

**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 who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

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 2018**

**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 Friday, 4 May 2018 at Number Three Leeds City Office Park, Meadow Lane, Leeds, West Yorkshire, LS11 5BD is set out on pages 2 to 4.

Whether or not you propose to attend the AGM, please complete and submit a proxy appointment in accordance with the Notes to the Notice of AGM set out on pages 5 to 7. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by no later than 10.30 am on Wednesday 2 May 2018.

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

20 March 2018

Dear shareholder

## **Notice of Annual General Meeting**

I am pleased to be writing to you with details of our eleventh annual general meeting ('**AGM**') which will be held at 10.30 am on Friday, 4 May 2018 at the Company's registered office in Leeds.

The formal Notice of AGM is set out on pages 2 to 4 of this document and explanatory notes on the business to be considered appear on pages 8 to 10. Our Annual Report and Financial Statements for the year ended 31 December 2017 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:

- (a) attend the AGM and vote in person (an AGM Attendance Card is enclosed); or
- (b) appoint a proxy to attend the AGM and vote on your behalf. You can appoint a proxy:
  - by completing and returning the enclosed Form of Proxy; or
  - by registering your proxy vote electronically at [www.myipfshares.com](http://www.myipfshares.com); or
  - if you are a CREST member, by registering 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 Wednesday, 2 May 2018. 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. Save in respect of those resolutions in which the directors are interested, your Board will be voting in favour of all of them and unanimously recommends that you do so as well.

Yours sincerely

Dan O'Connor  
Chairman

## **NOTICE OF ANNUAL GENERAL MEETING**

The eleventh annual general meeting of International Personal Finance plc will be held at 10.30 am on Friday, 4 May 2018 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 14 to 17 (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 2017, 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 2017 set out on pages 60, 61 and 69 to 77 of the Annual Report and Financial Statements.

#### **Dividend**

3. 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 2017, payable on 11 May 2018 to the holders of such ordinary shares on the register of members of the Company at the close of business on 13 April 2018.

#### **Re-election of directors**

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

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

11. 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.
12. THAT the Audit and Risk Committee be authorised to determine the auditor's remuneration.

#### **Authority to allot shares**

13. 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 £7,445,000; and

- (b) allot equity securities (as defined in section 560 of the Companies Act 2006) up to a further aggregate nominal amount of £7,445,000 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, and that the directors may impose any exclusions or make any other arrangements which they deem necessary or desirable to deal with treasury shares, fractional entitlements, record dates, regulatory or practical problems in, or laws of, any territory or the requirements of any regulatory body or stock exchange in any territory or any other matter,

such authority to apply until the conclusion of the next annual general meeting or, if earlier, until the close of business on 28 June 2019 (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**

14. THAT, subject to the passing of Resolution 13 and in accordance with sections 570 and 573 of the Companies Act 2006, the directors of the Company be and are hereby empowered to allot equity securities (as defined in section 560 of 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 power 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 treasury shares, fractional entitlements, record dates, regulatory or practical problems in, or the laws of, any territory or the requirements of any regulatory body or stock exchange in any territory or any other matter; 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 £1,116,000,

such power to be subject to the continuance of the authority conferred by Resolution 13 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 28 June 2019 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 power expires and the directors may allot equity securities or grant rights (and sell treasury shares) under any such offer or agreements as if the power had not expired, been revoked or varied.

15. THAT, subject to the passing of Resolution 13 and in accordance with sections 570 and 573 of the Companies Act 2006, the directors of the Company be and are hereby empowered (in addition to any power granted under Resolution 14) 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 13 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 £1,116,000; and
- (b) used only for the purposes of financing (or refinancing, if the power 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 power to be subject to the continuance of the authority conferred by Resolution 13 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 28 June 2019 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 power expires and the directors may allot equity securities or grant rights (and sell treasury shares) under any such offer or agreement as if the power had not expired, been revoked or varied.

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

16. 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, provided that:
- (a) the Company may not purchase more than 22,335,937 ordinary shares;
  - (b) the minimum price (excluding expenses) 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 28 June 2019; 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 authority had not ended.

#### **Notice of general meetings**

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

20 March 2018

By order of the Board  
James Ormrod  
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 2 May 2018 (or, in the event of any adjournment, at the close of business on the date which is two business days before the date 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.

### Appointment of proxies

3. Members who are entitled to attend and vote at the AGM 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.
4. To appoint a proxy you may either:
  - (a) complete and deposit a hard-copy Form of Proxy (together with any authority under which it is signed or a duly certified copy of such authority) with the Company's Registrar, Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. 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 (0) 371 664 0300;
  - (b) submit a proxy appointment online at [www.mypfshares.com](http://www.mypfshares.com), using your Investor Code which is shown on your Form of Proxy. If submitting a proxy appointment online, there is no need to return the hard-copy Form of Proxy to the Registrar; or
  - (c) submit a proxy appointment using the CREST Proxy Voting Service in accordance with Notes 11 to 14 below,in each case so as to be received no later than 10.30 am on Wednesday 2 May 2018 (or, in the event of an adjournment, by no later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting).
5. The return of a completed Form of Proxy or the submission of an electronic proxy appointment will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
6. 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).
7. To change proxy instructions, please submit a new Form of Proxy or electronic proxy appointment 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.
8. 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 Registrar's helpline as set out in Note 4(a) above.

### Nominated persons

9. 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.
10. The statement of the rights of shareholders in relation to the appointment of proxies in Note 3 above does not apply to Nominated Persons. The rights described in that Note can only be exercised by shareholders of the Company.

### Appointment of proxies through CREST

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a '**CREST Proxy Instruction**') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](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 2 May 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **Corporate representatives**

15. 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**

16. As at 16 March 2018 (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. 10,885,066 shares were held by the Company in Treasury. Therefore, the total voting rights in the Company as at 16 March 2018 were 223,359,371.

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

17. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

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

18. 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**

19. 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 21 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 request relates.

#### **Details of communications**

20. 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.
21. 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(a) 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**

22. 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).



## 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 13 (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 14 to 17 (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.

### Resolution 1: Annual Report and Financial Statements

The directors' reports, the auditor's report and the audited financial statements of the Company for the year ended 31 December 2017 (the '**Annual Report**') will be presented to shareholders at the AGM as required by law. In accordance with the UK Corporate Governance Code (the '**Code**'), the Company invites shareholders to vote on the Annual Report. 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 60, 61 and 69 to 77 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 2017.

The Companies Act 2006 requires the directors' remuneration policy to be put to shareholders for approval annually unless the approved policy remains unchanged, in which case it need only be put to shareholders for approval at least every three years. The Company is not proposing any changes to the directors' remuneration policy approved at the AGM in 2017.

### Resolution 3: 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 4.6p for each ordinary share which was paid on 6 October 2017. 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, Link Asset Services, to request an application form. To participate in the DRIP for the dividend payable on 11 May 2018, your application must be received by our Registrar by 20 April 2018.

### Resolutions 4 to 10: Re-election of directors

In accordance with the Code which applies to the Company, all directors are standing for re-election at the AGM, apart from Jayne Almond who is not seeking re-election and will be stepping down from the Board with effect from the conclusion of 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 2017, 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. In our 2017 Notice of Annual General Meeting, we explained that a search for a new non-executive director to replace Tony Hales was underway and the Board recommended that his appointment as a non-executive director be extended through to the AGM to be held in 2018. This recommendation was approved by shareholders at our 2017 AGM. Since then, the search has continued but has not yet been concluded. The Board has therefore

asked Tony Hales to continue as a non-executive director, with a view to him stepping down when a suitable replacement is appointed. Notwithstanding the duration of his tenure, the Board considers that Tony Hales continues to be fully independent in character and judgement and that his experience remains invaluable to the Company. This is a role which the Board considers critical for good governance and we are committed to finding a candidate with the appropriate skill-set, qualifications and capabilities to provide the breadth of experience and depth of insight that we have come to expect from Tony Hales. The Board has therefore recommended that Tony Hales be re-elected as a non-executive director at the 2018 AGM.

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

### **Resolutions 11 and 12: 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 2018. It recommended to the Board, and the Board now recommends to shareholders, the reappointment of Deloitte LLP as auditor of the Company. The Audit and Risk Committee has confirmed to the Board that its recommendation is free from third party influence and that no restrictive contractual provisions have been imposed on the Company limiting the choice of auditor.

Resolution 12 proposes that the Audit and Risk Committee be authorised to determine the auditor's remuneration.

### **Resolution 13: Authority to allot shares**

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. The directors' existing authority is due to expire at the AGM and the Board would like to renew it to provide the directors with flexibility to allot new shares and grant rights up until the Company's next AGM within the limits prescribed by The Investment Association ('IA'). This resolution is proposed as an ordinary resolution to authorise the directors to allot shares and to grant rights to subscribe for, or convert any securities into, shares up to an aggregate nominal amount of £7,445,000, representing approximately one-third of the share capital of the Company (excluding treasury shares) in issue at 16 March 2018. In line with the IA's guidelines, the authority will also permit the directors to allot shares up to a further aggregate nominal amount of £7,445,000, representing approximately one-third of the Company's share capital (excluding treasury shares) in issue as at the same date, provided such additional shares are reserved for a fully pre-emptive rights issue.

As at 16 March 2018, the Company held 10,885,066 shares in treasury, representing 4.87% of the Company's total issued ordinary share capital (excluding such treasury shares).

The directors do not have any present intention to exercise this authority, however the Board considers it prudent to maintain the flexibility that it provides to enable the directors to respond to any appropriate opportunities that may arise. The authority sought under this resolution will expire at the earlier of the close of business on 28 June 2019 and the conclusion of the AGM of the Company held in 2019.

### **Resolutions 14 and 15: Disapplication of pre-emption rights**

Under section 561 of the Companies Act 2006, when new shares are allotted for cash, they must first be offered to existing shareholders pro rata to their holdings. The directors are seeking the disapplication of statutory 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 customary annual disapplication of pre-emption rights of up to a maximum amount equal to 5% of issued ordinary share capital, the Pre-Emption Group is supportive of companies seeking a general disapplication power over an additional 5% for use in connection with acquisitions or specified capital investments.

Resolution 14 renews the power 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 £1,116,000 (representing approximately 5% of the share capital of the Company, excluding treasury shares, in issue at 16 March 2018), in each case as if the

pre-emption rights of section 561 of the Companies Act 2006 did not apply. In addition, Resolution 14 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 15 seeks a separate and additional power in accordance with the Statement of Principles as detailed above and the directors confirm that the Company will only use this power 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 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 15 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.

The directors consider the powers 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 14 and 15 are subject to Resolution 13 being passed.

If both Resolutions 14 and 15 are approved the powers will expire at the close of business on 28 June 2019 or, if earlier, the date of the AGM of the Company held in 2019.

#### **Resolution 16: 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 2018, 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 existing authority granted by the shareholders which is due to expire at the AGM. 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 28 June 2019 and the conclusion of the AGM of the Company held in 2019.

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, depending on which course of action is considered by the directors to be in the best interests of the shareholders at that time.

#### **Resolution 17: 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 17, if passed, will be effective until the Company's AGM in 2019, 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.

