any point prior to the third anniversary of the date of vesting of an award. Such exceptional circumstances are (i) a material misstatement in the financial results of the Company; (ii) an act of gross misconduct; (iii) an error of calculation in connection with the award (including in respect of performance conditions); (iv) a material loss to the Group or a material deterioration in Group profits which is inconsistent with the performance of the gaming industry; (v) material damage to the business or its reputation; and (vi) corporate failure.

The recovery and withholding may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment.

#### **Overseas plans**

The shareholder resolution to approve the Plan will allow the Board to establish further plans for overseas territories, any such plan to be similar to the Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Plan.

#### **Alterations to the Plan**

The remuneration committee may, at any time, amend the Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of Participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a Participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for any company in the Company's group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award as set out in the "Performance conditions" section above.