

NOTICE OF THE ANNUAL GENERAL MEETING

This document is important and requires your immediate attention

If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial advisor.

Chesnara plc has a policy of not paying to have access to governance and sustainability analysts' databases on which voting recommendations and reports are produced. We encourage early, open and timely engagement to ensure the accuracy of the information contained in any analysis and reports issued in respect of Chesnara plc.

If you have sold or otherwise transferred all of your shares in Chesnara plc, please pass this document (together with the accompanying proxy form) as soon as possible 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.

Company No. 4947166

Notice is given that the 2020 Annual General Meeting of Chesnara plc will be held at the offices of Chesnara plc, West Strand Business Park, West Strand Road, Preston, PR1 8UY on 26 May 2020 at 11am, for the business set out below. In light of the Coronavirus (COVID-19) pandemic and the social distancing measures in place, shareholders will not be able to attend the AGM in person. Only the business of the AGM will be held at that time.

Resolutions 1 to 15 inclusive will be proposed as ordinary resolutions and resolutions 16 to 19 inclusive will be proposed as special resolutions.

1. To receive and adopt the audited accounts for the financial year ended 31 December 2019, together with the reports of the directors and auditor thereon.
2. To approve the Directors' Remuneration Report (other than the part of it which contains the Directors' Remuneration Policy) for the year ended 31 December 2019.
3. To approve the Directors' Remuneration Policy (as contained in the Directors' Remuneration Report for the year ended 31 December 2019).
4. To declare a final dividend of 13.87 pence per ordinary share for the financial year ended 31 December 2019.
5. To re-elect John Deane as a director.
6. To re-elect David Rimmington as a director.
7. To re-elect Jane Dale as a director.
8. To elect Luke Savage as a director.
9. To re-elect Veronica Oak as a director.
10. To re-elect David Brand as a director.
11. To re-elect Mark Hesketh as a director.

12. To reappoint Deloitte LLP as auditor of the company to hold office until the conclusion of the next general meeting of the company at which accounts are laid before shareholders.

13. To authorise the directors to determine the auditor's remuneration.

14. That, from the passing of this resolution 14 until the earlier of the close of business on 30 June 2021 and the conclusion of the company's next Annual General Meeting, the company and all companies which are its subsidiaries at any time during such period are authorised:

- (a) to make donations to political parties or independent election candidates;
- (b) to make donations to political organisations other than political parties; and
- (c) to incur political expenditure up to an aggregate total amount of £50,000,

with the individual amount authorised for each of (a) to (c) above being limited to £50,000. Any such amounts may comprise sums paid or incurred in one or more currencies. Any sum paid or incurred in a currency other than sterling shall be converted into sterling at such rate as the board may decide is appropriate. Terms used in this resolution have, where applicable, the meanings that they have in Part 14 of the Companies Act 2006.

ADDITIONAL INFORMATION

NOTICE OF THE ANNUAL GENERAL MEETING (CONTINUED)

15. That the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act'), to exercise all the powers of the company, to allot shares in the company and/or to grant rights to subscribe for or to convert any security into shares in the company ('Allotment Rights'):

- (a) up to an aggregate nominal amount of £2,501,026 such amount to be reduced by the aggregate nominal amount of any equity securities allotted pursuant to the authority in paragraph (b) below in excess of £2,501,026; and
- (b) up to an aggregate nominal amount of £5,002,052 (such amount to be reduced by the nominal aggregate amount of any shares allotted or rights granted pursuant to the authority in paragraph (a) above) in connection with an offer by way of a rights issue:
 - i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that this authority shall, unless renewed, varied or revoked by the company, expire at the conclusion of the company's next Annual General Meeting (or, if earlier, at the close of business on 30 June 2021) save that the company may, before such expiry, make offers or agreements which would or might require securities to be allotted or Allotment Rights to be granted after such expiry and the directors may allot securities or grant Allotment Rights in pursuance of such offer or agreement notwithstanding the expiry of the authority conferred by this resolution.

16. That, subject to the passing of resolution 15 in this notice, the directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 ('the Act') to allot equity securities (as defined in Section 560 of the Act) for cash, pursuant to the authority conferred on them by resolution 15 of this notice or by way of a sale of treasury shares as if Section 561 of the Act did not apply to any such allotment, provided that this power is limited to:

- (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's listing rules) or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
- (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of £375,154

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 15 of this notice, save that, before the expiry of this power, the company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

17. That, subject to the passing of resolution 15 of this notice and, in addition to the power contained in resolution 16 of this notice, the directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 ('the Act') to allot equity securities (as defined in Section 560 of the Act) for cash, pursuant to the authority conferred on them by resolution 15 of this notice or by way of sale of treasury shares as if Section 561 of the Act did not apply to any such allotment, provided that this power is:

- (a) limited to the allotment of equity securities up to an aggregate nominal value of £375,154; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within 6 months after the date of 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 Disapply Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of this meeting,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 15 of this notice save that, before the expiry of this power, the company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

18. That the company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 ('the Act') to make one or more market purchases (as defined in Section 693(4) of the Act) of ordinary shares in the capital of the company, provided that:

- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 15,006,157;
- (b) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is its nominal value;
- (c) the maximum price (exclusive of expenses) which may be paid for such ordinary shares is the maximum price permitted under the Financial Conduct Authority's listing rules or, in the case of a tender offer (as referred to in those rules), 5% above the average of the middle market quotations for those shares (as derived from the Daily Official List of London Stock Exchange plc) for the 5 business days immediately preceding the date on which the terms of the tender offer are announced;
- (d) the authority hereby conferred shall expire at the conclusion of the company's next Annual General Meeting (or, if earlier, at the close of business on 30 June 2021); and
- (e) the company may enter into contracts or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

19. That a general meeting of the company (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By order of the board

Alastair Lonie
Company Secretary

2nd Floor, Building 4
West Strand Business Park
West Strand Road
Preston
Lancashire
PR1 8UY

14 April 2020

EXPLANATORY NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

Potential impact of the Coronavirus pandemic

The company has been closely monitoring the situation in respect of the Coronavirus pandemic and the restrictions and precautionary measures being taken across the country. As a result of these restrictions, physical attendance at the AGM by shareholders will not be possible this year and arrangements for the AGM may also need to change at short notice. The company will continue to update shareholders in the usual way, via the Regulatory News System (RNS). Please do not attempt to attend the AGM in person as the company reserves the right to take such measures as it considers appropriate to comply with Government guidance and to seek to ensure the health and security of those attending and/or take measures that are mandated or recommended by the UK Government. There will be no presentation given on business progress at this year's AGM and nor will refreshments be provided.

Given the current circumstances, the company strongly encourages shareholders to vote electronically. Instructions on voting are attached to the Notice of AGM sent out to shareholders and can also be found on the company's website. Shareholders may also wish to submit questions in advance via e-mail to info@chesnara.co.uk We will endeavour to respond to questions raised directly, or by publishing responses on our website.

1. Any member who is entitled to attend and vote at this Annual General Meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the Annual General Meeting. Members who wish to appoint a proxy should appoint the Chairman of the meeting as their proxy. As a result of the public health measures taken by the Government to reduce the public health risks posed by the spread of Coronavirus, no other person appointed as a proxy will be permitted to attend the meeting in person. Members are therefore encouraged to vote electronically.
2. You will not receive a form of proxy for the AGM in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so. You may request a physical copy proxy form directly from the registrars, Link Asset Services, 34 Beckenham Road, Beckenham, BR3 4TU (telephone number: 0371 664 0300). If you request a physical copy proxy form, it must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by 11am on Thursday 21 May 2020.
3. Any member wishing to vote at the Annual General Meeting without attending in person or (in the case of a corporation) through its duly appointed representative, which is unfortunately not permitted in the current circumstances in line with Government measures to protect public health, must appoint a proxy to do so. A proxy need not be a member of the company, but as noted above members should appoint the Chairman of the meeting as their proxy as no other person appointed as a proxy will be permitted to attend the meeting in person. Members may appoint a proxy online by following the instructions for the electronic appointment of a proxy at www.signalshares.com by entering the company name 'Chesnara plc' and following the on-screen instructions. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by 11am on Thursday 21 May 2020. Members who hold their shares in uncertificated form may also use the 'CREST' voting service to appoint a proxy electronically, as explained in Note 4.
4. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in 'the CREST voting service' section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a 'CREST proxy appointment instruction') must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ('Euroclear'), and must contain all the relevant information required by the CREST Manual. 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 Link Asset Services (ID RA10), by 11am on Thursday 21 May 2020, which is acting as the company's 'issuer's agent'. After this time, any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on 'Practical limitations of the system'. In certain circumstances, the company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

ADDITIONAL INFORMATION

EXPLANATORY NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING (CONTINUED)

5. Copies of directors' service contracts and letters of appointment are available for inspection at the registered office of the company during normal business hours each business day. They will also be available for inspection at the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.
6. The time by which a person must be entered on the register of members in order to have the right to vote at the Annual General Meeting (and for the purpose of the determination by the company of the votes they may cast) is close of business on Thursday 21 May 2020. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Annual General Meeting.
7. The right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Companies Act 2006; as such rights can only be exercised by the member concerned. Any person nominated to enjoy information rights under Section 146 of the Companies Act 2006 who has been sent a copy of this notice of Annual General Meeting is hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this Annual General Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
8. As at 31 March 2020 (being the last practicable date prior to the publication of this document), the company's issued share capital consisted of 150,061,567 ordinary shares, carrying one vote each. No shares were held by the company in treasury. Therefore, the total voting rights in the company as at 31 March 2020 (being the last practicable date prior to the publication of this document) were 150,061,567.
9. Information regarding this Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available at **www.chesnara.co.uk** Any electronic address provided either in this notice or any related documents may not be used to communicate with the company for any purposes other than those expressly stated.
10. In accordance with Section 319A of the Companies Act 2006, any member attending the Annual General 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 Annual General Meeting, but no such answer need be given if (a) to do so would interfere unduly with the preparations for the Annual General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question or (c) it is undesirable in the interests of the company or the good order of the Annual General Meeting that the question be answered. As shareholders will be unable to attend this year's AGM due to the public health measures introduced by the Government in response to the Coronavirus pandemic, the company encourages shareholders to submit their questions electronically in advance of the meeting via **info@chesnara.co.uk**
11. 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 in accordance with Section 528 of the Companies Act 2006 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 Annual General Meeting or (ii) any circumstances 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 members 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 Annual General Meeting includes any statement that the company has been required under Section 527 of the Companies Act 2006 to publish on a website.
12. Members meeting the threshold requirements in Sections 338 and 338A of the Companies Act 2006 have the right to require the company (i) to give to members entitled to receive notice of the meeting notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or (as applicable) the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the company not later than 11am on Tuesday 15 April 2020, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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

Resolution 1**Report & Accounts**

The Companies Act 2006 requires the directors of a public company to lay its Annual Report & Accounts before the company in general meeting, giving shareholders the opportunity to ask questions on the contents. The Annual Report & Accounts comprise the audited Financial Statements, the Auditor's Report, the Directors' Report, the Directors' Remuneration Report, and the Directors' Strategic Report.

Resolutions 2 and 3**Approval of the Directors' Remuneration Report**

In accordance with the Companies Act 2006, the company proposes ordinary resolution 2 to approve the Directors' Remuneration Report for the financial year ended 31 December 2019. The Directors' Remuneration Report can be found on pages 76 to 93 of the 2019 Report & Accounts and, for the purposes of this resolution, does not include the parts of the Directors' Remuneration Report containing the Directors' Remuneration Policy as set out on pages 87 to 93, which is the subject of a separate vote at resolution 3. The vote on this resolution is advisory only and the directors' entitlement to remuneration is not conditional on it being passed.

Approval of the Directors' Remuneration Policy

The Companies Act 2006 requires the Directors' Remuneration Policy (the '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 3 years. Although the company is not proposing any material changes to the Policy, it was last approved at the Annual General Meeting in 2017 and is therefore presented for approval as resolution 3 at the Annual General Meeting. The Policy can be found on pages 87 to 93 of the Annual Report & Accounts. The vote on the new Policy is a binding vote, meaning that payments to directors may only be made if they are within the boundaries of the approved Policy. If approved, the Policy will replace the policy approved in 2017, becoming effective following the AGM and it is currently intended that it will continue to apply for 3 years until the Annual General Meeting in 2023, when further shareholder approval will be sought. Any future changes to the Policy will require shareholder approval. Once approved, the company will only be able to make remuneration payments to current and prospective directors and payments for loss of office to current or past directors within the boundaries of the new Policy, unless an amendment to the Policy authorising the company to make such payments has been approved by a separate shareholder resolution.

Resolution 4**Final dividend**

The declaration of the final dividend requires the approval of shareholders in general meeting. If the 2020 Annual General Meeting approves resolution 4, the final dividend of 13.87 pence per share will be paid on 02 June 2020 to ordinary shareholders who are on the register of members at the close of business on 24 April 2020 in respect of each ordinary share.

Resolutions 5 – 11 inclusive**Election and Re-election of directors**

The company's Articles of Association provide that any director who has not been elected or re-elected by the shareholders at either of the two preceding Annual General Meetings is required to retire at the next Annual General Meeting. Additionally, the Articles of Association require such further directors to retire at the Annual General Meeting as would bring the total number of directors retiring up to one-third of their number.

Notwithstanding the provisions of the company's Articles of Association, the board of directors has determined that all the directors shall retire from office at this year's Annual General Meeting in line with the best practice recommendations of the UK Corporate Governance Code 2018 (the 'Code'). Each of the directors intends to stand for re-election by the shareholders. Biographical details of each director can be found on pages 64 and 65 of this document. The Chairman confirms that each of the directors proposed continues to make an effective and valuable contribution and demonstrates commitment to their responsibilities. This is supported by the annual performance evaluation that was undertaken recently. The board unanimously recommend that each of these directors be re-elected as a director of the company.

In accordance with the Code, the board has reviewed the independence of its non-executive directors and has determined that they remain fully independent of management.

Resolutions 12 and 13**Re-appointment and remuneration of auditor**

The company is required to appoint an auditor, at each general meeting before which accounts are laid, to hold office until the end of the next such meeting. The Audit & Risk Committee has recommended the re-appointment of Deloitte LLP and has confirmed that such recommendation is free from influence by a third party and that no restrictive contractual terms have been imposed on the company. Deloitte LLP has indicated that it is willing to continue to act as the company's auditor.

Resolution 12, therefore, proposes Deloitte's reappointment as auditor to hold office until the next general meeting at which the company's accounts are laid before shareholders. Resolution 13 authorises the directors to determine the auditor's remuneration.

Resolution 14**Political donations**

It has always been the company's policy that it does not make political donations. This remains the company's policy.

Part 14 of the Companies Act 2006 ('the Act') imposes restrictions on companies making political donations to any political party or other political organisation or to any independent election candidate unless they have been authorised to make donations at a general meeting of the company. Whilst the company has no intention of making such political donations, the Act includes broad and ambiguous definitions of the terms 'political donation' and 'political expenditure' which may apply to some normal business activities which would not generally be considered to be political in nature.

The directors therefore consider that, as a purely precautionary measure, it would be prudent to obtain the approval of the shareholders to make donations to political parties, political organisations and independent election candidates and to incur political expenditure up to the specified limit. The directors intend to seek renewal of this approval at future Annual General Meetings but wish to emphasise that the proposed resolution is a precautionary measure for the above reason and that they have no intention of making any political donations or entering into party political activities.

EXPLANATORY NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING (CONTINUED)

Resolution 15**Power to allot shares**

The Companies Act 2006 provides that the directors may only allot shares if authorised by shareholders to do so. The directors' current allotment authority is due to lapse at the 2020 Annual General Meeting. The board is, therefore, seeking to renew its authority over shares having an aggregate nominal amount of £2,501,026, representing approximately one-third of the issued ordinary share capital of the company (excluding treasury shares) as at 31 March 2020 (being the latest practicable date prior to the publication of this document). The board is also seeking authority to allot shares having an aggregate nominal amount of £5,002,052, representing approximately two-thirds of the issued share capital of the company (excluding treasury shares) as at 31 March 2020 by way of a rights issue.

The allotment authority sought is in line with the Share Capital Management guidelines issued by the Investment Association. For the avoidance of doubt, the authority sought pursuant to this resolution will give the directors the ability to allot shares (or grant rights to shares) up to a maximum aggregate nominal amount of £5,002,052.

As at 31 March 2020, the company held no treasury shares.

The authority will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2021.

Passing resolution 15 will ensure that the directors have flexibility to take advantage of any appropriate opportunities that may arise. At present the directors have no intention of exercising this authority.

Resolutions 16 and 17**Disapplication of statutory pre-emption rights**

The directors are currently authorised, subject to certain limitations, to issue shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. That authority will expire at the conclusion of the 2020 Annual General Meeting and, in accordance with the Statement of Principles issued by the Pre-Emption Group, resolutions 16 and 17 (which will be proposed as special resolutions) seek to renew the directors' authority to disapply pre-emption rights as referenced below.

Resolution 16, if passed, will allow the directors to (a) allot shares in the company for cash 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 aggregate nominal value of £375,154, in each case as if the pre-emption rights of Section 561 of the Companies Act 2006 did not apply. This aggregate nominal amount equates to approximately 5% of the issued ordinary share capital of the company (excluding treasury shares) as at 31 March 2020 (being the latest practicable date prior to the publication of this notice of Annual General Meeting).

Resolution 17 is proposed as a separate special resolution. In line with the Pre-Emption Group's Statement of Principles, the company is seeking authority to issue up to an additional 5% of its issued ordinary share capital for cash without pre-emption rights applying. In accordance with the Statement of Principles, the company will only allot shares under this additional authority in connection with an acquisition or specific capital investment (within the meaning given in the Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding 6 month period and is disclosed in the announcement of the allotment.

The board also confirms its intention to follow the provisions of the Statement of Principles regarding cumulative usage of authorities within a rolling 3 year period. Those provisions provide that no more than 7.5% of the issued share capital will be issued for cash on a non-pre-emptive basis during any rolling 3 year period, other than to existing shareholders, without prior consultation with shareholders. This limit excludes any ordinary shares issued pursuant to a general disapplication of pre-emption rights in connection with an acquisition or specified capital investment.

Resolution 18**Authority to purchase own shares**

This resolution, which will be proposed as a special resolution, seeks to renew the company's authority to purchase its own shares. It specifies the maximum number of shares which may be acquired as 10% of the company's issued ordinary share capital (excluding treasury shares) as at 31 March 2020, being the latest practicable date prior to the publication of this document, and specifies the minimum and maximum prices at which shares may be bought.

The directors will only use this authority if, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be (where such shares are to be purchased for cancellation) to increase earnings per share, and that taking into account other investment opportunities, purchases will be in the best interests of the shareholders generally. Any shares purchased in accordance with this authority will be cancelled or held in treasury for subsequent transfer to an employee share scheme. The directors have no present intention of exercising this authority, which will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2021.

The company has options and awards outstanding under existing share schemes over an aggregate of 859,641 ordinary 5p shares, representing 0.57% of the company's issued ordinary share capital (excluding treasury shares) as at 31 March 2020 (the latest practicable date prior to the publication of this document). This would represent approximately 0.64% of the company's issued share capital (excluding treasury shares) if the proposed authority being sought at the Annual General Meeting to buy back 15,006,157 ordinary shares was exercised in full (and all the repurchased ordinary shares were cancelled).

Resolution 19**Notice of general meetings**

The Companies Act 2006 requires the notice period for general meetings of the company to be at least 21 days, but, as a result of a resolution which was passed by the company's shareholders at last year's Annual General Meeting, the company is currently able to call general meetings (other than an Annual General Meeting) on not less than 14 clear days' notice. In order to preserve this ability, shareholders must once again approve the calling of meetings on not less than 14 clear days' notice. Resolution 19 seeks such approval. The approval will be effective until the company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The company will also need to meet the statutory requirements for electronic voting before it can call a general meeting on less than 21 days' notice.

The shorter notice period would not be used as a matter of routine for general 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.

Directors' recommendation

The directors recommend all shareholders to vote in favour of all of the above resolutions, as the directors intend to do in respect of their own shares (save in respect of those matters in which they are interested), and consider that all resolutions are in the best interests of the company and its shareholders as a whole.