

# WHITBREAD PLC

## Directions to Church House



- The entrance to the Conference Centre at Church House is in Dean's Yard, behind Westminster Abbey.
- A short walk from Westminster or St James's Park underground stations.
- Victoria and Charing Cross mainline train stations within a 15-minute walk.
- Waterloo station within a 20-minute walk.
- There are a number of bus stops on Victoria Street, Great Smith Street, Millbank and Parliament Square. For more details go to [www.tfl.gov.uk](http://www.tfl.gov.uk).
- A short walk from a number of Premier Inn and hub hotels.
- Two car parks nearby. Contact NCP: 0345 050 7080 for details.

**Whitbread PLC**  
Whitbread Court  
Houghton Hall Business Park  
Porz Avenue  
Dunstable  
Bedfordshire  
LU5 5XE

# WHITBREAD PLC

## Notice of Annual General Meeting 2017

**Whitbread PLC**  
**(incorporated and registered in England**  
**and Wales under number 4120344)**

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 are advised to consult your stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in the Company, please send this document and the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

### **Contents**

- 2 Introduction
- 2 Ordinary resolutions
- 3 Special resolutions
- 4 Important information concerning the meeting
- 5 Notes on the resolutions
- 8 Map of AGM location

## Introduction

### **This document is important and requires your immediate attention. It contains the resolutions to be voted on at the Company's Annual General Meeting to be held on Wednesday 21 June 2017.**

Notice is hereby given that the Annual General Meeting (AGM) of the Company will be held at Church House Conference Centre, Dean's Yard, Westminster, London SW1P 3NZ on Wednesday 21 June 2017 at 2.00pm to consider and, if thought fit, pass the following resolutions, with resolutions 1 to 18 being put as ordinary resolutions and resolutions 19 to 22 being put as special resolutions.

Voting on each of the following resolutions will be taken on a poll, conducted electronically, rather than on a show of hands. The Company believes a poll is more representative of the shareholders' voting intentions than a show of hands because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account.

## Ordinary resolutions

### **Annual Report and Accounts**

- 1** To receive and consider the Annual Report and Accounts (incorporating the reports of the directors and auditor) for the year ended 2 March 2017.

### **Remuneration**

- 2** To approve the Directors' Remuneration Policy as contained in pages 81 to 86 of the Annual Report and Accounts
- 3** To approve the Annual Report on Remuneration as contained in pages 87 to 98 of the Annual Report and Accounts for the year ended 2 March 2017.

### **Final dividend**

- 4** To declare a final dividend of 65.90 pence per ordinary share in the Company in respect of the year ended 2 March 2017 due and payable on 30 June 2017 to ordinary shareholders on the Company's register of shareholders at 5.00pm on 26 May 2017.

### **Directors**

- 5** To elect David Atkins as a director.
- 6** To elect Adam Crozier as a director.
- 7** To elect Deanna Oppenheimer as a director.
- 8** To re-elect Richard Baker as a director.
- 9** To re-elect Alison Brittain as a director.
- 10** To re-elect Nicholas Cadbury as a director.
- 11** To re-elect Sir Ian Cheshire as a director.
- 12** To re-elect Chris Kennedy as a director.
- 13** To re-elect Louise Smalley as a director.
- 14** To re-elect Susan Taylor Martin as a director.

### **Auditors**

- 15** To reappoint Deloitte LLP as the auditor of the Company to hold office until the conclusion of the Company's next AGM.
- 16** To authorise the Board through the Audit Committee, to set the auditor's remuneration.

### **Political Donations**

- 17** That in accordance with Sections 366 and 367 of the Companies Act 2006 (the Act), the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised to:
  - (A) make political donations to political parties and/or independent election candidates;
  - (B) make political donations to political organisations other than political parties; and
  - (C) incur political expenditure,(as such terms are defined in Sections 363 to 365 of the Act) provided that the aggregate amount of any such donations and expenditure shall not exceed £25,000 during the period of one year beginning with the date of the passing of this resolution.

### **Directors' authority to allot shares**

- 18** That the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
  - (A) up to a nominal amount of £46,946,890 (such amount to be reduced by any allotments or grants made under paragraph (B) below in excess of such sum); and
  - (B) comprising equity securities (as defined in the Act) up to a nominal amount of £93,893,780 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 September 2018) 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 Board 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

## General authority to disapply pre-emption rights

**19** That if resolution 18 is passed, the Board be given power to allot equity securities (as defined in the Act) 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 Act did not apply to any such allotment or sale, such power to be limited:

(A) to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 18, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(B) in the case of the authority granted under paragraph (A) of resolution 18 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount of £7,042,034,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 September 2018) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

## Additional authority to disapply pre-emption rights

**20** That, if resolution 18 is passed, the Board be given the power in addition to any power granted under resolution 19 to allot equity securities (as defined in the Act) for cash under the authority granted under paragraph (A) of resolution 18 and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Act did not apply to any such allotment or sale, such power to be:

- (A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £7,042,034; and
- (B) used only for the purposes of financing a transaction which the Board determines 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 or for the purposes of refinancing such a transaction within six months of its taking place,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 September 2018) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

## Company's authority to purchase ordinary shares

**21** That, pursuant to Section 701 of the Act, the Company be generally authorised to make one or more market purchases (within the meaning of Section 693(4) of the Act) of up to 18,339,253 ordinary shares in the capital of the Company on the basis that:

- (A) the minimum price (exclusive of expenses) which may be paid for each ordinary share is the nominal amount of that share;
- (B) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of (i) an amount equal to 5% above the average of the middle market quotations for an ordinary share, as derived from the London Stock Exchange's Daily Official List, for the five business days immediately preceding the day on which the ordinary share is agreed to be purchased, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is agreed; and
- (C) this authority will expire at the conclusion of the AGM of the Company to be held in 2018 or, if earlier, 20 September 2018 (provided that in relation to the purchase of ordinary shares, the contract for which is concluded before such date and which would or might be executed wholly or partly on or after such date, the Company may purchase ordinary shares pursuant to any such contract under this authority).

## General meetings

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

By order of the Board



**Chris Vaughan**

General Counsel and Company Secretary  
12 May 2017

Registered Office

## Whitbread PLC

Whitbread Court  
Houghton Hall Business Park  
Porz Avenue  
Dunstable  
Bedfordshire LU5 5XE

Registered in England and Wales  
No. 4120344

## Important information concerning the meeting

**1** Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, 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 proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice.

**2** The return of a completed proxy form, or any electronic or CREST proxy instruction (as described in paragraph 4 below), will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.

**3** To be effective, the instrument appointing a proxy, together with any power of attorney or other authority under which it is signed, or a duly certified copy thereof, must be deposited at the offices of the Company's registrars, Capita Asset Services, Whitbread Share Register, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 2.00pm on Monday 19 June 2017 or, in the case that the meeting is adjourned, not less than 48 hours before the time appointed for the adjourned meeting (excluding non-working days).

Proxy appointments submitted via the internet at [www.whitbread-shares.com](http://www.whitbread-shares.com) must be received not later than 2.00pm on Monday 19 June 2017 or, in the case that the meeting is adjourned, not less than 48 hours before the time appointed for the adjourned meeting (excluding non-working days).

**4** If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To appoint a proxy or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, the CREST message must be received by the issuer's agent (ID number RA10) not later than 2.00pm on Monday 19 June 2017 or, in the case that the meeting is adjourned, not less than 48 hours before the time appointed for the adjourned meeting (excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message.

CREST Personal Members or other CREST sponsored members should contact their CREST sponsor for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**5** Entitlement to attend and vote at the meeting and the number of votes which may be cast at the meeting will be determined by reference to the register of shareholders of the Company as at close of business on Monday 19 June 2017.

If the meeting is adjourned, entitlement to attend and vote will be determined by reference to the register of shareholders of the Company as at close of business two days prior to the adjourned meeting (excluding non-working days). Changes to the register of shareholders after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

- 6** 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.
- 7** The right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Act. Persons nominated to receive information rights under Section 146 of the Act who have been sent a copy of this Notice of Meeting are hereby informed that they may have a right under an agreement with the registered shareholder by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this 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 shareholder as to the exercise of voting rights. Nominated persons should contact the registered shareholder by whom they were nominated in respect of these arrangements.

- 8** In the case of joint holders, where more than one of the joint holders purports to vote (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the share.
- 9** Under Section 527 of the Act shareholders 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 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 Act. 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 Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

# Notes on the resolutions

- 10 Any shareholder 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.
- 11 Copies of the following documents will be available for inspection at the registered office of the Company, Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE, during usual business hours (Saturdays, Sundays and public holidays excepted) from the date this Notice is mailed until the close of the AGM, at the place of the meeting for 15 minutes before and during the meeting and on the Company's website ([www.whitbread.co.uk](http://www.whitbread.co.uk)):
- (A) the audited accounts of the Company for the financial years ended 3 March 2016 and 2 March 2017; and
  - (B) the directors' service contracts and terms of appointment.

A copy of this Notice, and other information required by Section 311A of the Act, can be found at [www.whitbread.co.uk](http://www.whitbread.co.uk).

Shareholders should only use any electronic address provided in either this Notice or any related documents (including the Chairman's letter and the proxy form) to communicate with the Company for the purposes expressly stated.

At the close of business on 10 May 2017, the Company had 195,524,038 ordinary shares in issue, of which 12,131,506 ordinary shares were held in treasury.

Therefore, the total number of voting rights in the Company was 183,392,532. The ordinary shares have a nominal value of 76<sup>122</sup>/<sub>153</sub> pence each.

**Resolutions 1 to 18 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 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

Resolution 1 is the usual resolution to receive the Annual Report and Accounts for 2016/17. The Annual Report and Accounts are available on the Company's website ([www.whitbread.co.uk](http://www.whitbread.co.uk)) or on request from Capita Asset Services, Whitbread Share Register, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

## Resolution 2

In accordance with Section 439A of the Act, a Company must seek shareholders' approval of its policy on remuneration of directors (the Directors' Remuneration Policy) set out in the Directors' Remuneration Report. This vote is a binding one.

The Directors' Remuneration Policy, if approved, will take effect from 22 June 2017 and will be valid for up to three [financial] years without new shareholder approval being required. Once the Directors' Remuneration Policy is effective, the Company will not be able to make remuneration payments to a current or prospective director, or loss of office payments to a current or past director, unless the payment is consistent with the approved Directors' Remuneration Policy or has been otherwise approved by shareholders. The Directors' Remuneration Policy is intended to be put forward for shareholder approval every three years, as required by the Act.

If the Directors' Remuneration Policy is not approved by the shareholders for any reason, the Company will, if and to the extent permitted to do so under the Act, continue to make payments to directors in accordance with the Company's existing policy on directors' remuneration and will seek shareholder approval for a revised policy as soon as practicable.

You can find the Directors' Remuneration Policy on pages 81 to 86 of the Annual Report and Accounts.

## Resolution 3

Companies quoted on the London Stock Exchange are required to put an ordinary resolution to shareholders at the AGM seeking approval of the Annual Report on Remuneration. This Report is set out in full on pages 87 to 98 of the Annual Report and Accounts. The vote is advisory only, however, and the directors' entitlement to remuneration is not conditional on the resolution being passed.

## Resolution 4

Resolution 4 is to declare a final dividend of 65.90 pence per share in respect of the year ended 2 March 2017. Subject to the passing of resolution 4 approving the dividend at the AGM, shareholders will be offered the opportunity to reinvest the cash dividend they receive in the Company's shares by participating in the Dividend Reinvestment Plan (DRIP) offered by the Company's registrars, Capita Asset Services, a trading name of Capita IRG Trustees Limited (CIRGT). The full terms and conditions and further information about how to participate in the DRIP by completing a mandate form can be obtained electronically through the shareholder portal at [www.whitbread-shares.com](http://www.whitbread-shares.com) or by contacting CIRGT on 0371 664 0381 (calls to this number cost 10 pence per minute plus any network extras. Lines are open 9.00 to 5.30pm Monday to Friday. If calling from overseas: +44 (0)371 664 0381). Shareholders who hold their shares in CREST and wish to elect to participate must do so by means of CREST procedures.

## Notes on the resolutions continued

### Resolutions 5 to 7

The Company's Articles of Association require any director appointed by the Board since the date of the last AGM to hold office only until the next AGM following the director's appointment. The director is then eligible for election by shareholders.

Resolution 5 is to elect David Atkins as a director of the Company following his appointment on 1 January 2017. David's profile can be found on page 65 of the Annual Report and Accounts.

David is the Chief Executive of Hammerson plc, a major UK property business with interests across a number of European markets. Whitbread has a clear growth strategy, which is underpinned by an extensive property portfolio, and David's experience in the European retail property sector will provide the Whitbread Board with invaluable insights as we expand both in the UK and overseas.

Resolution 6 is to appoint Adam Crozier as a director of the Company following his appointment on 1 April 2017. Adam's profile can be found on page 65 of the Annual Report and Accounts.

Adam is Chief Executive of ITV plc and has been chief executive of a number of public and private sector organisations over the last 21 years, in the media, logistics and retail sectors. Adam is a very high quality business leader, with a strong background in business transformations, brands, communication and marketing and his expertise will be of great value to the Whitbread Board as the Company continues to expand its successful Premier Inn and Costa brands.

Resolution 7 is to appoint Deanna Oppenheimer as a director of the Company following her appointment on 1 January 2017. Deanna's profile can be found on page 65 of the Annual Report and Accounts.

Deanna is a highly experienced executive, with a strong background in mass consumer retail, and will bring her experience of having worked with a broad range of leading edge digital businesses in her role at CameoWorks to the Whitbread Board. In addition, Deanna's experience of chairing the Tesco PLC Remuneration Committee makes her well-placed to succeed Stephen Williams as Chair of the Whitbread Remuneration Committee.

### Resolutions 8 to 14

The UK Corporate Governance Code (the Code) recommends that directors should be subject to annual re-election by shareholders. The biographical details of all directors being re-elected can be found on pages 64 and 65 of the Annual Report and Accounts.

Following a formal evaluation process, the Chairman confirms that the performance of each of the independent non-executive directors continues to be effective and that each of them continues to demonstrate commitment to his or her role.

### Resolutions 15 and 16

Resolution 15 is to appoint Deloitte LLP as the Company's auditor, to serve until the conclusion of the Company's next AGM and resolution 16 is to authorise the Board, through the Audit Committee, to set the auditor's remuneration.

### Resolution 17

Part 14 of the Act prohibits companies from making political donations exceeding £5,000 in aggregate in any 12-month period to: (i) political parties, (ii) other political organisations and (iii) independent election candidates, and from incurring political expenditure without shareholders' consent.

As the definitions used in the Act are broad, it is possible that normal business activities, which might not be thought to be political expenditure in the usual sense, could be caught. For example, funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform as well as making certain charitable donations may be regarded as political in nature.

It remains the policy of the Company not to make political donations or incur political expenditure within the ordinary meaning of those words and the Board has no intention of using the authority for that purpose. The authority being sought in this resolution will not change that policy, but is being sought as a precaution to ensure that the Company's normal business activities are within the Act.

### Resolution 18

Paragraph (A) of resolution 18 would give the Board the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal amount equal to £46,946,890 (representing 61,130,844 ordinary shares of 76<sup>122</sup>/<sub>153</sub> pence each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 10 May 2017, the latest practicable date before publication of this Notice.

In line with guidance issued by the Investment Association ('IA'), paragraph (B) of this resolution would give the Board authority to allot shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £93,893,780 (representing 122,261,688 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 10 May 2017, the latest practicable date before publication of this Notice.

The authority sought under this resolution will expire at the earlier of 20 September 2018 and the conclusion of the AGM of the Company held in 2018.

The Board has no present intention to exercise the authority sought under this resolution, except, under paragraph (A), if necessary to satisfy the consideration payable for businesses to be acquired. However, if it does exercise the authority, the Board intends to follow IA recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

The Company held 12,131,506 ordinary shares as treasury shares as at the latest practicable date before publication of this Notice, representing 6.62% of the Company's issued ordinary share capital (excluding any treasury shares).

## Resolutions 19 and 20

Resolutions 19 and 20 will be proposed as special resolutions, each of which requires a 75% majority of the votes to be cast in favour. They would give the directors the power to allot ordinary shares (or sell any ordinary shares which the Company holds in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The power set out in resolution 19 would be, similar to previous years, limited to: (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares, or as the Board otherwise considers necessary, or (b) otherwise up to an aggregate nominal amount of £7,042,034 (representing 9,169,627 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 10 May 2017, the latest practicable date prior to publication of this Notice.

In respect of the power under resolution 19(B), the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles (the Principles) regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% of the issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders.

Resolution 20 is intended to give the Company flexibility to make non pre-emptive issues of ordinary shares in connection with acquisitions and other capital investments as contemplated by the Pre-emption Group's Statement of Principles. The power under resolution 20 is in addition to that proposed by resolution 19 and would be limited to allotments or sales of up to an aggregate nominal amount of £7,042,034 (representing 9,169,627 ordinary shares) in addition to the power set out in resolution 19. This aggregate nominal amount represents an additional 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 10 May 2017, the latest practicable date prior to publication of this Notice.

The powers under resolutions 19 and 20 will expire at the earlier of 20 September 2018 and the conclusion of the AGM of the Company held in 2018.

## Resolution 21

This resolution, which will be proposed as a special resolution, will renew the authority for the Company to purchase up to 10% of its issued ordinary shares (excluding any treasury shares). The maximum and minimum prices to be paid are set out in the resolution. Having the power to buy back shares enables the Board to act without delay. This power will only be used by the Board if it considers such a purchase would be in the best interests of the Company, and of shareholders generally, and could be expected to result in an increase in earnings per share. In reaching such a decision, the Board would take into account the market conditions prevailing at the time, the investment opportunities otherwise open to the Company and the Company's overall financial position. The Board has no present intention of exercising the authority to make market purchases. However, buying back shares may be one of the ways that is suitable for managing the Company's balance sheet and purchases under this authority will be made when the Board considers it to be appropriate.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Company would consider holding any of its own shares that it purchases as treasury shares. This would give the Company the ability to re-issue the treasury shares quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base. As at the date of this Notice, the Company held 12,131,506 shares as treasury shares, representing 6.62% of the Company's issued ordinary share capital (excluding any treasury shares).

The total number of options over ordinary shares outstanding as at 10 May 2017 was approximately 1.38 million representing approximately 0.75% of the issued ordinary share capital (excluding any treasury shares) of the Company and approximately 0.75% of the issued share capital (excluding any treasury shares but including the B shares and C shares) of the Company as at that date. If the authority to buy back shares given at the 2016 AGM and under this resolution were exercised in full, the total number of options over ordinary shares outstanding as at 10 May 2017 would, assuming no further ordinary shares are issued, represent 0.94% of the issued ordinary share capital (excluding any treasury shares) and approximately 0.94% of the issued share capital (excluding any treasury shares but including the B shares and C shares) of the Company as at that date.

## Resolution 22

This resolution, which will be proposed as a special resolution will renew an authority granted at last year's AGM to allow the Company to call general meetings other than an AGM on 14 clear days' notice.

If approved, this resolution will enable the Company to retain maximum flexibility to seek shareholder approval for any future change or transaction that may require such approval. The approval will be effective until the Company's next AGM, 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 and noting also the recommendations of the Code with which the Company would intend to comply.

Shareholders should note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

## Recommendation

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 directors will be voting in favour of the proposed resolutions in respect of their own personal shares and unanimously recommend that you do so as well.