



## **GB Group plc**

Incorporated and registered in England under number 2415211

# **Notice of 2018 Annual General Meeting**

This document is important and requires your immediate attention. If you are in doubt of its contents or the action you should take, you should consult your stockbroker, solicitor, accountant or other professional advisor duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your ordinary shares in GB Group Plc (the 'Company'), please pass this document together with the accompanying documents to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass the documents on to the person who now holds the shares.



26 June 2018

**Dear Shareholder**

You are invited to attend this year's Annual General Meeting ('AGM') to be held at GB Group plc's head office, The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB on Thursday 26 July 2018 at 1.00pm.

I am also pleased to advise you that GBG's Annual Report & Accounts 2018 ('the Annual Report') has been published and is available on the Company's website, [www.gbgplc.com](http://www.gbgplc.com).

There are a number of formal matters to be dealt with at the AGM and the full Notice is set out on pages 5, 6 & 7 of this document. In addition further details about these matters are set out below.

If you are unable to attend the AGM in person your vote is still important to us and we would encourage you to appoint a proxy to vote on your behalf. You can do this online by visiting our registrar, Equiniti's website at [www.sharevote.co.uk](http://www.sharevote.co.uk) or via the 'Crest' electronic proxy service. Alternatively you can appoint a proxy by post by completing the 'proxy form' enclosed with this Notice and returning it in the pre-paid envelope provided. We must receive your proxy form by 1.00pm on Tuesday 24 July 2018. Further details relating to voting by proxy are set out in notes 1 to 4 on page 8 of this document.

**Explanatory Notes**

An explanation is provided below of certain resolutions which are to be proposed at this year's AGM.

**Dividend Reinvestment Plan**

Subject to the final dividend set out in Resolution 2 of the Notice of AGM being approved by the Company's shareholders, the Board proposes that the Company once again makes available to shareholders a Dividend Reinvestment Plan (the 'DRIP'). Under the DRIP, shareholders can elect to receive shares at market value on the dividend payment date as opposed to receiving their cash dividend. The DRIP is administered by the Company's registrar, Equiniti Limited. Shareholders wishing to participate in the DRIP (who have not already elected to do so) should contact Equiniti on 0371 384 2367 (+44 (0)121 415 7161) by 3 August 2018.

**Appointment of Directors**

Since the last AGM, the Board has appointed Elizabeth Catchpole as a Director of the Company. The Company's Articles of Association provide that any Director who has been appointed by the Board since the last annual general meeting shall only hold office until the next annual general meeting and shall then be eligible for election. Elizabeth Catchpole is therefore seeking appointment as a Director.

In accordance with the Company's Articles of Association, one third of the Board are to stand for election. David John Wilson is therefore retiring by rotation and seeking reappointment by the Company's shareholders.

Information in relation to the Directors is shown on pages 38 and 39 of the Annual Report.

**Reappointment of Auditor**

Ernst & Young have been the Company's auditor for over 20 years and following a recommendation from the Audit & Risk Committee (the 'Committee') the Board has requested that the Committee commence a tender process for the Group's external audit services. As the tender process will not have concluded before the AGM, and the Company should at all times have an auditor in place, Ernst & Young has confirmed its willingness to stand for reappointment as auditor of the Company at the upcoming AGM and the Directors recommend their reappointment in Resolution 6.

The outcome of the tender process will be reported at next year's annual general meeting, where shareholders will be invited to vote on the appointment of the auditor.

**Renewal of Authority to Allot Shares**

An ordinary resolution will be put to shareholders pursuant to section 551 of the Companies Act 2006 (the 'Act'), to authorise the Directors to allot relevant securities in the Company and to grant rights to subscribe for or to convert any security into shares in the Company.

Paragraph (a)(i) of Resolution 8, if passed, would give the Directors the authority to allot shares or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,272,498 which represents approximately one third (33.3 per cent) of the existing issued share capital of the Company as at 5 June 2018.

In accordance with latest guidelines, paragraph (a)(ii) of Resolution 8, if passed, would give the Directors authority to allot shares or grant rights to subscribe for or to convert any security into shares in the Company in connection with a rights issue, to existing shareholders in proportion (as nearly as may be practicable) to their existing shareholdings, up to an aggregate nominal amount of £2,544,997 representing approximately two thirds (66.6 per cent) of the Company's existing issued share capital as at 5 June 2018 as reduced by the nominal amount of any shares issued under paragraph (a)(i) of Resolution 8.

Except for the allotment of relevant securities pursuant to the exercise of share options, the Directors have no present intention of issuing any shares. However, it is considered prudent to maintain the flexibility that this authority provides. This authority shall expire at the end of the next annual general meeting or, if earlier, 15 months from the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### **Dis-Application of Pre-Emption Rights**

In light of the Company's acquisition strategy, this special resolution is sought in order to give the Directors the authority to allot equity securities without first offering them to existing shareholders. The special resolution is in accordance with the Pre-Emption Group's Statement of Principles and would be limited to:

- (i) An aggregate nominal amount of £190,875 which represents five per cent of the issued ordinary share capital of the Company as at 5 June 2018 and could be used for any purpose and;
- (ii) An additional aggregate nominal amount of £190,875 which represents five per cent of the issued ordinary share capital of the Company as at 5 June 2018 and could only be used for an acquisition or specified capital investment.

This authority shall expire on the date of the next annual general meeting of the Company after the passing of this resolution (or, if earlier, 15 months from the passing of this resolution) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

#### **Purchase of The Company's Own Shares**

This special resolution seeks authority from shareholders pursuant to Section 701 of the Act for the Company to make market purchases (within the meaning of Section 693(4) of the Act) of its own ordinary shares of 2.5 pence provided that:

- The maximum number of ordinary shares to be purchased is 15,269,981 ordinary shares, an aggregate nominal amount of £381,750 which is equivalent to 10 per cent of the Company's issued ordinary share capital at 5 June 2018.
- The minimum price which may be paid for each ordinary share is 2.5 pence; and
- The maximum price which may be paid for each ordinary share shall be the higher of (i) 105 per cent of the average market value of an ordinary share in the Company for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (ii) the higher of the price quoted for (a) the last independent trade of; and (b) the highest current independent bid for; any number of the Company's ordinary shares on the trading venue where the purchase is carried out.

The authority will expire at the end of next year's annual general meeting or 15 months from the passing of this resolution, whichever is the sooner.

The Directors have no immediate intention of exercising the proposed authority when it becomes effective, but believe that the ability of the Company to buy its own shares if, in the Directors' opinion market prices do not reflect the Company's worth, will be in the best interests of the Company and its shareholders. The Directors intend to exercise this power only if they believe the effect of such purchases will increase earnings per share. Appropriate gearing levels and the overall financial position of the Company will be taken into account before deciding on this course of action. Any shares purchased pursuant to this power will be cancelled and the number of shares in issue will be reduced accordingly.

#### **Removal of Memorandum of Association**

The Company is seeking a special resolution from shareholders to remove all provisions of the Company's Memorandum of Association, which by virtue of Section 28 of the Act, are now deemed to be provisions of the Company's Articles of Association. Under the Act, the Memorandum of Association is a historical document that no longer requires updating. The proposal to remove the Memorandum of Association is a housekeeping exercise in line with industry best practice.

#### **Approval of new Employee Share Plan**

The Remuneration Committee (the 'Committee') has recently undertaken a comprehensive review of the Company's incentive arrangements for senior management. Following this review, the Committee has concluded that the current structure of the Company's incentive arrangements for senior management does not support the Company's current business strategy. In order to ensure a more motivational and effective set of incentive arrangements which align performance and reward more effectively with the Company's strategy and market expectations, it is proposed that a stronger emphasis should be placed on long term performance. Following consultation with major shareholders, the Committee is proposing to introduce a new Performance Share Plan ('PSP'). At present, it is the intention, that the Executive Directors will not receive an award under the PSP, rather awards will be satisfied through the Company's Share Matching Plan. Recipients will not be able to receive an award under both the Share Matching Plan and the PSP in the same year. It is proposed to seek shareholder approval for the PSP under an ordinary resolution at the AGM (resolution 12 in the Notice of AGM). Full details of the PSP are set out in Appendix A to this Notice.

#### **Voting Recommendation**

Your Directors consider that the resolutions being proposed at the AGM are in the best interests of both the Company and the shareholders as a whole and unanimously recommend that you vote in favour of them as the Directors intend to do in respect of their own beneficial holding.



**David Rasche**  
Chairman

## Notice of Annual General Meeting

Notice is hereby given that the AGM of the Company will be held at GB Group plc's head office, The Foundation, Herons Way, Chester Business Park, Chester, CH4 9GB on Thursday 26 July 2018 at 1.00pm.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 8 will be proposed as ordinary resolutions and Resolutions 9 to 11 will be proposed as special resolutions. Resolution 12 will be classed as 'Special Business' but proposed as an ordinary resolution.

### Ordinary Business

**Resolution 1** – To receive the Company's Annual Report and Accounts for the year ended 31 March 2018 together with the Directors' report and auditor's report on those accounts.

**Resolution 2** – To declare a final dividend in the sum of 2.65 pence per ordinary share for the year ended 31 March 2018.

**Resolution 3** – To appoint Elizabeth Catchpole as a Director of the Company.

**Resolution 4** – To reappoint David John Wilson as a Director of the Company.

**Resolution 5** – To receive the Report on Directors' Remuneration as set out in the Company's Annual Report and Accounts for the year ended 31 March 2018.

**Resolution 6** – To reappoint Ernst & Young LLP as the Company's auditor to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting at which accounts are laid before the Company.

**Resolution 7** – To authorise the Directors to determine the auditor's remuneration.

**Resolution 8** – That:

- (a) in accordance with section 551 of the the Act the Directors be generally and unconditionally authorised to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:
  - (i) up to an aggregate nominal amount of £1,272,498; and
  - (ii) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £2,544,997 (including within such limit any shares allotted or rights granted under paragraph (i) above in connection with an offer by way of a rights issue as follows:
    - (A) to holders of ordinary shares of 2.5 pence each in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings; and
    - (B) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider it necessary;

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;

- (b) this authority shall expire on the earlier of the date 15 months from the passing of this resolution or the conclusion of the next annual general meeting after the passing of this resolution (whichever is the earlier) save that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares or rights to subscribe for or to convert any security into shares in the Company to be allotted after the authority ends and the Board may allot shares or rights to subscribe for or to convert any security into shares in the Company under any such offer or agreement as if the authority had not expired; and
- (c) all previous authorities granted under section 551 of the Act be revoked.

## Special Resolutions

### Resolution 9

**9.1** – That subject to the passing of Resolution 8 above, the Board be authorised to allot equity securities (as defined in section 560 of 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, provided that such authority shall be limited to

- (a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under Resolution 8 (a) (ii), by way of a rights issue only):
  - (i) to the 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; and
- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to Clause 9.1(a) of this resolution) to any person up to an aggregate nominal amount of £190,875.

The authority granted by this resolution shall expire on the earlier of the date 15 months from the passing of this resolution or the conclusion of the next annual general meeting after the passing of this resolution (whichever is the earlier) save that such authority shall extend to the making before such expiry of an offer or arrangement that would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or arrangement as if the authority conferred hereby had not expired.

**9.2** – That subject to the passing of Resolution 8, the Directors be authorised in addition to any authority granted under Clause 9.1 of this resolution to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by Resolution 9 and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority shall be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £190,875; and
- (b) used only for the purpose of financing (or refinancing, if the authority is to be used within 6 months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The authority granted by this resolution shall expire on the earlier of the date 15 months from the passing of this resolution or the conclusion of the next annual general meeting after the passing of this resolution (whichever is the earlier) save that such authority shall extend to the making before such expiry of an offer or arrangement that would, or might, require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or arrangement as if the authority conferred hereby had not expired.

**9.3** – The resolutions in Clause 9.1 and Clause 9.2 of this resolution revoke and replace all unexercised powers previously granted to the Directors to allot equity securities or sell treasury shares as if section 561 of the Act did not apply but without prejudice to any allotment of equity securities or sale of treasury shares already made or agreed to be made pursuant to such authorities.

**Resolution 10** – That the Company be generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 2.5 pence each in the capital of the Company, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 15,269,981 (representing 10% of the Company's issued ordinary share capital at 5 June 2018);
- (b) the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 2.5 pence (equivalent to the nominal value of the Company's ordinary shares);
- (c) the maximum price, exclusive of any expenses, which may be paid for any ordinary share is the higher of:
  - (i) 105 per cent of the average market value of an ordinary share in the Company for the five business days immediately preceding the day on which such share is contracted to be purchased; and
  - (ii) the value of an ordinary share calculated on the basis of the higher of the price quoted for:
    - (A) the last independent trade of; and
    - (B) the highest current independent bid for,any number of the Company's ordinary shares on the trading venue where the purchase is carried out.
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of the date 15 months from the passing of this resolution or the conclusion of the next annual general meeting after the passing of this resolution; and
- (e) the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.

**Resolution 11** – That the Articles of Association of the Company adopted by special resolution on 29 July 2010, a copy of which will be available at the AGM, are amended by deleting all the provisions of the Company's Memorandum of Association, which by virtue of section 28 of the Act, are deemed to be treated as provisions of the Company's Articles of Association.

#### **Special Business**

**Resolution 12** – That the rules of the Company's Performance Share Plan ('PSP') (the principal features of which are summarised in Appendix A to the Notice of AGM and a copy of which is produced in draft to the meeting) be and are hereby approved, and the Directors of the Company be and are hereby authorised to do all such things in accordance with applicable law as may be necessary or desirable to carry the PSP into effect.

By Order of the Board



**J H Constantin**  
Company Secretary & General Counsel (FCIS)  
Dated: 5 June 2018

Registered Office: GB Group plc, The Foundation, Herons Way, Chester Business Park, Chester CH4 9GB  
(Registered in England, Number 2415211)

## Notes

### 1. Appointment of proxies

A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him. 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 member of the Company. A proxy form may be used to make such an appointment. Please find a proxy form enclosed with this Notice. The notes on the proxy form give instructions on the appointment of a proxy.

### 2. Online proxy voting

You may, if you wish, register the appointment of a proxy electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). To use this service you will need your Voting ID, Task ID and Shareholder Reference Number which are printed on your proxy form (which will be sent to you). Full details of the procedure are given on the website.

### 3. CREST proxy voting

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

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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, in order to be valid, be transmitted so as to be received by our Registrars, Equiniti (ID RA19) by 1.00pm on 24 July 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instruction to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

### 4. Return date for proxies

To be effective a proxy form must be deposited with the Registrar to the Company not less than 48 hours before the time fixed for the meeting (excluding non-working days) i.e. by 1.00pm on 24 July 2018.

### 5. Documents available for inspection

Copies of service contracts of the Directors of the Company may be inspected at the registered office of the Company at all times during normal business hours and at the place of the AGM for a period of 15 minutes immediately prior to the AGM until its conclusion.

## **6. Record date for voting**

Only members whose names appear on the register of members of the Company at the close of business on 24 July 2018 at 6.30 pm or, if the AGM is adjourned, at close of business on the day two days prior to the adjourned meeting ((excluding non-working days)) shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the AGM. Changes to the register after the close of business on the relevant date shall be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting.

## **7. Voting by corporate representatives**

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.

## **8. Information Rights**

Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

## **9. Shareholders rights & proxies**

The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

## **10. Shareholder's right to ask questions**

A member attending the meeting has the right, as if section 319A of the Act applied to the Company, to ask questions in relation to the business of the meeting. 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 (a) to do so would interfere unduly with the preparation for the 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 meeting that the question be answered.

## **11. Copy of Notice available on website**

A copy of this AGM Notice, and other information required by section 311A of the Act, can be found at <http://www.gbglc.com/investors/financial-statements>

## **12. Shareholders' power to require website publication of audit concerns**

Shareholders should note that the Company will treat section 527 of the Act as applying to it, and consequently that it is possible that, pursuant to requests made by shareholders, the Company may be required to publish on a website a statement setting out any matter relating to 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. The Company may not require the shareholders requesting such website publication to pay its expenses. Where the Company is required to place a statement on a website, 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 to publish on a website as if section 527 of the Act applied to the Company.

## **13. Electronic address restrictions**

Any electronic address provided either in this Notice or any related documents (including the Chairman's letter and proxy form) may not be used to communicate with the Company for any purposes other than those expressly stated.

## Appendix A

### **The GB Group plc Performance Share Plan**

This appendix sets out the principal terms of the GB Group plc Performance Share Plan ('PSP') which is being put to shareholders at the AGM for approval by resolution 12.

The PSP is a discretionary executive share plan and is intended to be operated for selected directors and executives of the Company and its subsidiaries (the 'Group'). The Remuneration Committee will supervise the operation of the PSP. PSP awards may be granted in the form of conditional rights to acquire shares, nil cost options or forfeitable shares which are subject to restrictions.

**Eligibility:** All employees (including executive directors) of the Group are eligible for selection to participate in the PSP at the discretion of the Remuneration Committee.

**Individual limit:** The Board may grant awards over ordinary shares of the Company to eligible employees with a maximum total market value in any financial year of up to 100% of the relevant individual's annual base salary.

**Performance conditions:** The Board may impose performance conditions on the vesting of PSP awards. Where performance conditions are specified for PSP awards, the underlying measurement period for such conditions will ordinarily be three financial years. Any performance conditions applying to PSP awards may be varied, substituted or waived if the Board considers it appropriate, provided the Board considers that the new performance conditions are reasonable and (except in the case of waiver) are not materially less difficult to satisfy than the original conditions.

**Vesting:** PSP awards will normally vest on the third anniversary of the date of grant of the award to the extent that any applicable performance conditions have been satisfied and to the extent permitted following any operation of malus or clawback. PSP awards granted as options will normally remain exercisable for a period determined by the Board at grant which shall not exceed 10 years from grant.

**Holding period:** The Board may add a holding period to awards of up to two years post vesting, during which participants may not sell vested shares (except to settle any tax obligations). Such a holding period may be introduced to comply with regulations or where it was deemed appropriate by the Board in the circumstances.

**Cessation of employment:** Except in certain circumstances, set out below, a PSP award will lapse immediately upon a participant ceasing to be employed by or holding office with the Group. If a participant so ceases because of his ill-health, disability, redundancy, retirement with the agreement of his employer, the participant being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person who is not a Group company or in other circumstances at the discretion of the Board (each a "Good Leaver Reason"), his PSP award will ordinarily vest on the date when it would have vested if he had not so ceased to be a Group employee or director, subject to the satisfaction of any applicable performance conditions measured over the original performance period and the operation of malus or clawback. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal vesting period. If a participant ceases to be a Group employee or director for a Good Leaver Reason, the Board can alternatively decide that his PSP award will vest early when he leaves. If a participant dies, a proportion of his PSP award will normally vest on the date of his death. The extent to which a PSP award will vest in these situations will be determined by the Board at its absolute discretion taking into account, among other factors, the period of time the PSP award has been held and the extent to which any applicable performance conditions have been satisfied at the date of cessation of employment and the operation of malus or clawback. In addition, unless the Board decides otherwise, vesting will be pro-rated to reflect the reduced period of time between grant and the participant's cessation of employment as a proportion of the normal vesting period. PSP awards of Good Leavers which are in the form of options and which have vested may be exercised for a period of 6 months following vesting (or such longer period as the Board determines) and will otherwise lapse at the end of that period. PSP options which have vested may normally be exercised for a period of 12 months following death and will otherwise lapse at the end of that period.

**Corporate events:** In the event of a takeover, scheme of arrangement, or winding-up of the Company, PSP awards will vest early. The proportion of a PSP award which vests shall be determined by the Board taking into account, among other factors, the period of time the PSP award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time. PSP awards which are in the form of options and which have vested may be exercised for a period of 6 months measured from the relevant event (or in the case of takeover such longer period as the Board determines) and will otherwise lapse at the end of that period. In the event of a demerger, distribution or any other corporate event, the Board may determine that PSP awards shall vest. The proportion of a PSP award which vests will be determined by the Board taking into account, among other factors, the period of time the PSP award has been held by the participant and the extent to which any applicable performance conditions have been satisfied at that time. PSP awards which are in the form of options that vest in these circumstances may be exercised during such period as the Board determines and will otherwise

lapse at the end of that period. If there is a corporate event resulting in a new person or company acquiring control of the Company, the Board may (with the consent of the acquiring company) alternatively decide that PSP awards will not vest or lapse but will be replaced by equivalent new awards over shares in the new acquiring company.

Timing of grants: Awards may be granted under the PSP during the 42 days beginning on: (i) the date of shareholder approval of the PSP; (ii) the day after the announcement of the Company's results, including a preliminary announcement, for any period; (iii) any day on which the Board determines that circumstances are sufficiently exceptional to justify the grant of the award at that time; or (iv) the day after the lifting of any dealing restrictions which prevented the grant of awards at any of the other times described.

Overall plan limits: The PSP may operate over new issue shares, treasury shares or shares purchased in the market. The rules of the PSP provide that, in any period of 10 calendar years, not more than 15% of the Company's issued ordinary share capital may be issued under the relevant plan and under any other employees' share scheme operated by the Company. Shares issued out of treasury under the PSP will count towards these limits for so long as this is required under institutional shareholder guidelines. Awards which are renounced or lapse shall be disregarded for the purposes of these limits.

Malus and clawback: The Board may decide, at the vesting of a PSP award or at any time before, that the number of shares subject to the award shall be reduced (including to nil) on such basis that the Board in its discretion considers to be fair and reasonable in the following circumstances:

- the Board forms the view that the Company materially misstated its financial results for whatever reason;
- the Board forms the view that in assessing any performance target and/or any other condition imposed on an award was based on an error, or on inaccurate or misleading information or assumptions;
- a participant engages in misconduct (as determined by the Board); or
- any other circumstances arise which the Board, acting fairly and reasonably, considers justify the reduction of the award (for example, but without limitation to, a participant has by act or omission contributed to serious reputational damage to the Group).

In addition, if such an event occurs for a PSP award in the two years following vesting, the Board may apply clawback to the relevant vested award in the circumstances set out above. Clawback may be effected, among other means, by requiring the transfer of shares, payment of cash or reduction of awards.

Awards not transferable: Awards granted under the PSP are not transferable other than to the participant's personal representatives in the event of his death.

Variation of capital: If there is a variation of the Company's share capital or in the event of a demerger or other distribution, special dividend or distribution, the Board may make such adjustments to awards granted under the PSP including the number of shares subject to awards and the option exercise price (if any), as it considers to be fair and reasonable.

Dividend equivalents: In respect of any award granted under the PSP, the Board may decide that participants will receive a payment (in cash and/or additional shares) equal in value to any dividends that would have been paid on the shares which vest under that award by reference to the period between the time when the relevant award was granted and the time when the relevant award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

Alternative settlement: At its discretion, the Board may decide to satisfy awards granted under the PSP with a payment in cash or shares equal to any gain that a participant would have made had the relevant award been satisfied with shares.

Amendments: The Board may, at any time, amend the provisions of the PSP in any respect. The prior approval of the Company in general meeting must be obtained in the case of any amendment to the advantage of participants which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an award can be made under the relevant plan, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. However, shareholder approval is not required for any minor amendment to benefit the administration of the PSP to take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company and/or its other Group companies. Amendments may not normally adversely affect the rights of participants except where participants are notified of such amendment and the majority of participants approve such amendment.

Benefits not pensionable: Benefits received under the PSP are not pensionable.

## Information about the Annual General Meeting

### How to get there

#### By car

Leaving the M56 at junction 15, travel towards Chester along the M53/A55. At the signs for Chester Business Park (A483 Chester/Wrexham) exit the A55, taking the third exit off the roundabout (sign posted 'Chester Business Park'). Travel past the Holiday Inn Hotel and at the next roundabout, turn right (third exit) onto the Business Park. The Company's offices are located in the first building on your left (The Foundation).

#### Parking

Free visitor parking spaces are allocated in the car park in the area before the barrier. Disabled bays are located near to the front of the building.

#### By train

The office is located 15 minutes away from Chester Railway Station. A taxi is recommended.

#### By bus

There are numerous buses which stop at Chester Business Park. Please visit [www.arrivabus.co.uk](http://www.arrivabus.co.uk) for further details.

#### Attending the meeting, what to bring

Please bring your attendance card with you. It will confirm your right to attend, speak and vote and will speed up your admission to the AGM. Please be advised that if you own shares through a nominee account, you will be required to provide the Company with a letter from the nominee confirming your shareholding. If you are unable to obtain this letter we cannot guarantee that you will be able to vote at the AGM.

#### Accessibility

The office of the Company is easily accessible by wheelchair users and has lift access inside.

#### Shareholder Enquiries

The address and contact details for the Company's registrar, Equiniti are Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Tel: 0371 384 2367 (+44 (0)121 415 7161).

