

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, auditor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your ordinary shares in RM plc, please send this document and the accompanying form of proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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**RM plc**

*(Incorporated and registered in England and Wales under the Companies Act 1985 with company number 01749877)*

## **Notice of Annual General Meeting**

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140 Eastern Avenue  
Milton Park  
Milton  
Abingdon  
Oxfordshire, OX14 4SB

23 February 2018

### **PART 1 – LETTER FROM THE CHAIRMAN**

Dear Shareholder,

#### **2018 ANNUAL GENERAL MEETING**

Set out in this letter, on pages 4 to 8, is a formal notice of the annual general meeting (the "**AGM**") of RM plc ("**RM**" or the "**Company**") to be held on Wednesday, 21 March 2018 at 11.30 am at 140 Eastern Avenue, Milton Park, Abingdon, Oxfordshire, OX14 4SB. The purpose of this letter is to explain the resolutions numbered 3 to 8 which are proposed in the notice of AGM (the "**Notice**") as ordinary business, as well as resolutions 11 to 18 which are proposed in the Notice as special business.

#### **1. Re-election of Directors (Resolutions 3 to 8)**

The Board has decided that all of the directors of the Company ("**Directors**") will stand for re-election in accordance with the UK Corporate Governance Code. Five Directors (John Poulter, David Brooks, Patrick Martell, Neil Martin and Deena Mattar) are retiring and offering themselves for re-election. Andy Blundell was appointed during the year and will therefore offer himself for election. Biographical details for each of these Directors are contained in the Company's 2017 Annual Report and Financial Statements.

Andy Blundell was appointed as a Non-Executive Director on 25 May 2017. Patrick Martell was appointed as a Non-Executive Director on 1 January 2014 and was elected by shareholders in March 2014. Deena Mattar was appointed as a Non-Executive Director on 1 June 2011 and was elected by shareholders in March 2012. Each of these Directors' appointment is governed by a fixed-term letter of appointment.

The Board believes that the contribution and commitment of each of Andy Blundell, Patrick Martell and Deena Mattar as Non-Executive Directors is beneficial to the Company. As Chairman, I confirm that their performances are effective and demonstrate their commitment to their roles.

David Brooks is an Executive Director and was appointed Chief Executive Officer on 1 March 2013. Neil Martin is an Executive Director and was appointed Chief Financial Officer on 28 September 2015.

#### **2. Directors' remuneration report (Resolutions 11 and 12)**

Resolution 11 seeks approval for the Directors' remuneration policy which forms part of the Directors' Remuneration Report for the financial year ended 30 November 2017. The policy can be found in the 2017 Annual Report and Financial Statements.

The purpose of resolution 12 is to seek the approval of the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the financial year ended 30 November 2017. The report is set

out in the 2017 Annual Report and Financial Statements. The resolution is advisory in nature and no individual Director's remuneration is dependent on it.

### **3. Issues and repurchases of ordinary shares (Resolutions 13 to 16)**

The Notice includes an ordinary resolution renewing the Directors' authority to allot shares, two special resolutions dis-applying shareholders' pre-emption rights to a limited extent and a special resolution authorising the Company to make market purchases of its shares.

Resolution 13 renews the authority granted to the Directors to allot new ordinary shares in accordance with section 551 of the Companies Act 2006 (the "Act") up to a nominal amount of £629,714, being one-third of the issued ordinary share capital of the Company as at 20 February 2018 (being the latest practicable date prior to the publication of this document).

Resolution 14 renews the Directors' authority in accordance with section 561 of the Act to allot further ordinary shares for cash without first being required to offer such shares to existing shareholders. If approved, the resolution will authorise the Directors to issue ordinary shares for cash in connection with a rights issue or open offer and otherwise to issue ordinary shares for cash, including the sale on a non pre-emptive basis of treasury shares for cash, up to a maximum nominal amount of £94,457, being equal to 5 per cent of the nominal value of the Company's issued ordinary share capital as at 20 February 2018 (being the latest practicable date prior to the publication of this document). The Directors do not intend to issue more than 7.5 per cent of the issued ordinary share capital of the Company for cash on a non pre-emptive basis in any rolling three year period without prior consultation with the shareholders, the Investment Association and the Pensions and Lifetime Savings Association.

Resolution 15 authorises the Directors to allot further ordinary shares for cash in connection with acquisitions or other specified capital investments which are announced contemporaneously with the allotment, or which have taken place in the preceding six month period and are disclosed in the announcement of the allotment. This authority, which is being sought in accordance with the Pre-Emption Group's Statement of Principles, is limited to a maximum nominal amount of £94,457, being equal to 5 per cent of the nominal value of the Company's issued ordinary share capital as at 20 February 2018 (being the latest practicable date prior to the publication of this document).

Resolution 16 renews the Directors' authority to make market purchases of up to 10 per cent of the Company's issued ordinary shares. The Board believes that it would be appropriate to have the option to use a proportion of the Company's cash resources to make market repurchases of ordinary shares. The minimum price which may be paid for each share is the nominal value and the maximum price which may be paid for each share is an amount equal to the higher of 5 per cent above the average of the middle market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and that stipulated by Article 5(6) of the Market Abuse Regulation (596/2014/EU).

Each of these authorities will expire on the date of the next annual general meeting of the Company or on 31 May 2019, whichever is the earlier.

The Company will only exercise the authority granted by the proposed resolution where the Board reasonably believes that repurchasing its ordinary shares will increase earnings per share of the ordinary shares in issue after the purchase and, accordingly, is in the best interests of shareholders generally. Any ordinary shares purchased by the Company pursuant to the authority conferred by resolution 16 will either be cancelled and the number of shares reduced accordingly or, if the Directors think fit, they may be held as treasury shares.

As at 20 February 2018 (being the latest practicable date prior to the publication of this document), options were outstanding to subscribe for 25,000 ordinary shares of 2 2/7 pence each in the capital of the Company. This represents 0.030 per cent of the issued ordinary share capital of the Company. If the full authority to purchase shares (existing and sought) is utilised by the Directors, the proportion of the issued ordinary share capital represented by such share options would increase to 0.033 per cent. There are no warrants to subscribe for shares in the capital of the Company outstanding and no treasury shares in issue.

### **4. Notice of general meetings (Resolution 17)**

Resolution 17 seeks approval, subject to the Company's Articles of Association, for the Company to call general meetings (other than annual general meetings) on 14 clear days' notice. The notice period required by the Act for general meetings of the Company is 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. Resolution 17 seeks the approval required by the Act, which will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. 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. The flexibility offered by resolution 17 will be used when, taking into account the circumstances, the Directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and the shareholders as a whole.

## **5. New Articles of Association (Resolution 18)**

It is proposed to adopt new Articles of Association (the "New Articles") in order to reflect developments in practice and to provide clarification and additional flexibility. The Company's Articles of Association were last amended in 2011. Due to the extent of the changes, the Company is proposing the adoption of the New Articles rather than amendments to the current Articles of Association (the "Current Articles"). The principal changes being proposed in the New Articles are summarised in Appendix 1, starting on page 9 of this document. Other changes, which are of a minor, technical or clarifying nature, have not been noted.

A copy of the Current Articles and the proposed New Articles are available for inspection at the Company's registered office during business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the conclusion of the annual general meeting and will also be available for inspection at the place of the annual general meeting from fifteen minutes before it is held until its conclusion.

A copy of the New Articles can also be found in the 'Corporate governance' section of the Company's website at [www.rmplc.com](http://www.rmplc.com).

### **Action to be taken**

Whether or not you intend to attend the AGM, please complete the accompanying form of proxy ("Form of Proxy") and return it to Link Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. Alternatively, you may give voting instructions online at [www.signalshares.com](http://www.signalshares.com). If you have not already done so, you will have to register to use this facility (*note that you do not need to re-register if you have previously registered at [www.capitashareportal.com](http://www.capitashareportal.com)*); you will need your Investor code (IVC) which can be found on your Form of Proxy, family name and post code (if resident in the UK). Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you wish to do so.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service should refer to note 2 of the Notice set out in Part 2 of this document.

Please note that the deadline for the receipt of proxy appointments and online voting instructions by Link Asset Services is 11.30 am on 19 March 2018.

### **Recommendation**

The Directors believe that the adoption of all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the resolutions to be proposed at the AGM, as they themselves intend to do in respect of their own beneficial shareholdings which in aggregate, as at 20 February 2018 (being the latest practicable date prior to the publication of this document), amount to a total of 497,581 ordinary shares, representing approximately 0.60 per cent of the existing issued ordinary share capital of the Company.

Yours faithfully

**John Poulter**  
Chairman

## **PART 2 - NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of RM plc (the "Company") will be held at 140 Eastern Avenue, Milton Park, Abingdon, Oxfordshire, OX14 4SB on Wednesday, 21 March 2018 at 11.30 am (or at any adjournment thereof) to consider and, if thought fit, pass resolutions 1 to 13, which will be proposed as ordinary resolutions of the Company, and resolutions 14 to 18, which will be proposed as special resolutions of the Company:

### **Ordinary resolutions**

#### Ordinary business

1. To receive and consider the Company's financial statements, the strategic report and the reports of the Directors of the Company and the auditor of the Company for the year ended 30 November 2017.
2. To declare a final dividend for the year ended 30 November 2017 of 4.95 pence per ordinary share.
3. To re-elect John Poulter as a Director of the Company.
4. To re-elect David Brooks as a Director of the Company.
5. To re-elect Patrick Martell as a Director of the Company.
6. To re-elect Neil Martin as a Director of the Company.
7. To re-elect Deena Mattar as a Director of the Company.
8. To elect Andy Blundell as a Director of the Company.
9. To re-appoint KPMG LLP as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
10. To authorise the Directors to determine the remuneration of the auditor.

#### Special business

11. To approve the Remuneration Policy contained within the Remuneration Report in the Company's Annual Report and Financial Statements for the year ended 30 November 2017.
12. To approve the Remuneration Report contained in the Company's Annual Report and Financial Statements for the year ended 30 November 2017 (other than the part containing the Directors' Remuneration Policy).
13. That:
  - (a) the Directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £629,714;
  - (b) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 May 2019;
  - (c) the Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or rights to be granted after it expires and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if this authority had not expired; and
  - (d) all previous unutilised authorities under section 551 of the Act shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

## Special Resolutions

14. That:

(a) the Directors be given power:

(i) (subject to the passing of resolution 13), to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred on them by that resolution under section 551 of the Act; and

(ii) to allot equity securities as defined in section 560(3) of the Act (sale of treasury shares) for cash,

in either case as if section 561 of the Act did not apply to the allotment but this power shall be limited:

(A) to the allotment of equity securities in connection with an offer or issue of equity securities to or in favour of:

I. holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

II. holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

and so that the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and

(B) to the allotment of equity securities pursuant to the authority granted under resolution 13 and/or by virtue of section 560(3) of the Act (in each case otherwise than under sub-paragraph (A) above) up to a maximum nominal amount of £94,457;

(b) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 May 2019;

(c) all previous unutilised authorities under sections 570 and 573 of the Act shall cease to have effect; and

(d) the Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

15. That:

(a) the Directors be given power in addition to the authority granted pursuant to resolution 14:

(i) (subject to the passing of resolution 13), to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred on them by that resolution under section 551 of the Act; and

(ii) to allot equity securities as defined in section 560(3) of the Act (sale of treasury shares) for cash,

in either case as if section 561 of the Act did not apply to the allotment but this power shall be:

(A) limited to the allotment of equity securities pursuant to the authority granted under resolution 13 and/or by virtue of section 560(3) of the Act up to a maximum nominal amount of £94,457; and

(B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company 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;

(b) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 31 May 2019;

(c) all previous unutilised authorities under sections 570 and 573 of the Act shall cease to have effect; and

- (d) the Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.
16. That, in accordance with the Act, the Company be and is hereby unconditionally and generally authorised to make market purchases (as defined in section 693 of the Act) of ordinary shares in the capital of the Company on such terms and in such manner as the Directors may determine, provided that:
- (a) the maximum number of ordinary shares which may be purchased under this authority is 8,265,001 ordinary shares of 2 2/7 pence each;
  - (b) the minimum price which may be paid for each ordinary share purchased under this authority is the nominal value thereof;
  - (c) the maximum price which may be paid for an ordinary share purchased under this authority shall be not more than the higher of an amount equal to 5 per cent above the average of the middle market quotations of an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased and the amount stipulated by Article 5(6) of the Market Abuse Regulation (596/2014/EU);
  - (d) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, or at close of business on 31 May 2019, whichever is earlier unless such authority is renewed prior to such time;
  - (e) the Company may make a contract or contracts to purchase ordinary shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of such contract; and
  - (f) all existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.
17. That, subject to the Company's Articles of Association, a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.
18. That the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be and are hereby adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board

**Greg Davidson**  
Company Secretary  
23 February 2018

Registered Office: 140 Eastern Avenue  
Milton Park  
Milton  
Abingdon  
Oxfordshire  
OX14 4SB

**Notes:**

1. A member entitled to attend, speak and vote at the annual general meeting may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll. A member can appoint more than one proxy in relation to the annual general meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him or her. In order to be valid, an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notarially) must be returned by one of the following methods:
  - (a) In hard copy form by post, by courier or by hand to the Company's registrars, Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF.
  - (b) Online via [www.signalshares.com](http://www.signalshares.com) by logging in and selecting the 'Proxy Voting' link. If you have not previously registered for electronic communications, you will first be asked to register as a new user, for which you will require your investor code (which can be found on the enclosed proxy form, your share certificate and dividend tax voucher), family name and post code (if resident in the UK). Note that you do not need to re-register if you have previously registered at [www.capitashareportal.com](http://www.capitashareportal.com).
  - (c) In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in note 2 (below).

The appointment of proxy must be received by the Company's registrars not less than 48 hours before the time of the annual general meeting. Appointment of a proxy does not preclude a shareholder from attending the annual general meeting and voting in person.

The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

2. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the annual general meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST 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 instructions, as described in the CREST Manual available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST). The message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in, or in a note to, the notice of annual general meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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 messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

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.

3. The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under section 146 of the Companies Act 2006 who have been sent a copy of this notice of annual general meeting are 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.

4. Copies of all contracts of service under which Directors of the Company are employed by the Company or any of its subsidiaries, the Non-Executive Directors' letters of appointment and deeds of indemnity are available for inspection at the Company's registered office during business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the conclusion of the annual general meeting and will also be available for inspection at the place of the annual general meeting from fifteen minutes before it is held until its conclusion.
5. The Company specifies that only those shareholders entered on the Company's register of members at close of business on 19 March 2018 or, if the annual general meeting is adjourned, on the Company's register of members 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend or vote at the annual general meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's register of members after close of business on 19 March 2018 or, if the annual general meeting is adjourned, 48 hours before the time fixed for the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the annual general meeting.
6. The issued share capital of the Company as at 20 February 2018 (being the latest practicable date prior to the publication of this notice) was 82,650,016 ordinary shares of 2 2/7 pence each, carrying one vote each. The Company holds no ordinary shares in treasury and therefore, the total number of voting rights in the Company as at 20 February 2018 was 82,650,016.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
8. It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on its website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 and 528 of the Companies Act 2006 and 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 its website.
9. A member attending the annual general meeting has the right to ask questions relating to the business being dealt with at the annual general meeting in accordance with section 319A of the Companies Act 2006. 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 preparation 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.
10. In accordance with section 311A of the Companies Act 2006, the contents of this notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the annual general meeting, the total voting rights members are entitled to exercise at the annual general meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice can be found at [www.rmplc.com](http://www.rmplc.com).
11. The Company's Annual Report and Financial Statements for the year ended 30 November 2017 can be found at [www.rmplc.com](http://www.rmplc.com).



## Appendix 1

### Summary of the principal proposed changes to the Company's Articles of Association

Pursuant to Resolution 18, the Company is proposing to adopt new Articles of Association (the "New Articles") to replace its current Articles of Association (the "Current Articles"). Set out below is a summary of the principal changes (Article references are to the New Articles). The New Articles also include some other minor modernising, technical and clarificatory amendments which are not detailed below.

#### **Proceedings at general meetings (including "hybrid" meetings) (Articles 45 to 58)**

The New Articles permit the Company to hold "hybrid" general meetings whereby some attendees are based in a physical location and others attend electronically. This will make it easier for the Company's shareholders to take part in future general meetings. Certain consequential changes to facilitate this amendment have been made throughout the New Articles.

In addition, a number of practical and technical amendments have been made to the provisions relating to shareholder meetings to bring these in line with best practice. These include articles dealing with security measures, inadequate meeting places, questions during the meeting and that where a general meeting is adjourned for lack of quorum, the adjourned meeting shall be held at least 10 days after the original meeting.

#### **Method of Voting (Article 59)**

The New Articles increase the number of members required to demand a poll vote from 3 to 5. This amendment brings the poll voting procedures in line with those set out in Section 321 of the Companies Act 2006 (the "Act"). The New Articles also provide that at "hybrid" general meetings, resolutions shall be voted on a poll.

#### **Amendments to shareholder resolutions (Article 62)**

The New Articles impose additional conditions when permitting amendments to ordinary resolutions. No amendment to an ordinary resolution (other than a mere clerical amendment to correct a manifest error) may be considered or voted upon unless notice of such proposed amendment is given to the registered office of the Company at least 48 hours prior to the time appointed for holding the relevant meeting or adjourned meeting or (in the absence of any such notice) the Chairman of the meeting in his absolute discretion rules that the amendment is fit for consideration at the meeting.

#### **Chairman's casting vote (Article 65)**

The New Articles remove the Chairman's casting vote in the case of an equality of votes, whether on a show of hands or on a poll. This amendment reflects the current position under UK law, as a Chairman of a traded company is no longer permitted to have a casting vote at a meeting of members.

#### **Proxy to vote in accordance with instructions (Article 67)**

The New Articles have clarified the rules around proxy votes. This includes the rule that a proxy vote should be in accordance with any instructions given by the member who appoints the proxy, in accordance with Section 324A of the Act. The Company will be under no obligation to ensure or otherwise verify that any vote(s) cast by a proxy are done so in accordance with any instructions given by the member. In addition, the New Articles provide that any failure by the proxy or corporate representative to vote as instructed does not invalidate the proceedings on the resolution.

#### **Revocation of Proxy (Article 73)**

The New Articles provide that notice in writing of the revocation of a proxy appointment should be given to the registered office of the Company or at such other address (including electronic address) as has been appointed for the sending or supplying of appointments of proxy at least 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the commencement of the meeting or adjourned meeting. This has been increased from 1 hour under the Current Articles. In the case of a poll, the relevant time period for notifying a revocation is 24 hours (in the case of a poll taken more than 48 hours after it was demanded) or at the time it is demanded (in the case of a poll taken not more than 48 hours after it was demanded).

#### **Disclosure of interests (Article 75)**

The New Articles include new powers of the Company related to notices served under Section 793 of the Act, that require the disclosure of details of interests in shares in the Company. If there is a default in complying with a notice, the new powers allow the Company to require shares held in uncertificated form to be converted into certificated shares. In addition, the Company may serve a "disenfranchisement notice" on any such defaulting shareholder, following which sanctions will apply to the shares, including with respect to voting rights and the right to receive dividends. The definition of what constitutes a default in supplying the information requested by the Company is stated in the New Articles to include the shareholder having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular.

### **Untraced members (Articles 76 to 77)**

The New Articles provide the Company greater flexibility when trying to trace shareholders who are considered untraced after a period of twelve years. They replace the requirement to place notices in newspapers with a requirement for the Company to take reasonable steps to trace the shareholder and let them know that it intends to sell their shares. This can include engaging a professional asset reunification company to search for shareholders who have not kept their details up-to-date on the share register. Shareholders whose shares are sold following this tracing process will not be able to claim the proceeds of the sale and the Company can use these funds as the Board thinks fit.

### **Retirement by rotation (Article 84)**

The provisions relating to retirement by rotation have been amended to reflect the recommendations of the UK Corporate Governance Code. In particular any non-executive Director who has held office for 9 years or more since his first appointment by general meeting shall retire at each subsequent annual general meeting of the Company and any Director who has not been appointed or re-appointed at either of the 2 previous annual general meetings of the Company shall retire.

Notwithstanding the amendments referred to above, the Articles have retained the flexibility for the Company to require that every Director retire from office at each Annual General Meeting. The Board has resolved that, as in all recent annual general meetings, all of the Company's directors will stand for re-election at this year's Annual General Meeting. The Board envisages that, in line with best practice, this will also be the case at future annual general meetings.

### **Vacation of office by Director (Article 88)**

The grounds on which a Director may be required to vacate office have been extended to include the following grounds: (i) if a registered medical practitioner who is treating the relevant Director provides a written opinion that the relevant Director has become mentally or physically incapable of acting as a director and may remain so for more than 3 months; (ii) if the relevant Director is absent, without the permission of the Board from Board meetings for 6 consecutive months; (iii) if the relevant Director is convicted of an indictable offence and the other Directors resolve that it is undesirable in the interests of the Company that he remains a Director of the Company; or (iv) if the conduct of that Director is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office or by any other applicable regulatory authority and the Board shall resolve that it is undesirable that he remains a Director.

### **Directors' fees (Article 95)**

The cap on the fees payable to directors for their services in the office of director has been increased in the New Articles from £300,000 per annum to £500,000 per annum. The current limit has been in place since 2006 and it is now proposed that it be increased in order to provide the Company with sufficient headroom and flexibility to maintain its non-executive directors' fees in line with the market.

### **Borrowing powers (Article 110)**

The Board's borrowing power threshold has been increased from 2 times Adjusted Capital and Reserves to the greater of: (i) £100 million and (ii) an amount equal to 2.5 times Adjusted Capital and Reserves. The opportunity has also been taken to reword the borrowing powers article in order to provide additional clarity.

### **Method of payment (Article 139)**

The New Articles permit the Company to pay dividends in a more convenient manner for shareholders. This provision is in line with market practice and reflects that cheques and warrants are no longer the Company's primary methods for paying dividends.