

**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 independent professional adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all your shares in International Personal Finance plc (the '**Company**'), 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.

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**NOTICE OF ANNUAL GENERAL MEETING 2017**

**and**

**EXPLANATORY CIRCULAR TO SHAREHOLDERS**

**International Personal Finance plc**

(incorporated and registered in England and Wales under number 6018973)

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Notice of the annual general meeting ('**AGM**') of the Company to be held at 10.30 am on Wednesday, 3 May 2017 at Number Three, Leeds City Office Park, Meadow Lane, Leeds, West Yorkshire, LS11 5BD is set out on pages 2 to 5.

Whether or not you propose to attend the AGM, please complete and submit a Form of Proxy in accordance with the instructions printed on the form. The Form of Proxy must be received not less than 48 hours before the time of the commencement of the AGM.

Your attention is drawn to the letter from the Chairman of the Company which is set out on page 1 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the AGM.

# **International Personal Finance plc**

(incorporated and registered in England and Wales under number 6018973)

## **Registered Office**

Number Three  
Leeds City Office Park  
Meadow Lane  
Leeds  
West Yorkshire  
LS11 5BD

21 March 2017

Dear shareholder

## **Notice of Annual General Meeting**

I am pleased to be writing to you with details of our tenth annual general meeting ('**AGM**') which will be held at 10.30 am on Wednesday, 3 May 2017 at the Company's registered office in Leeds.

The formal Notice of AGM is set out on pages 2 to 5 of this document and explanatory notes on the business to be considered, together with details of the documents which may be inspected, appear on pages 9 to 12. Our Annual Report and Financial Statements for the year ended 31 December 2016 accompanies this Notice and is also available at [www.ipfin.co.uk](http://www.ipfin.co.uk).

## **Your vote is important to us**

If you would like to vote on the resolutions set out in the Notice of AGM, you can either:

- attend the AGM and vote in person (an AGM Attendance Card is enclosed); or
- complete and return the enclosed Form of Proxy; or
- vote electronically at [www.myipfshares.com](http://www.myipfshares.com); or
- if you are a CREST member, register your proxy vote electronically by using the service provided by Euroclear UK & Ireland Limited.

If you are unable to attend the AGM, please register your proxy vote with our Registrar by 10.30 am on Monday, 1 May 2017. The appointment of a proxy will not prevent you from attending the meeting and voting in person if you wish to do so.

## **Recommendation**

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely

Dan O'Connor  
Chairman

## **NOTICE OF ANNUAL GENERAL MEETING**

The tenth annual general meeting of International Personal Finance plc will be held at 10.30 am on Wednesday, 3 May 2017 at Number Three, Leeds City Office Park, Meadow Lane, Leeds, West Yorkshire, LS11 5BD. You will be asked to consider and, if thought fit, to pass the resolutions below. Resolutions 19 to 22 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### **ORDINARY RESOLUTIONS**

#### **Annual Report and Financial Statements**

1. To receive the Company's Annual Report and audited Financial Statements (including the strategic report and directors' report) for the financial year ended 31 December 2016, together with the independent auditor's report.

#### **Directors' Annual Remuneration Report**

2. To receive and approve the directors' annual remuneration report for the year ended 31 December 2016 set out on pages 83 to 93 of the Annual Report and Financial Statements.

#### **Directors' Remuneration Policy**

3. To approve the directors' remuneration policy set out on pages 74 to 82 of the Annual Report and Financial Statements.

#### **Dividend**

4. To declare a final dividend of 7.8p per share on the ordinary shares of 10p each in respect of the year ended 31 December 2016, payable on 12 May 2017 to the holders of such ordinary shares on the register of members of the Company at the close of business on 18 April 2017.

#### **Election and re-election of directors**

5. To elect Justin Lockwood as a director of the Company.
6. To re-elect Dan O'Connor as a director of the Company.
7. To re-elect Gerard Ryan as a director of the Company.
8. To re-elect Tony Hales as a director of the Company.
9. To re-elect Jayne Almond as a director of the Company.
10. To re-elect John Mangelaars as a director of the Company.
11. To re-elect Richard Moat as a director of the Company.
12. To re-elect Cathryn Riley as a director of the Company.

#### **Reappointment and remuneration of auditor**

13. THAT Deloitte LLP be reappointed auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
14. THAT the Audit and Risk Committee be authorised to determine the auditor's remuneration.

### **IPF Performance Share Plan**

15. That the rules of The IPF Performance Share Plan (the '**PSP**'), produced in draft to the meeting and a summary of the main provisions of which is set out in the Appendix to the Notice of Meeting dated 21 March 2017, be approved and the directors of the Company be authorised to:
- (a) do all such acts and things necessary to establish and carry the PSP into effect; and
  - (b) establish schedules to, or further share plans based on, the PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the PSP.

### **IPF Deferred Share Plan**

16. That the rules of The IPF Deferred Share Plan (the '**DSP**'), produced in draft to the meeting and a summary of the main provisions of which is set out in the Appendix to the Notice of Meeting dated 21 March 2017, be approved and the directors of the Company be authorised to:
- (a) do all such acts and things necessary to establish and carry the DSP into effect; and
  - (b) establish schedules to, or further share plans based on, the DSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under any such schedules or further plans are treated as counting against the limits on individual and overall participation in the DSP.

### **IPF Save As You Earn Plan**

17. That the rules of The IPF Save As You Earn Plan (the '**SAYE**'), produced in draft to the meeting and a summary of the main provisions of which is set out in the Appendix to the Notice of Meeting dated 21 March 2017, be approved and the directors of the Company be authorised to do all such acts and things necessary to establish and carry the SAYE into effect.

### **Power to allot relevant securities**

18. THAT the directors of the Company be and are hereby authorised generally and unconditionally pursuant to and in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to:
- (a) allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £7,419,000; and
  - (b) allot further equity securities (as defined in section 560 of the Companies Act 2006) up to an aggregate nominal amount of £7,419,000 in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interest of all shareholders are as proportionate (as nearly as practicable) to the respective numbers of shares held by them, subject to such exclusions or other arrangements specified in paragraph (a) of Resolution 19,

and that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, regulatory or practical problems in, or laws of, any territory or any other matter,

such authorities to apply until the conclusion of the next annual general meeting or, if earlier, until the close of business on 2 August 2018 (unless previously revoked or varied by the Company in a general meeting) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

## SPECIAL RESOLUTIONS

### Disapplication of pre-emption rights

19. THAT, subject to the passing of Resolution 18 and in accordance with sections 570 and 573 of the Companies Act 2006, the directors of the Company be generally and unconditionally authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- (a) to the allotment of equity securities in connection with a rights issue or other pre-emptive offer in favour of ordinary shareholders where the equity securities are proportionate (as nearly as practicable) to the respective number of ordinary shares held by such holders, but subject to such exclusions or other arrangements as the directors may deem necessary or desirable in relation to fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory; and
- (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £1,112,000,

such authority to be subject to the continuance of the authority conferred by Resolution 18 and to expire unless renewed, revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company or, if earlier, the close of business on 2 August 2018 but, in each case, prior to its expiry, revocation or variation the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted or rights to be granted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities or grant rights (and sell treasury shares) under any such offer or agreements as if the authority had not expired, been revoked or varied.

20. That, subject to the passing of Resolution 18 and in accordance with sections 570 and 573 of the Companies Act 2006, the directors of the Company be generally and unconditionally authorised (in addition to any authority granted under Resolution 19) to allot equity securities of the Company (as defined in section 560 of the Companies Act 2006) for cash under the authority given by Resolution 18 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,112,000; and
- (b) used only 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,

such authority to be subject to the continuance of the authority conferred by Resolution 18 and to expire unless renewed, revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company or, if earlier, the close of business on 2 August 2018 but, in each case, prior to its expiry, revocation or variation the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted or rights to be granted (and treasury shares to be sold) after the authority expires and the directors may allot equity securities or grant rights (and sell treasury shares) under any such offer or agreement as if the authority had not expired, been revoked or varied.

### **Authority for the Company to purchase its own shares**

21. THAT, the Company be and is hereby authorised, generally and without conditions, for the purpose of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its own ordinary shares of 10p each, provided that:
- (a) the Company may not purchase more than 22,258,133 ordinary shares;
  - (b) the minimum price which the Company may pay for each ordinary share is the nominal value;
  - (c) the maximum price (excluding expenses) which the Company may pay for each ordinary share is the highest of:
    - (i) an amount equal to 5% over the average of the mid-market price of an ordinary share, based on the London Stock Exchange Daily Official List, for the five business days immediately before the day on which the Company agrees to purchase the ordinary shares; 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;
  - (d) this authority will apply until the conclusion of the next annual general meeting or, if earlier, the close of business on 2 August 2018; and
  - (e) the Company may agree, before the authority ends, to purchase ordinary shares even though the purchase is, or may be, completed or executed wholly or partly after the authority ends, and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

### **Notice of general meetings**

22. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

21 March 2017

By order of the Board  
Trudy Ellis  
Company Secretary

Registered Office:  
Number Three  
Leeds City Office Park  
Meadow Lane  
Leeds  
West Yorkshire  
LS11 5BD

Registered in England and Wales No. 6018973

## Notes

### Resolutions to be decided on a show of hands

1. All resolutions proposed at the annual general meeting ('AGM') will be decided on a show of hands.

### Entitlement to attend and vote

2. 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 close of business on 1 May 2017 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). 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.
3. You can also vote electronically at [www.myipfshares.com](http://www.myipfshares.com). You will need your Investor Code, which is shown on your Form of Proxy.

### Appointment of proxies

4. 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. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please telephone 0871 664 0300. (Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 am – 5.30 pm Monday – Friday.) If you are calling from overseas, the number is +44 208 639 3399.
5. To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF or at the electronic address provided in the Form of Proxy namely [www.myipfshares.com](http://www.myipfshares.com), in each case no later than 10.30 am on 1 May 2017.
6. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in Note 13 below) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
7. 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).
8. To change proxy instructions, please submit a new Form of Proxy using the methods set out above. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
9. Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact the Company's Registrars' helpline as set out in Note 4 above.

### Nominated persons

10. 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.
11. The statement of the rights of shareholders in relation to voting electronically and the appointment of proxies in Notes 3 and 4 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by shareholders of the Company.

### Appointment of proxies through CREST

12. 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.
13. 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](http://www.euroclear.com)). In order to be valid, 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 be transmitted so as to be received by the issuer's agent (ID RA10) by 10.30 am on 1 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.

14. 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.
15. 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.

#### **Corporate representatives**

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.

#### **Issued shares and total voting rights**

17. As at 16 March 2017 (being the latest practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 234,244,437 ordinary shares, carrying one vote each. 11,663,100 shares were held by the Company in Treasury. Therefore, the total voting rights in the Company as at 16 March 2017 were 222,581,337.

#### **Entitlement to raise audit concerns**

18. 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.

#### **Entitlement to ask questions**

19. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

#### **Member resolutions**

20. A member or members meeting the qualification criteria set out in sections 338 and 338A of the Companies Act 2006, may, subject to conditions, require the Company to (i) give notice of a resolution which may properly be moved and is intended to be moved at the meeting, and (ii) include in the business to be dealt with at the meeting a matter (other than a proposed resolution) which may properly be included in the business (a '**Matter of Business**'). The conditions are that:

- A Matter of Business must not be defamatory of any person, frivolous or vexatious; and
- the request:
  - (a) may be in hard copy form or in electronic form (see Note 22 below);
  - (b) must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported;
  - (c) must be accompanied by a statement setting out the grounds for the request;



- (d) must be authenticated by the person or persons making it (see the Explanatory Notes on your Form of Proxy); and
- (e) must be received by the Company no later than six weeks before the AGM to which the requests relate.

#### **Details of communications**

21. The electronic address given in this Notice for the appointment of proxies for the meeting is given for that purpose only and may not be used for any other purposes including general communication with the Company in relation to the meeting or otherwise.
22. Except as provided above, members who have general queries about the AGM should use the following means of communication:
- calling the shareholder helpline, details of which are set out in Note 4 above; or
  - by email to [investors@ipfin.co.uk](mailto:investors@ipfin.co.uk).

No other method of communication will be accepted.

#### **Documents on Display**

23. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found on the Company's website at [www.ipfin.co.uk/en/investors/shareholder-centre/annual-general-meeting.html](http://www.ipfin.co.uk/en/investors/shareholder-centre/annual-general-meeting.html).
24. The following documentation is available for inspection during business hours at Number Three, Leeds City Office Park, Meadow Lane, Leeds, West Yorkshire, LS11 5BD, being the Company's registered office and the location of the AGM, and at the offices of Slaughter and May, One Bunhill Row, London, EC1Y 8YY from the date of this Notice until the close of the meeting:
- (a) copies of the executive directors' service contracts and the letters of appointment of the Chairman and the non-executive directors;
  - (b) copies of the draft new rules of the PSP, the DSP and the SAYE;
  - (c) copies of the Company's Articles of Association; and
  - (d) copies of this Notice and the Annual Report and Financial Statements of the Company for the year ended 31 December 2016.

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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

Resolutions 1 to 18 (inclusive) 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 19 to 22 (inclusive) 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.

The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. The Board unanimously recommends that you vote in favour of all the resolutions, as they propose to do in respect of their own beneficial holdings of shares in the Company.

### Resolution 1: Annual Report and Financial Statements

The directors' report, the auditor's report and the audited financial statements of the Company for the year ended 31 December 2016 (the '**Annual Report**') will be presented to shareholders at the AGM. The Annual Report may be accessed on the Company's website at [www.ipfin.co.uk/en/investors/shareholder-centre/annual-general-meeting.html](http://www.ipfin.co.uk/en/investors/shareholder-centre/annual-general-meeting.html).

### Resolution 2: Directors' Annual Remuneration Report

Section 439 of the Companies Act 2006 requires that an annual report on remuneration is put to a vote of shareholders at the AGM. This vote is advisory and the directors' entitlement to receive remuneration is not conditional on it.

Resolution 2 seeks shareholder approval for the annual remuneration report which can be found on pages 83 to 93 of the Annual Report and which is available on the Company's website at [www.ipfin.co.uk/en/investors/shareholder-centre/annual-general-meeting.html](http://www.ipfin.co.uk/en/investors/shareholder-centre/annual-general-meeting.html). The annual remuneration report gives details of the implementation of the Company's current remuneration policy including payments and share awards made to the directors during the year ended 31 December 2016.

### Resolution 3: Directors' Remuneration Policy

The Company has conducted a comprehensive remuneration review during 2016, including extensive consultation with shareholders. A new directors' remuneration policy is proposed with an increased alignment to shareholders, enhanced focus on financial objectives in the bonus plan and a simplified overall structure. The key changes are summarised below and full details of the proposed policy is set out on pages 74 to 82 of the Annual Report.

**Annual bonus:** There is no change to bonus maximum at 100% of salary, but there is a reduction of target level to 65% from 80% and an increase in the weighting of financial metrics to 80% (previously at 50%) and decrease to personal objectives to 20% (from 50%). In addition the bonus deferral has been reduced from two-thirds to half of any bonus earned during the year.

**Deferred Bonus Matching:** The opportunity to receive a matching award has been removed.

**Performance Share Plan:** The annual award level has been increased to 190% of base salary (previously 125% of base salary) to offset the lost opportunity from the removal of matching awards mentioned above. The mandatory holding period for vested awards has been extended to two years (previously 50% vested after the end of the 3 year performance period and 50% after a further year). The performance metrics that apply to awards have been re-weighted such that absolute TSR shall now account for 50% (33% previously), with cumulative EPS and revenue less impairment 25% each (33% each previously).

**Pension:** Contributions will be reduced to 15% from 20% for new hires, to align with contribution rates to the wider workforce.

#### **Resolution 4: Dividend**

Shareholders must approve the final dividend for each ordinary share. However, the final dividend cannot be more than the amount which the directors recommend (which is 7.8p for each ordinary share). The final dividend proposed in this resolution is in addition to the interim dividend of 4.60p for each ordinary share which was paid on 7 October 2016. The Company offers a Dividend Re-investment Plan ('**DRIP**') for shareholders. If you would like to join the DRIP please contact the Company's Registrar, Capita Asset Services, to request an application form. To participate in the DRIP for the dividend payable on 12 May 2017, your application must be received by our Registrar by 17 April 2017.

#### **Resolutions 5 to 12: Election and re-election of directors**

Justin Lockwood, who was appointed to the Board since the last AGM, is standing for election. In accordance with the UK Corporate Governance Code (the '**Code**') which applies to the Company, all other directors are standing for re-election at the AGM. The Board has a process for the evaluation of its own performance and that of the individual directors and, following the evaluation of the performance of the directors during 2016, it is confirmed that each director continues to be an effective member of the Board and to demonstrate commitment to the role.

Tony Hales was first elected as a non-executive director by shareholders at our AGM in 2008, and has also served as our Senior Independent Director since 2010. The Board considers that, notwithstanding the duration of his tenure, Tony Hales continues to be independent in character and judgement and that his experience is invaluable to the Company. A search for a new non-executive director is underway and the Board has therefore recommended that Tony Hales' appointment as a non-executive director be extended through to the AGM to be held in 2018.

Biographical details of each director are set out on pages 46 to 47 of the Annual Report.

#### **Resolutions 13 and 14: Reappointment and remuneration of auditor**

The Company is obliged by law to appoint an external auditor annually. The Audit and Risk Committee considered the reappointment of Deloitte LLP at its meeting in February 2017. It recommended to the Board, and the Board now recommends to shareholders, the reappointment of Deloitte LLP as auditor of the Company. Resolution 14 proposes that the Audit and Risk Committee be authorised to determine the auditor's remuneration.

#### **Resolutions 15, 16 and 17: Approval of Share Plans**

As referred to in the Explanatory Notes to Resolution 3 above, the Company conducted a comprehensive remuneration review during 2016, including extensive consultation with its major shareholders. This led to a number of changes to the Company's remuneration strategy being proposed in the new directors' remuneration policy, if approved in accordance with Resolution 3.

In line with the directors' remuneration policy, and in order to implement it, the Company wishes to establish The IPF Performance Share Plan (the '**PSP**') and The IPF Deferred Share Plan (the '**DSP**'). These will replace the Company's existing performance share plan, which expires in July 2017, and the Company's existing deferred share plan.

The Company also wishes to renew and update the rules of its existing Save As You Earn plan (the '**SAYE**'), a UK tax-favoured savings related share option plan, which is also due to expire in July 2017. A summary of the principal terms of each of the new PSP, DSP and SAYE is set out in the Appendix to this Notice.

Resolutions 15, 16 and 17 propose the adoption of the plan rules for the new PSP, DSP and SAYE and, for the PSP and DSP, also give the Board authority to establish schedules to the plans or separate plans which are commercially similar, for the purposes of granting awards to employees and executive directors who are based outside the UK. Any shares available under such schedules or separate plans will count towards the limits on individual and overall participation in the plans.

#### **Resolution 18: Power to allot relevant securities**

Under section 551 of the Companies Act 2006, the directors are prevented, subject to certain exceptions, from allotting shares without the authority of the shareholders in general meeting. This resolution is

proposed as an ordinary resolution to authorise the directors to allot relevant securities up to an aggregate nominal amount of £7,419,000 (representing approximately one-third of the share capital of the Company in issue at 16 March 2017). In line with The Investment Association ('IA') guidelines, the authority will also permit the directors to allot an additional one-third of the Company's share capital in issue as at the date of this Notice, provided such additional shares are reserved for a fully pre-emptive rights issue.

The authorities sought under this resolution will expire at the earlier of the close of business on 2 August 2018 and the conclusion of the AGM of the Company held in 2018.

### **Resolutions 19 and 20: Disapplication of pre-emption rights**

Under section 561 of the Companies Act 2006, when new shares are allotted, they must first be offered to existing shareholders pro rata to their holdings. The directors are seeking the disapplication of pre-emption rights in accordance with the Statement of Principles ('**Statement of Principles**') issued by the Pre-Emption Group. The Statement of Principles states that in addition to the previous standard annual disapplication of pre-emption rights of up to a maximum equal to 5% of issued ordinary share capital, the Pre-Emption Group is supportive of companies extending the general disapplication authority by an additional 5% for certain purposes. The Company confirms that it intends to use the additional 5% only in connection with an acquisition or specified capital investment.

Resolution 19 renews the authorities previously granted to the directors to: (a) allot shares in the Company in connection with a rights issue or other pre-emptive offer; and (b) otherwise allot shares in the Company for cash up to a maximum nominal amount of £1,112,000 (representing approximately 5% of the share capital of the Company in issue at 16 March 2017, in each case as if the pre-emption rights of section 561 of the Companies Act 2006 did not apply. In addition, Resolution 19 permits the directors to deal with fractional entitlements and any legal or regulatory problems arising in any territory on any offer of new shares to be made to shareholders on a pro rata basis.

Resolution 20 seeks separate and additional authority in accordance with the Statement of Principles as detailed above and the directors confirm that the Company will only allot shares representing more than 5% of its issued ordinary share capital for cash pursuant to the authority referred to in Resolution 20, where that allotment is in connection with an acquisition or specified capital investment, which is announced contemporaneously with the allotment.

The directors also confirm, in accordance with the Statement of Principles, their intention that (except in relation to an issue pursuant to Resolution 20 in respect of the additional 5% referred to above) no more than 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) will be issued for cash on a non-pre-emptive basis during any rolling three-year period without prior consultation with shareholders. Save in respect of issues of shares in connection with employee share schemes, the directors have no immediate plans to make use of the authority sought in Resolutions 19 and 20.

The directors consider the authority sought to be appropriate in order to provide the Company with flexibility to take advantage of business opportunities as they arise. Shareholders should note that Resolutions 19 and 20 are subject to Resolution 18 being passed.

If both Resolutions 19 and 20 are approved the authorities will expire at the close of business on 2 August 2018 or, if earlier, the date of the AGM of the Company held in 2018.

### **Resolution 21: Authority for the Company to purchase its own shares**

The resolution gives the Company authority to purchase its own shares up to a maximum of approximately 10% of the issued ordinary share capital of the Company as at 16 March 2017, being the latest practicable date prior to publication of this Notice. Treasury shares have been excluded for the purpose of this calculation. The resolution renews the authority granted by the shareholders at previous AGMs. It sets out the highest and lowest prices which may be paid.

The authority given in this resolution will expire at the earlier of the close of business on 2 August 2018 and the conclusion of the AGM of the Company held in 2018.

The directors have no present intention of exercising the authority to make market purchases; however, the authority provides the flexibility to allow them to do so in the future. The directors will exercise this

authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and where the decision could be expected to result in an increase in the earnings per share of the Company.

If any shares are purchased the directors intend that they will be either cancelled or held in treasury. If the directors decide to hold such shares as treasury shares, any subsequent resale of shares out of treasury to satisfy the requirements of the Company's employee share schemes would be made within the overall 10% and 5% equity dilution limits for such schemes for so long as this is required by the guidelines of IA.

## **Resolution 22: Notice of general meetings**

This resolution renews the authority that was given at the Company's last AGM. The notice period required by the Companies Act 2006 for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period which cannot be less than 14 clear days. AGMs must always be held on at least 21 clear days' notice.

At the last AGM, 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 22, if passed, will be effective until the Company's AGM in 2018, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

## **Inspection of documents**

The following documents will be available for inspection at Number Three, Leeds City Office Park, Meadow Lane, Leeds, West Yorkshire, LS11 5BD, being the Company's registered office and the location of the AGM, and at the offices of Slaughter and May, One Bunhill Row, London, EC1Y 8YY from the date of this Notice until the conclusion of the AGM, and at the AGM from 30 minutes before the start time until it ends:

- copies of the executive directors' service contracts and the letters of appointment of the Chairman and the non-executive directors;
- copies of the draft new rules for the PSP, DSP and SAYE;
- copies of the Company's Articles of Association; and
- copies of this Notice and the Annual Report and Financial Statements of the Company for the year ended 31 December 2016.

## **Appendix**

### **Summary of The IPF Performance Share Plan**

#### **1. General**

The operation of The IPF Performance Share Plan ('**PSP**') will be overseen by the Company's remuneration committee, or such other committee comprising a majority of non-executive directors to which the Board delegates responsibility for overseeing the operation of the PSP (the '**Committee**').

Decisions of the Committee are final and binding in all respects.

Benefits under the PSP are not pensionable benefits.

#### **2. Eligibility**

Employees and executive directors of the Company and its subsidiaries (the '**Group**') will be eligible to participate in the PSP, at the discretion of the Committee.

Awards made to executive directors of the Company will comply with the approved directors' remuneration policy in place at the relevant time, particularly as regards the application of the individual limit, performance conditions, malus, clawback and holding periods.

#### **3. Awards under the PSP**

Awards under the PSP will be granted over ordinary shares in the capital of the Company ('**Shares**').

Awards will normally be granted in one of the following forms, at the discretion of the Committee:

- a conditional right to receive Shares in the future; or
- an option to acquire Shares in the future with no exercise price.

Alternatively, the Committee may decide to grant an award as a conditional right to receive a cash sum in the future linked to the value of a given number of notional Shares.

Awards may be granted over newly issued or treasury Shares, or Shares purchased in the market. Awards may not be transferred, except on death. No payment is required for the grant of an award.

#### **4. Timing of awards**

Awards may only be granted within a period of 42 days commencing on any of the following:

- the day the PSP is approved by shareholders;
- the dealing day following the announcement of the Company's results for the last preceding financial year, half year or other period; or
- if restrictions on dealings or transactions in securities ('**Dealing Restrictions**') prohibited the grant of an award in the periods mentioned above, the date that all such Dealing Restrictions cease to apply.

Subject to Dealing Restrictions, awards may also be granted at any time that the Committee resolves that exceptional circumstances exist which justify the grant of awards.

Awards may not be granted after 3 May 2027.

#### **5. Dilution limits**

No award may be granted under the PSP if it would cause the number of Shares which may be allocated (where granted as rights to subscribe for Shares), when added to the total number of Shares which have been allocated (by being granted as rights to subscribe for Shares or the actual issue and allotment of

Shares) in the previous 10 years under the PSP and any other employee share plans operated by the Company, to exceed 10% of the ordinary share capital of the Company in issue immediately before that day. Additionally, a similar limit of 5% of the Company's ordinary share capital applies to awards granted under the PSP, when taken in conjunction with Shares allocated under any other discretionary share plans operated by the Company. For so long as it is required by institutional investor guidelines, treasury Shares will count towards these limits.

## **6. Individual limit**

Awards to participants are limited to a maximum value at grant of 190% of gross basic salary in any financial year, except where the Committee determines that exceptional circumstances exist which make it necessary or desirable to grant an award in excess of this limit, in which case the maximum limit is increased to 250%.

## **7. Vesting, exercise and conditions of awards**

Awards will not normally vest until at least 3 years after grant.

Awards may be granted subject to performance conditions, or other conditions that must be satisfied in order for awards to vest.

The Committee may amend or vary a performance condition or other condition where an event occurs which causes it to reasonably consider that the condition is no longer appropriate, provided that the amended or varied performance condition or other condition is not materially less difficult to satisfy than as was intended when originally imposed.

The Committee, acting reasonably, retains overarching discretion to reduce the amount of an award which will vest (including to zero) on the basis of the wider underlying financial performance of the Group over the relevant performance period.

Vesting and satisfaction of an award may be delayed due to Dealing Restrictions or where an investigation is ongoing as to whether an award should be subject to a malus or clawback adjustment.

Awards granted as options may be exercised in whole or part. Options will normally remain exercisable from vesting until up to a maximum of 10 years after grant, with Committee discretion to specify an earlier date.

The Committee may decide to satisfy vested awards in whole or in part by paying an equivalent cash amount in lieu of issuing or transferring Shares.

## **8. Malus and clawback**

All awards will be subject to malus provisions. The Committee may determine that awards will also be subject to clawback provisions for a period after vesting/exercise. If either of these provisions is invoked, the Committee may reduce the award (malus) or claw back an amount relating to the value of the award (clawback), as appropriate, where it determines that there has been:

- a misstatement of the accounts;
- an erroneous or inaccurate assessment of an applicable performance condition or other condition;
- fraud or gross misconduct by the participant or circumstances entitling his/her summary dismissal; or
- any other circumstance justifying the operation of malus and/or clawback.

The Committee may also reduce an award to give effect to a clawback provision contained in any other employee share plan or bonus plan operated by the Group.



## 9. Holding period

A holding period may be applied to an award such that the participant may not normally dispose of the Shares subject to the award for a specified period after vesting, usually lasting 2 years. Shares sold to cover taxes and/or social security in connection with the award will not be subject to a holding period.

The Committee may determine that Shares subject to a holding period must be held in a nominee account.

## 10. Leavers

If a participant ceases to be employed within the Group before his/her award has vested, his/her award will normally lapse. However, if a participant leaves the Group by reason of injury or disability, redundancy (unless the Committee determines otherwise), the sale of the participant's employing business or subsidiary company or for any other reason at the Committee's discretion (a '**Good Leaver**'), his/her award will normally:

- be pro-rated for time;
- continue until the normal vesting date;
- vest to the extent any applicable performance conditions have been satisfied (measured over the original performance period or another period determined to be appropriate by the Committee); and
- vest to the extent any other conditions applicable to the award have been satisfied.

Where a participant dies before his/her award has vested, it will vest as for a Good Leaver, as described above, save that his/her award will vest on the date of his/her death.

In the case of awards granted as options, Good Leavers will have 6 months from vesting (12 months in the case of death) in which to exercise options before they lapse.

Where a participant leaves after his/her award has vested, he/she will normally retain the right to his/her award, with options exercisable for 6 months from leaving (12 months in the case of death).

Any holding period applicable to an award will normally continue to apply after leaving, save where the participant dies or is a Good Leaver and the Committee determines otherwise.

## 11. Company events

In the event of a takeover (including a person becoming bound or entitled to acquire shares), scheme of arrangement or voluntary winding up of the Company, awards will normally vest. To the extent they vest, options will be exercisable for a period of 1 month (or such other period as the Committee determines) following vesting, with exercise being deemed to have occurred to the fullest extent possible at the end of such period, unless the Committee determines otherwise.

Vesting of an award in these circumstances would normally occur:

- on a time pro-rated basis;
- to the extent any applicable performance conditions have been satisfied (measured over the original performance period or another period determined to be appropriate by the Committee); and
- to the extent any other conditions applicable to the award have been satisfied.

Alternatively, in some circumstances (including internal reorganisations in particular), awards may be exchanged for substantially equivalent rights in relation to shares in an acquiring company.

Any holding period applicable to an award will normally fall away in the case of a Company event, unless the Committee decides otherwise and/or the award is exchanged.

## **12. Variation of share capital**

In the event of a variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction which will materially affect the value of Shares, the Committee may make an adjustment to the number or class of Shares subject to awards.

## **13. Rights attaching to Shares**

All Shares issued under the PSP will rank alongside shares of the same class then in issue. Participants will not be entitled to any dividend, voting or other shareholder rights in respect of Shares until the Shares are issued or transferred to them (as appropriate).

The Company will apply for the listing of any Shares issued in connection with the PSP as soon as practicable after issue.

## **14. Amendments and termination**

The Committee may at any time change the PSP in any way, save that any proposed change that is to the advantage of present or future participants and that relates to the provisions governing the persons to or for whom Shares or cash may be provided, the overall and individual limits on the making of awards, the basis for determining participants' entitlement to, and the terms of, Shares or cash, or the rights of participants in the event of a capitalisation or rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of capital of the Company may not be made without the prior approval of shareholders in general meeting.

There is an exception for minor amendments to benefit the administration of the PSP, to comply with or take account of the provisions of any proposed or existing legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Group or any present or future participant.

No alteration may be made that would be to the material disadvantage of any subsisting rights of any participants unless all such disadvantaged participants have been asked for consent to the alteration and a majority of those who respond give their consent.

The Committee may terminate the PSP at any time, although this will not affect any subsisting rights under the PSP.

*This summary does not form part of the rules of the PSP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Board reserves the right to amend or add to the rules of the PSP up until the time of the annual general meeting, provided that such amendments or additions do not conflict in any material respect with this summary.*

## Summary of The IPF Deferred Share Plan

### 1. General

The operation of The IPF Deferred Share Plan ('**DSP**') will be overseen by the Company's remuneration committee, or such other committee comprising a majority of non-executive directors to which the Board delegates responsibility for overseeing the operation of the DSP (the '**Committee**').

Decisions of the Committee are final and binding in all respects.

Benefits under the DSP are not pensionable benefits.

### 2. Eligibility

Employees and executive directors of the Company and its subsidiaries (the '**Group**') who have participated in a cash bonus plan of any member of the Group for the preceding financial year and whose bonus (or part of it) is to be deferred through the grant of an award will be eligible to participate in the DSP, at the discretion of the Committee.

Awards made to executive directors of the Company will comply with the approved directors' remuneration policy in place at the relevant time, particularly as regards the amount of bonus outcome to be mandatorily deferred into an award under the DSP and the application of malus and clawback.

### 3. Awards under the DSP

Awards under the DSP will be granted over ordinary shares in the capital of the Company ('**Shares**'). The number of Shares comprised in an award will have a value, as close as practicable, equal to the portion of the participant's bonus outcome to be deferred through the grant of an award.

In respect of any financial year, the Committee will decide whether and to what extent any bonus outcome may be voluntarily deferred into an award under the DSP. For participants other than executive directors, the extent to which any bonus outcome will be mandatorily deferred will be communicated to them.

If the Committee determines that the portion of bonus outcome that would otherwise be deferred into an award under the DSP is not sufficiently large to justify the making of an award, that portion may be delivered in cash instead.

Awards will normally be granted in one of the following forms, at the discretion of the Committee:

- a conditional right to receive Shares in the future; or
- an option to acquire Shares in the future with no exercise price.

Alternatively, the Committee may decide to grant an award as a conditional right to receive a cash sum in the future linked to the value of a given number of notional Shares.

Awards may be granted over newly issued or treasury Shares, or Shares purchased in the market. Awards may not be transferred, except on death. No payment is required for the grant of an award.

### 4. Timing of awards

Awards may only be granted within a period of 42 days commencing on any of the following:

- the day the DSP is approved by shareholders;
- the dealing day following the announcement of the Company's results for the last preceding financial year, half year or other period; or
- if restrictions on dealings or transactions in securities ('**Dealing Restrictions**') prohibited the grant of an award in the periods mentioned above, the date that all such Dealing Restrictions cease to apply.

Subject to Dealing Restrictions, awards may also be granted at any time that the Committee resolves that exceptional circumstances exist which justify the grant of awards.

Awards may not be granted after 3 May 2027.

## 5. Dilution limits

No award may be granted under the DSP if it would cause the number of Shares which may be allocated (where granted as rights to subscribe for Shares), when added to the total number of Shares which have been allocated (by being granted as rights to subscribe for Shares or the actual issue and allotment of Shares) in the previous 10 years under the DSP and any other employee share plans operated by the Company, to exceed 10% of the ordinary share capital of the Company in issue immediately before that day. Additionally, a similar limit of 5% of the Company's ordinary share capital applies to awards granted under the DSP, when taken in conjunction with Shares allocated under any other discretionary share plans operated by the Company. For so long as it is required by institutional investor guidelines, treasury Shares will count towards these limits.

## 6. Individual limit

Up to 100% of a participant's bonus may be deferred into a DSP award.

## 7. Vesting and exercise of awards

Awards will normally vest 3 years after grant.

Vesting and satisfaction of an award may be delayed due to Dealing Restrictions or where an investigation is ongoing as to whether an award should be subject to a malus or clawback adjustment.

The Committee may decide that additional Shares may be awarded to participants relating to the value of any dividends that would have been paid over the vesting period if the participant had owned any Shares that vest during that period (a '**Dividend Equivalent**').

Awards granted as options may be exercised in whole or part. Options will normally remain exercisable from vesting until up to a maximum of 10 years after grant, with Committee discretion to specify an earlier date.

The Committee may decide to satisfy vested awards (including any Dividend Equivalent) in whole or in part by paying an equivalent cash amount in lieu of issuing or transferring Shares.

## 8. Malus and clawback

All awards will be subject to malus provisions. The Committee may determine that awards will also be subject to clawback provisions for a period after vesting/exercise. If either of these provisions is invoked, the Committee may reduce the award (malus) or claw back an amount relating to the value of the award (clawback), as appropriate, where it determines that there has been:

- a misstatement of the accounts;
- an erroneous or inaccurate assessment of performance relating to calculations of the participant's bonus outcome;
- fraud or gross misconduct by the participant or circumstances entitling his/her summary dismissal; or
- any other circumstance justifying the operation of malus and/or clawback.

The Committee may also reduce an award to give effect to a clawback provision contained in any other employee share plan or bonus plan operated by the Group.

## 9. Leavers

Where a participant ceases to be employed within the Group before his/her award has vested, his/her award will normally:

- continue until the normal vesting date; and
- where granted as an option, be exercisable for 6 months from vesting (12 months in the case of death) before it lapses.

In these circumstances, the Committee has discretion to pro-rate awards for time.

Where a participant leaves after his/her award has vested, he/she will normally retain the right to his/her award, with options exercisable for 6 months from leaving (12 months in the case of death).

## **10. Company events**

In the event of a takeover (including a person becoming bound or entitled to acquire shares), scheme of arrangement or voluntary winding up of the Company, awards will normally vest. In these circumstances, the Committee has discretion to pro-rate awards for time. To the extent they vest, options will be exercisable for a period of 1 month (or such other period as the Committee determines) following vesting, with exercise being deemed to have occurred to the fullest extent possible at the end of such period, unless the Committee determines otherwise.

Alternatively, in some circumstances (including internal reorganisations in particular), awards may be exchanged for substantially equivalent rights in relation to shares in an acquiring company.

## **11. Variation of share capital**

In the event of a variation in the share capital of the Company, a demerger, special dividend or distribution or any other transaction which will materially affect the value of Shares, the Committee may make an adjustment to the number or class of Shares subject to awards.

## **12. Rights attaching to Shares**

All Shares issued under the DSP will rank alongside shares of the same class then in issue. Participants will not be entitled to any dividend, voting or other shareholder rights in respect of Shares until the Shares are issued or transferred to them (as appropriate).

The Company will apply for the listing of any Shares issued in connection with the DSP as soon as practicable after issue.

## **13. Amendments and termination**

The Committee may at any time change the DSP in any way, save that any proposed change that is to the advantage of present or future participants and that relates to the provisions governing the persons to or for whom Shares or cash may be provided, the overall and individual limits on the making of awards, the basis for determining participants' entitlement to, and the terms of, Shares or cash, or the rights of participants in the event of a capitalisation or rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of capital of the Company may not be made without the prior approval of shareholders in general meeting.

There is an exception for minor amendments to benefit the administration of the DSP, to comply with or take account of the provisions of any proposed or existing legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Group or any present or future participant.

No alteration may be made that would be to the material disadvantage of any subsisting rights of any participants unless all such disadvantaged participants have been asked for consent to the alteration and a majority of those who respond give their consent.

The Committee may terminate the DSP at any time, although this will not affect any subsisting rights under the DSP.

*This summary does not form part of the rules of the DSP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Board reserves the right to amend or add to the rules of the DSP up until the time of the annual general meeting, provided that such amendments or additions do not conflict in any material respect with this summary.*

## Summary of The IPF Save As You Earn Plan

### 1. General

The IPF Save As You Earn Plan (**'SAYE'**) is an UK all-employee share ownership plan. The SAYE has been designed to comply with the relevant UK legislation so that UK employees and directors of the Company and its participating subsidiaries (together, **'Eligible Companies'**) may purchase ordinary shares in the capital of the Company (**'Shares'**) in a tax-efficient manner.

The operation of the SAYE will be overseen by the Company's remuneration committee, or such other committee comprising a majority of non-executive directors to which the Board delegates responsibility for overseeing the operation of the SAYE (the **'Committee'**).

Decisions of the Committee are final and binding in all respects.

Benefits under the SAYE are not pensionable benefits.

### 2. Eligibility

Each time that the Committee decides to operate the Plan, all UK tax-resident persons who:

- are directors or employees of Eligible Companies;
- have at least 3 months' continuous service, or such other qualifying period of service as the Committee determines (not exceeding a period of 5 years before grant, or such other statutory limit as applies from time to time); and
- in the case of directors, are required to work for one or more Eligible Companies for more than 25 hours a week in total (excluding meal breaks),

must be invited to participate. Other employees or directors (other than non-executive directors) of Eligible Companies may be invited to participate, at the discretion of the Committee.

### 3. Options under the SAYE

Awards granted under the SAYE will be granted as UK tax-favoured options to acquire Shares (**'Options'**) at a price per Share which is not manifestly less than 80% of the market value of a Share (which may be calculated as an average over up to 5 consecutive days) on either the date of invitation or the date of grant, as determined by the Committee.

If the Option will be satisfied using newly issued Shares, the exercise price per Share must not be less than the nominal value of a Share.

It is a condition of participation in the SAYE that anyone wishing to participate enters into a savings contract under a "certified SAYE savings arrangement" (as defined in the relevant legislation), agreeing to make 36 or 60 monthly savings contributions. Shares subject to an Option may only be purchased with monies up to an amount equivalent to the proceeds (which may include any interest or bonus) due under that savings contract.

### 4. Invitations and applications

Invitations to apply for Options may only be issued within a period of 42 days commencing on any of the following:

- the day the SAYE is approved by shareholders;
- the dealing day following the announcement of the Company's results for the last preceding financial year, half year or other period; or
- if restrictions on dealings or transactions in securities (**'Dealing Restrictions'**) prohibited the issue of an invitation in the periods mentioned above, the date that all such Dealing Restrictions cease to apply.

Subject to Dealing Restrictions, invitations may also be issued at any time that the Committee resolves that exceptional circumstances exist which justify the issue of invitations.

Employees will indicate how much they wish to save under their savings contract as part of their application. The minimum and maximum amounts an employee may save are set out in the applicable legislation and the HMRC approved prospectus governing certified SAYE savings arrangements (currently £5 minimum and £500 maximum per month). The Committee may determine that different minimum and maximum limits shall apply, subject to the restrictions in the legislation and the prospectus.

The Committee may set a maximum aggregate number of Shares available for an invitation. If the Committee receives valid applications in excess of this, applications will be scaled down.

## **5. Grant of Options**

The Company must grant Options within 30 days of the first date used to set the exercise price (or within 42 days if applications are scaled down).

The number of Shares subject to an Option is the largest number which, at the specified exercise price per Share for that invitation, may be acquired out of the expected proceeds of the related savings contract (which may include any bonus due under the savings contract).

Options may be granted over newly issued or treasury Shares, or Shares purchased in the market. Options may not be transferred, except on death. No payment is required for the grant of an Option. Options may not be granted after 3 May 2027.

## **6. Dilution limits**

No Option may be granted under the SAYE if it would cause the number of Shares which may be allocated (where granted as rights to subscribe for Shares), when added to the total number of Shares which have been allocated (by being granted as rights to subscribe for Shares or the actual issue and allotment of Shares) in the previous 10 years under the SAYE and any other employee share plans operated by the Company, to exceed 10% of the ordinary share capital of the Company in issue immediately before that day. For so long as it is required by institutional investor guidelines, treasury Shares will count towards this limit.

## **7. Exercise of Options**

Options will normally only be exercisable during the 6 month period following the maturity (known as the bonus date) of the relevant savings contract, after all the monthly contributions have been made.

Options may only be exercised to the extent of the repayment made under the relevant savings contract. Options may be exercised in whole or part.

If a participant gives or is deemed to have given notice that he intends to permanently stop making contributions under his savings contract, his Option will lapse, unless it is then exercisable.

## **8. Leavers**

If a participant ceases to be employed within the Company's group, his/her Option will normally lapse. However, if a participant leaves due to retirement, injury, disability, redundancy, a TUPE transfer, the business or part of a business in which he/she works being transferred out of the Company's group (where this is not a TUPE transfer), or his/her employing company ceasing to be an associated company (as defined in the relevant legislation) by reason of a change of control, he/she may exercise his/her Option within 6 months of leaving (or 6 months of the relevant bonus date, if earlier).

If a participant leaves more than 3 years after the date of grant of his/her Option for any reason other than gross misconduct, he/she may exercise his/her Option within 6 months of leaving (or 6 months of the relevant bonus date, if earlier).

Where a participant dies, his/her Option may be exercised within 12 months following his/her death (if his/her death occurred before the bonus date), or within 12 months after the bonus date (if his/her death occurred within 6 months after the bonus date).

If Options are not so exercised, they will lapse at the end of the relevant period.



## **9. Company events**

In the event of a takeover, scheme of arrangement or voluntary winding up of the Company, Options will normally become exercisable for a period of 6 months. In addition, Options will normally become exercisable if a person becomes bound or entitled to acquire shares. The Committee may determine that Options will also be exercisable within 20 days before a takeover, scheme of arrangement or person becoming bound or entitled to acquire shares, conditional on that event taking place. If the relevant event does not occur within 20 days of exercise, then the exercise will not be effective.

Alternatively, in some circumstances, Options may be exchanged for substantially equivalent options over shares in an acquiring company, provided the exchange meets certain conditions as provided by the relevant legislation.

## **10. Variation of share capital**

In the event of a variation in the share capital of the Company, the Committee may adjust the number and description of Shares comprised in each Option and/or the price payable per Share to the extent it considers necessary, provided that, for so long as it is intended that the SAYE will continue to qualify for tax advantages under the relevant legislation, the adjustment meets certain conditions provided by the relevant legislation.

## **11. Rights attaching to Shares**

All Shares issued under the SAYE will rank alongside shares of the same class then in issue. Participants will not be entitled to any dividend, voting or other rights in respect of Shares until the Shares are issued or transferred to them (as appropriate).

The Company will apply for the listing of any Shares issued in connection with the SAYE as soon as practicable after issue.

## **12. Amendments and termination**

The Committee may at any time change the SAYE in any way, save that any proposed change that is to the advantage of present or future participants and that relates to the provisions governing the persons to or for whom Shares may be provided, the overall and individual limits on the grant of Options, the basis for determining participants' entitlement to, and the terms of, Shares, or the rights of participants in the event of a capitalisation or rights issue, open offer, sub-division or consolidation of shares, reduction of capital or any other variation of capital of the Company may not be made without the prior approval of shareholders in general meeting.

There is an exception for amendments to ensure the SAYE complies with the requirements of the legislation governing such tax advantaged plans and also for minor amendments to benefit the administration of the SAYE, to comply with or take account of the provisions of any proposed or existing legislation and/or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company's group or any present or future participant.

No alteration may be made that would be to the material disadvantage of any subsisting rights of any participants without such prior consent as would be required by the Company's articles of association if all participants were shareholders of a separate class of Shares.

For so long as it is intended that the SAYE will continue to qualify for tax advantages under the relevant legislation, no change to any provision of the SAYE that is necessary to satisfy the legislative requirements will be made if it would cause the SAYE to cease to qualify for those tax advantages.

The Committee may terminate the SAYE at any time, although this will not affect any subsisting rights under the SAYE.

*This summary does not form part of the rules of the SAYE and should not be taken as affecting the interpretation of their detailed terms and conditions. The Board reserves the right to amend or add to the rules of the SAYE up until the time of the annual general meeting, provided that such amendments or additions do not conflict in any material respect with this summary.*

