

ANGLO PACIFIC GROUP PLC

## **Notice of Annual General Meeting**

*May 10, 2017*

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own advice from your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have sold or otherwise transferred all of your shares in Anglo Pacific Group PLC, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Anglo Pacific Group PLC (the 'Company') will be held at the Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS, United Kingdom on May 10, 2017 at 11.00am to consider and, if thought fit, to pass the following resolutions, of which resolutions 1-13 will be proposed as ordinary resolutions and resolutions 14-17 will be proposed as special resolutions.

1. TO receive and adopt the Company's audited accounts and the reports of the directors and the auditors for the year ended December 31, 2016.
2. TO approve the Annual Remuneration Report for the period ended December 31, 2016, as set out on pages 53 to 66 of the Company's 2016 Annual Report and Accounts.
3. TO declare a final dividend for the year ended December 31, 2016 of 3p per ordinary share of the Company recommended by the directors.
4. TO re-elect W.M. Blyth as a director of the Company.
5. TO re-elect D.S. Archer as a director of the Company.
6. TO re-elect N.P.H. Meier as a director of the Company.
7. TO re-elect R.C. Rhodes as a director of the Company.
8. TO re-elect R.H. Stan as a director of the Company.
9. TO re-elect J.A. Treger as a director of the Company.
10. TO appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the meeting.
11. TO authorise the directors to agree the remuneration of the auditors of the Company.
12. THAT the board of directors of the Company (the 'Directors') be and are hereby authorised to offer the holders of ordinary shares of 2p each in the capital of the Company ('Ordinary Shares') (subject to such exclusions or other arrangements as the Directors may consider necessary or expedient in relation to treasury shares or any legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise) the right to elect to receive new Ordinary Shares instead of cash in respect of all or part of the final dividend for the year ended December 31, 2016 and all other dividends declared up to the beginning of the next Annual General Meeting of the Company.
13. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (all of which transactions are hereafter referred to as an allotment of 'relevant securities') up to an aggregate nominal amount of £1,206,013 provided that this authority (unless previously revoked or varied by the Company in a general meeting) shall expire on the earlier of June 30, 2018 or the conclusion of the Annual General Meeting of the Company held in 2018, save that the Company may before such expiry, revocation or variation (or the expiry, revocation or variation of any renewal of this authority) make any offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired, or been revoked or varied and provided further that this authority shall be in substitution for the authority conferred by a resolution dated May 10, 2016 to the extent unused and shall supersede and revoke any other earlier authorities under section 551 of the Act.
14. THAT, subject to the passing of resolution 13, the Directors be and are hereby generally empowered pursuant to section 570 and section 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, Ordinary Shares) wholly for cash (a) by selling equity securities held by the Company as treasury shares; or (b) by allotting new equity securities pursuant to the authority conferred by resolution 13, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities:
  - (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £361,804,

and this power shall (unless renewed, varied or revoked by the Company) expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 following the passing of this resolution or June 30, 2018, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

- 15. THAT the Company be and is hereby generally and unconditionally authorised, for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares on such terms and in such manner as the Directors think fit, subject to the following restrictions and provisions:
  - (a) the aggregate maximum number of Ordinary Shares hereby authorised to be purchased is 18,090,203;
  - (b) the maximum price (exclusive of associated expenses) which may be paid for an Ordinary Share is an amount being not more than the higher of:
    - (i) 105 per cent of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the day on which the 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 on the trading venues where the purchase is carried out;
  - (c) the minimum price (exclusive of any associated expenses) which may be paid for an Ordinary Share is its nominal value of 2p;
  - (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or June 30, 2018, whichever shall be the earlier;
  - (e) the Company may enter into a contract to purchase Ordinary Shares under this authority before the expiry of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract the purchase of which would or might be completed wholly or partly after the expiration of this authority; and
  - (f) any Ordinary Shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of any applicable laws or regulations, held as treasury shares.
- 16. THAT Article 92 of the Company's Articles of Association relating to the aggregate annual limit on the fees payable to directors, be amended by deleting the word '£400,000' and replacing them with the words '£600,000'.
- 17. THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

**Registered Office**

1 Savile Row  
London  
W1S 3JR

Registered in England,  
Company number: 0897608

**By Order of the Board**

K. Flynn  
Company Secretary  
*April 6, 2017*

## Notice of Annual General Meeting

*continued*

### Explanatory notes to the proposed resolutions

Resolutions 1 to 13 (inclusive) are proposed as ordinary resolutions, which means that for each of those resolutions to be passed, more than half the votes cast must be cast in favour of the resolution. Resolutions 14 to 17 (inclusive) are proposed as special resolutions, which means that for each of those resolutions to be passed, at least three quarters of the votes cast must be cast in favour of the resolution.

#### Resolution 1 – Annual Report and Accounts

The directors are required to present to shareholders at the Annual General Meeting the Company's audited accounts and the directors' and auditors' reports for the year ended December 31, 2016 ('2016 Annual Report and Accounts').

#### Resolution 2 – Annual Remuneration Report

UK listed companies are required to put before their shareholders in a general meeting a resolution inviting shareholders to approve its annual report on remuneration. The Company's Annual Remuneration Report, which can be found on pages 53 to 66 of the 2016 Annual Report and Accounts, details the directors' remuneration for the period ended December 31, 2016.

This resolution is advisory and does not affect the actual remuneration paid to any individual director. It serves to provide shareholder feedback to the Remuneration Committee.

As required by the Directors' Remuneration Report Regulations 2002, Deloitte LLP have audited those parts of the Annual Report on Remuneration capable of being audited and their report can be found on pages 61 to 66 of the 2016 Annual Report and Accounts.

#### Resolution 3 – Approval of final dividend

A final dividend can only be paid after it has been approved by the shareholders. A final dividend of 3p per ordinary share for the year ended December 31, 2016 is recommended by the directors for payment on August 9, 2017, to shareholders who are on the register of members at the close of business on June 30, 2017.

#### Resolutions 4-9 – Re-election of directors

The Company's articles of association require the directors to submit themselves for election at the first opportunity after their appointment and from then on for re-election every three years. Notwithstanding this, as in previous years, all of the Company's directors wishing to continue in their role are offering themselves for re-election. Biographical details of each director appear on page 45 of the 2016 Annual Report and Accounts and details of the executive director's service contract and the letters of appointment of the non-executive directors with the Company appear on pages 59 to 61.

The Board is of the opinion, and the Chairman has confirmed, that the performance of each of the directors continues to be effective and to demonstrate commitment to his/her role. The Board unanimously recommends the re-election of all of the directors standing for re-election.

#### Resolutions 10 and 11 – Appointment and remuneration of auditors

The auditors of a company must be appointed at each annual general meeting at which accounts are presented. Resolution 10, on the Audit Committee's recommendation, proposes the appointment of Deloitte LLP, until the next annual general meeting at which accounts are presented.

Resolution 11 is a separate resolution which gives authority to the directors to determine the auditors' remuneration.

#### Resolution 12 – Authority to offer scrip dividend

This resolution seeks to renew the authority granted at last year's Annual General Meeting for the directors to offer shareholders the option to take dividends in ordinary shares instead of cash.

#### Resolution 13 – Authority to allot shares

This resolution seeks to renew the existing authority, for the directors to allot shares in the Company up to an aggregate nominal amount of £1,206,013, representing approximately one third of the Company's issued ordinary share capital at April 5, 2017. The authority contained in this resolution will expire at the conclusion of the 2018 Annual General Meeting or June 30, 2018, whichever is the earlier. The directors consider that this authority is desirable to allow the Company to retain flexibility, although they have no present intention of exercising it.

#### Resolution 14 – Disapplication of pre-emption rights (special resolution)

This resolution seeks authority for the directors, pursuant to the authority granted by resolution 13, to allot equity securities (as defined in the Companies Act 2006) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings. Other than in connection with a rights or other similar issue, the authority contained in this resolution will be limited to an aggregate nominal amount of £361,804, representing 10% of the Company's issued ordinary share capital at April 5, 2017. No shares are currently held in treasury by the Company.

This disapplication authority is in line with institutional shareholder guidance and in particular as permitted by the revised Pre-Emption Group's Statement of Principles (the 'Statement of Principles') published in March 2015. In exercising the authority under resolution 13, the Company confirms, in accordance with the Statement of Principles, that it will only allot shares for cash on a non-pre-emptive basis in excess of 5% of its issued ordinary share capital (excluding treasury shares) where the allotment is in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six month period and is disclosed in the announcement of allotment. The Company also confirms that it does not intend to issue more than 7.5% of its issued ordinary share capital (excluding treasury shares) in any rolling three-year period, without prior consultation with shareholders (save as permitted in connection with an acquisition or specified capital investment as described above).

This resolution renews the present authority granted at the Annual General Meeting held on May 10, 2016, which is set to expire at the end of this year's Annual General Meeting. The authority granted by this resolution will expire at the conclusion of the 2018 Annual General Meeting or June 30, 2018, whichever is the earlier, following the passing of the resolution. The authority sought under this resolution provides the Company with greater flexibility in pursuing its strategy of building a diversified and growing portfolio of royalties which should generate long-term cash flow growth for shareholders.

#### **Resolution 15 – Authority to purchase own shares (special resolution)**

The directors are of the opinion that it would be advantageous for the Company to be in a position to purchase its own shares should market conditions and price justify such action. The directors have no present intention of exercising this power and intend to exercise it only if they believe that the effect of such purchases will be to increase earnings per share. They will also have regard to whether, at the time, this represents the best use of the Company's resources and is to the benefit of the shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account in reaching such a decision.

Subsequently, this resolution seeks authority from shareholders to empower the directors to make limited on-market purchases. The resolution limits this authority to a maximum number of ordinary shares that may be acquired of 18,090,203 being 10% of the Company's issued ordinary share capital at April 5, 2017. The authority conferred by this resolution will expire at the conclusion of the 2018 Annual General Meeting or June 30, 2018, whichever is the earlier, from the date of the passing of the resolution.

Any shares purchased under this authority will either be cancelled or held as treasury shares. As at April 5, 2017, there were options outstanding over 133,981 ordinary shares, which represent 0.07% of the Company's issued share capital at that date and would represent 0.08% of the Company's issued share capital if the authority to purchase the Company's ordinary shares were to be exercised in full.

#### **Resolution 16 – Authority to increase aggregate fees paid to Directors (special resolution)**

With the increases in the chairman's and non-executive directors' fees we are seeking shareholder approval to increase the ceiling for the aggregate level of Director fees paid from the current £400,000 ceiling in the Company's articles of association. With the increases to the chairman's and the directors' fees in 2017, the ceiling is being approached which would limit the ability of the board to increase the size of the board beyond the current five non-executive members, or indeed to allow for future increases in fees in line with the growth of the Company. The proposal is to increase this to £600,000.

#### **Resolution 17 – Short notice of general meetings (special resolution)**

The implementation of the Shareholder Rights Directive in August 2009 increased the notice period required for general meetings of a company from 14 clear days to 21 clear days. However, companies have the ability to reduce this notice period to not less than 14 clear days, provided that they offer facilities for shareholders to vote and appoint proxies by electronic means and that, annually, shareholder approval is obtained. Annual general meetings must continue to be held on at least 21 clear days' notice.

The directors are, therefore, proposing this resolution to seek such shareholder approval for 14 clear days to be the minimum period of notice for all general meetings of the Company, other than annual general meetings. The approval will expire at the conclusion of the 2018 Annual General Meeting, when it is intended that renewal of this authority will be sought. The shorter notice period would not be used as a matter of routine for such meetings, but only where this is merited by the nature or urgency of the business of the meeting and is thought to be to the advantage of shareholders as a whole.

#### **Directors' recommendation**

The directors believe that all of the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and the directors unanimously recommend that shareholders vote in favour of all of the resolutions as the directors intend to do in respect of their own beneficial holdings.

## Notice of Annual General Meeting

*continued*

### Explanatory notes to the notice of meeting

1. A member entitled to attend, speak and vote at the above meeting may appoint one or more persons as their proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting, provided that, if more than one proxy is appointed each proxy is appointed to exercise rights attaching to different shares held by that member. A proxy need not be a member of the Company. A Form of Proxy is enclosed with this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy. Completion and return or submission electronically of the form of proxy will not prevent a member from attending the meeting and voting in person if he so wishes.
2. 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.
3. In order to be valid, Forms of Proxy for the meeting should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is executed or a notarially certified copy of such power or authority) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom or submitted electronically not later than 48 hours before the time fixed for the meeting (excluding non-working days) or, in the case of a poll taken subsequently to the date of the meeting, or any adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll or for holding the adjourned meeting (excluding non-working days). Shareholders who intend to appoint more than one proxy can photocopy the form of proxy prior to completion. The forms of proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.
4. An abstention (or 'vote withheld') option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
5. Electronic Proxy Appointment ('EPA') is available for this Annual General Meeting ('AGM'). To appoint a proxy electronically log on to the Company's Registrars' website at [www.sharevote.co.uk](http://www.sharevote.co.uk). The Voting ID, Task ID and Shareholder Reference Number shown on your Form of Proxy will be required. Full details of the procedures are given on the website. Alternatively, if you have already registered with the Company's Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. Once logged in simply click 'View' on the 'My Investments' page, click on the link to vote then follow the on screen instructions. EPA will not be valid if received after 11.00am on May 8, 2017, or if the AGM is adjourned, 48 hours before the time for holding the adjourned AGM (excluding non-working days), and will not be accepted if found to contain a computer virus.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. 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.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). The message must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA19) not later than 48 hours before the time fixed for the meeting (excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company'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 proxy through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear 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 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 service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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 (as amended).
9. Attendees will be asked to confirm the details of the relevant shareholding they are representing and should bring proof of identity to the meeting.

10. 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 him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 3 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.
11. As at April 5, 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital amounted to 180,902,034 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at April 5, 2017 were 180,902,034 votes.
12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those members registered in the register of members of the Company as at 6.30pm UK time on May 8, 2017 (or in the event that the meeting is adjourned, only those shareholders registered in the register of members of the Company as at 6.30pm UK time on the day which is two days prior to the adjourned meeting excluding any part of a day that is not a business day) shall be entitled to attend or vote (whether in person or proxy) at the above meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
13. Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this notice of Annual General Meeting is available on the Company's website [www.anglo-pacificgroup.com](http://www.anglo-pacificgroup.com).
14. Members should note that 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 a website a statement setting out any matter relating to: (a) 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 Annual General Meeting; or (b) 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 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
15. Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Except as provided above, members who wish to communicate with the Company in relation to the Annual General Meeting should do so using the following means: (a) by writing to the Company Secretary at the Company's registered office address at 1 Savile Row, London W1S 3JR; or (b) by writing to the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. No other methods of communication will be accepted. In particular, members may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated in this notice or in such other related documents.
16. The executive director's service contract and the letters of appointment of the non-executive directors will be available for inspection at the Company's registered office during normal business hours on any weekday (excluding public holidays) until the time of the Annual General Meeting and will be available at the Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS, United Kingdom at least 15 minutes prior to, and during, the Annual General Meeting.
17. The results of the voting at the Annual General Meeting will be announced through a Regulatory Information Service and will appear on the Company's website at [www.anglo-pacificgroup.com](http://www.anglo-pacificgroup.com).
18. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to whom it discloses the data (including the Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

**ANGLO PACIFIC GROUP PLC**

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