

IMI plc  
Lakeside  
Solihull Parkway  
Birmingham Business Park  
Birmingham  
B37 7XZ

24 March 2017

*To shareholders and, for information only,  
to participants in the IMI employees' share schemes*

Registered in England and Wales  
No. 714275

Dear Shareholder

## Notice of Annual General Meeting

I have pleasure in inviting you to the Annual General Meeting of IMI plc (the 'Company'), which will be held at the Hilton Birmingham Metropole Hotel, National Exhibition Centre, Birmingham on Thursday 4 May 2017 commencing at 10am. The formal Notice of Meeting is set out on pages 2 to 5 of this circular and a summary of the business of the meeting is set out on pages 6 to 7.

## Action to be taken

It is important to the Company that shareholders have the opportunity to vote even if they are unable to attend in person, in which case you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the Annual General Meeting, either by completing and returning the enclosed proxy form or registering your proxy electronically. All proxy instructions should be received by or registered with Equiniti as soon as possible and, in any event, not later than 48 hours before the time fixed for the meeting.

## Voting

As in previous years and in line with best practice, voting shall be on a poll at the Annual General Meeting, rather than on a show of hands. Poll voting at the meeting will again be conducted using the electronic system provided by Equiniti, the Company's Registrar. The Board believes that voting on a poll will result in the most accurate reflection of the views of shareholders by ensuring that every vote is recognised, including all votes of shareholders who are unable to attend the meeting but who appoint a proxy for the meeting. On a poll, each shareholder has one vote for every share held.

## Recommendation

Your directors consider that all the resolutions to be put to the Annual General Meeting are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend shareholders to vote in favour of the resolutions as they intend to do in respect of their own shareholdings.

Yours faithfully

**Lord Smith of Kelvin**  
Chairman

**This document is important and requires your immediate attention**

**If you are in any doubt about its contents or as to the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in IMI plc, please pass this document and the accompanying proxy form to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.**

## Notice of Meeting

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Notice is hereby given that the 55th Annual General Meeting of IMI plc will be held at the Hilton Birmingham Metropole Hotel, National Exhibition Centre, Birmingham B40 1PP on 4 May 2017 at 10am for the following purposes:

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

1. That the Annual Report and Accounts for the year ended 31 December 2016 be approved and adopted.
2. That the Directors' Remuneration Report for the year ended 31 December 2016 be approved.
3. That a final dividend at the rate of 24.7p per share on the ordinary share capital of the Company be declared for the year ended 31 December 2016 payable on 19 May 2017 to shareholders on the register at the close of business on 7 April 2017.
4. That Lord Smith of Kelvin be re-elected as a director of the Company.
5. That Carl-Peter Forster be re-elected as a director of the Company.
6. That Ross McInnes be re-elected as a director of the Company.
7. That Birgit Nørgaard be re-elected as a director of the Company.
8. That Mark Selway be re-elected as a director of the Company.
9. That Isobel Sharp be re-elected as a director of the Company.
10. That Daniel Shook be re-elected as a director of the Company.
11. That Bob Stack be re-elected as a director of the Company.
12. That Roy Twite be re-elected as a director of the Company.
13. That Ernst & Young LLP be re-appointed as the Company's auditor until the conclusion of the next Annual General Meeting of the Company.
14. That the Audit Committee on behalf of the Board be authorised to determine the auditor's remuneration.
15. That:
  - (a) the directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
    - (i) in accordance with article 7 of the Company's articles of association, up to a maximum nominal amount of £25,899,848 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Company's articles of association) allotted under paragraph (ii) below in excess of £25,899,848); and
    - (ii) comprising equity securities (as defined in article 8 of the Company's articles of association), up to a maximum nominal amount of £51,807,467 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Company's articles of association);
  - (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 1 July 2018; and
  - (c) all previous unutilised authorities under Section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the Companies Act 2006 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).
16. That, in accordance with Section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised to:
  - (a) make political donations to political parties or independent election candidates not exceeding £100,000 in total;
  - (b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and
  - (c) incur political expenditure not exceeding £100,000 in total;
 during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next Annual General Meeting of the Company or 1 July 2018, whichever is the earlier, provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000. For the purposes of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' shall have the meanings set out in Sections 363 to 365 of the Companies Act 2006.

## Notice of Meeting

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To consider and, if thought fit, to pass the following resolutions, which will be proposed as **special resolutions**:

- A.** That if ordinary resolution 15 is passed (and in substitution for all subsisting authorities to the extent unused), the directors be authorised to allot equity securities (as defined in article 8 of the Company's articles of association) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:
- (a) allotment in connection with an offer of securities (but in the case of the authority granted under ordinary resolution 15(a) (ii) by way of rights issue only); and
  - (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £4,088,920,
- such authority to 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 1 July 2018 but, in each case, prior to its expiry 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 authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
- B.** That if ordinary resolution 15 is passed, the Board be authorised, in addition to any authority granted under special resolution A, to allot equity securities (as defined in article 8 of the Company's articles of association) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:
- (a) 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; and
  - (b) to the allotment of equity securities or sale of treasury shares up to a nominal amount of £4,088,920;
- such authority to 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 1 July 2018 but, in each case, prior to its expiry 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 authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.
- C.** That, in accordance with the Companies Act 2006, the Company is generally and unconditionally authorised to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of ordinary shares of 28 4/7p each in the capital of the Company ('ordinary shares') on such terms and in such manner as the directors of the Company may from time to time determine provided that:
- (a) the maximum aggregate number of ordinary shares that may be purchased under this authority is 27,197,561;
  - (b) the minimum price which may be paid shall be 28 4/7p per ordinary share (exclusive of expenses, if any, payable by the Company in connection with the purchase);
  - (c) the maximum price (exclusive of expenses, if any, payable by the Company in connection with the purchase) which may be paid for an ordinary share purchased under this authority shall not be more than the higher of:
    - (i) 105% of the average of the middle market prices shown in the quotations for ordinary shares in the London Stock Exchange Daily Official List for the five business days before the day on which that ordinary Share is purchased; and
    - (ii) the amount equal to the higher price of the last independent trade of an ordinary share and the highest current independent bid on the trading venues where the purchase is carried out;
  - (d) the authority hereby conferred shall expire on 1 July 2018 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless renewed before that time save that 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 any such contract; and
  - (e) 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.
- D.** That, in accordance with the Company's articles of association, a general meeting (other than an annual general meeting) may be called on not less than 14 clear working days' notice.

By order of the Board

**John O'Shea**  
Company Secretary

24 March 2017

Registered Office: Lakeside, Solihull Parkway, Birmingham Business Park, Birmingham B37 7XZ [www.imiplc.com](http://www.imiplc.com)

## Additional Information

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1. A member may appoint a proxy to exercise all or any of his/her rights to attend and to speak and vote on his/her behalf at the meeting. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent you. A proxy could be the Chairman, another director of the Company or another person who has agreed to represent you.
2. To be valid, any proxy form or other instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority must be received by post or (during normal business hours only) by hand by Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 48 hours before the time fixed for the meeting or any adjournment thereof. Completion and return of the form of proxy will not prevent a member from attending and voting at the meeting instead of the proxy if they so wish. Amended instructions must also be received by Equiniti by the deadline for receipt of proxy forms. A member must inform Equiniti in writing of any termination of the authority of a proxy.
3. As an alternative to completing and returning the printed form of proxy, a member may submit your proxy appointment electronically by accessing [www.sharevote.co.uk](http://www.sharevote.co.uk) where full details of the procedure are given. For security purposes, members will need their voting ID, task ID and shareholder reference number as printed on the form of proxy in order to validate the submission of their proxy appointment on-line. Any such proxy appointment must be received not later than 48 hours before the time fixed for the meeting or any adjournment thereof. To appoint more than one proxy electronically, please contact Equiniti on 0371 384 2916 (from overseas +44 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays)).
4. If a member has more than one holding registered in his/her name he/she should receive no more than one copy of the Annual Report and one form of proxy which will be valid in respect of all his/her shareholdings. A form of proxy is enclosed. To request a form of proxy please contact Equiniti on 0371 384 2916 (from overseas +44 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays)).
5. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 ('CA 2006') to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have the right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. 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.
6. The statement of rights of shareholders in relation to the appointment of proxies in notes 1, 2 and 3 above to this Notice of Annual General Meeting does not apply to Nominated Persons. The rights described in these sections can only be exercised by the shareholders of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
7. The Company specifies that only those shareholders registered in the register of members of the Company as at 6.30pm on 2 May 2017 (or, in the event of any adjournment, at 6.30pm on the date which is two days before the time of the adjourned meeting) shall be entitled to attend (in person or by proxy) or vote at the meeting or any adjourned meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members made after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 4 May 2017 and any adjournment(s) thereof by using the procedure described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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's specifications and must contain the information required for such instructions as described in the CREST manual (available at [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or relates 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 RA19) by the latest time(s) for receipt for proxy appointments specified in 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will 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(s), to procure that his/her 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 sponsor(s) or voting service provider(s) 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 (as amended).

## Additional Information

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9. 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.
10. As at 10 March 2017 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 286,224,441 ordinary shares, carrying one vote each of which 14,248,836 are held in treasury. Therefore, the total exercisable voting rights in the Company as at 10 March 2017 are 271,975,605.
11. Copies of the service contracts of executive directors, letters of appointment for non-executive directors, directors' deeds of indemnity and a copy of the Company's articles of association are available for inspection at the Company's registered office on each business day during normal business hours and will also be available at the place of the Annual General Meeting from at least 15 minutes prior to the meeting and until the conclusion of the meeting.
12. It is possible that, pursuant to requests made by members of the Company under Section 527 of the CA 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 shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the CA 2006. Where the Company is requested to place a statement on a website under Section 527 of the CA 2006 it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the CA 2006 to publish on its website.
13. A member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with Section 319A of the CA 2006. The Company must cause to be answered any such question 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.
14. In accordance with Section 311A of the CA 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.imipic.com](http://www.imipic.com).
15. Members who have general queries about the meeting should address such questions, in the first instance, to the Company's Registrars, Equiniti 0371 384 2916 (from overseas +44 121 415 7047. Lines are open 8.30am to 5.30pm, Monday to Friday (excluding public holidays)). Members may not use any electronic address provided in this Notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.
16. Voting at the meeting on all resolutions will be conducted by way of a poll rather than a show of hands. The Company considers this to be a more transparent method of voting as member votes will be counted according to the number of shares held. As soon as practicable following the meeting, the results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions proposed at the meeting will be announced via a Regulatory Information Service and also placed on the Company's website.

# Explanatory notes to the resolutions in the Notice of Annual General Meeting

## **Approval of the Annual Report and Accounts and the Directors' Remuneration Report (ordinary resolutions 1 and 2)**

Ordinary resolution 1 provides for the Annual Report and Accounts for the year ended 31 December 2016 ('Annual Report 2016'), to be approved and adopted.

The Directors' Remuneration Report, included in the 2016 Annual Report on pages 59 to 71, will also be put to shareholders for approval at the Annual General Meeting (ordinary resolution 2). This vote is advisory, and the directors' entitlement to remuneration is not conditional on it. No changes to the Directors' Remuneration Policy, approved by shareholders at the 2015 Annual General Meeting, are proposed.

## **Dividend (ordinary resolution 3)**

The directors are recommending the payment of a final dividend of 24.7p per share on the ordinary shares in respect of the year ended 31 December 2016 which, if approved by shareholders, will be payable on 19 May 2017 to shareholders on the register at the close of business on 7 April 2017.

## **Election and re-election of directors (ordinary resolutions 4 to 12)**

In accordance with the 2014 UK Corporate Governance Code, which recommends that all directors of FTSE 350 companies seek election by shareholders on an annual basis, the directors currently in office will all retire and seek election or re-election at the Annual General Meeting. A separate resolution will be proposed for each director. All of the current directors are standing for re-election.

In proposing the re-election of all non-executive directors, the Chairman confirms that, following formal performance evaluations, each of them continues to make an effective and valuable contribution to the Board and the committees on which they sit and each continues to demonstrate commitment to their role. Details of the Board evaluation process can be found on page 52 of the 2016 Annual Report.

Biographical details of all directors can be found on pages 46 and 47 of the 2016 Annual Report.

## **Auditor (ordinary resolutions 13 and 14)**

The Company is required to appoint an external auditor at each general meeting at which accounts are laid before its shareholders to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditor, Ernst & Young LLP, on behalf of the Board, who now recommend its re-appointment. Resolutions 13 and 14, respectively, propose the re-appointment of Ernst & Young LLP as the Company's auditor and authorise the Audit Committee on behalf of the Board to set its remuneration.

## **Authority to allot securities (ordinary resolution 15)**

Authority was granted to the directors at the Annual General Meeting of the Company held on 5 May 2016 under Section 551 of the Companies Act 2006 ('CA 2006') to allot ordinary shares or grant rights to subscribe for or convert any security into ordinary shares in the Company for a period expiring at the conclusion of the Annual General Meeting to be held in 2017 or, if earlier, on 1 July 2017. The directors consider it appropriate to renew this authority at the forthcoming Annual General Meeting for a period expiring at the conclusion of the Annual General Meeting to be held in 2018 or, if earlier, on 1 July 2018.

Paragraph (a)(i) of ordinary resolution 15 will allow the directors to allot ordinary shares up to a maximum nominal amount of £25,899,848, representing approximately one third (33.33%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 10 March 2017 (being the latest practicable date prior to publication of this Notice). In accordance with institutional guidelines issued by The Investment Association, paragraph (a)(ii) of ordinary resolution 15 will allow the directors to allot, including the ordinary shares referred to in paragraph (a)(i) of ordinary resolution 15, additional ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £51,807,467 representing approximately two thirds (66.67%) of the Company's existing issued share capital (excluding shares held in treasury), calculated as at 10 March 2017.

The proposed new authority will expire at the conclusion of the 2018 Annual General Meeting of the Company or, if earlier, on 1 July 2018. It is the current intention to renew this authority annually. The directors have no present intention of exercising this authority. However, if they do exercise it, they intend to follow best practice as regards its use, as recommended by The Investment Association.

As at 10 March 2017, the Company's issued share capital amounted to £81,778,412 comprising 286,224,441 ordinary shares of 28 4/7p each and the Company held 14,248,836 ordinary shares in treasury, representing approximately 5% of the Company's issued share capital.

## **Authority to make political donations and incur political expenditure (ordinary resolution 16)**

The CA 2006 prohibits the Company and its subsidiaries from making political donations of more than £5,000 in any 12 month period or from incurring political expenditure, even inadvertently, unless they have been authorised by the Company's shareholders. The resolution in this connection passed at last year's Annual General Meeting is due for renewal.

Neither the Company nor any of its subsidiaries has any intention of making any political donation or incurring any political expenditure under the terms of the proposed resolution. However, the CA 2006 defines 'political party', 'political organisation', 'political donation' and 'political expenditure' widely and grey areas remain which lead many UK public limited companies to seek shareholder approval for what may inadvertently amount to a political donation.

Accordingly, in line with best practice, the Company wishes to ensure that neither it nor its subsidiaries risks any breach of the CA 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred. The proposed authority will expire at the conclusion of the 2018 Annual General Meeting of the Company or, if earlier, on 1 July 2018.

## **Disapplication of statutory pre-emption rights (special resolutions A and B)**

Special resolutions A and B will allow the directors to allot equity securities for cash pursuant to the authority under ordinary resolution 15, or by way of a sale of treasury shares, without in the first instance offering them to existing shareholders in proportion to their holdings.

The authority sought will authorise the directors to issue shares in connection with: (a) a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a nominal value of £4,088,920 which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. This amount represents just under 5% of the total ordinary share capital in issue at 10 March 2017 (being the latest practicable date prior to publication of this Notice); and in addition, (b) the purposes of financing (or re-financing, if the authority is to be used within 6 months after the original transaction) for an acquisition or other capital investment which the Board determines to be as contemplated by the Pre-Emption Group's Statement of Principles, to issue shares for cash up to a nominal value of £4,088,920 which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash. This amount also represents just under 5% of the total ordinary share capital in issue at 10 March 2017.

This dis-application authority is in line with guidance with the Pre-Emption Group's Statement of Principles. The authority will expire at the conclusion of the 2018 Annual General Meeting of the Company or, if earlier, on 1 July 2018. It is the current intention to renew this authority annually.

The directors have no present intention of exercising their authority under special resolutions A and B and further confirm that they have no present intention to issue more than 7.5% of the issued share capital of the Company for cash on a non pre-emptive basis pursuant to the authority in special resolution A in any rolling three-year period without prior consultation with the shareholders.

Resolutions A and B will be proposed as a special resolution.

#### **Purchase by the Company of its own shares (special resolution C)**

Renewal of the authority for the Company to purchase its own shares will be sought at the Annual General Meeting. The resolution is to authorise the Company to buy back up to 27,197,561 ordinary shares. The resolution specifies the maximum number of ordinary shares which may be purchased, representing up to 10% of the Company's issued ordinary share capital as at 10 March 2017 (excluding shares held in treasury) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the Companies Act 2006 and the Listing Rules. The directors have no present intention of exercising the authority to purchase the Company's ordinary shares and would only exercise this authority if they were satisfied that any purchase is in the interests of shareholders and will result in an increase in earnings per share of the ordinary share capital in issue after the purchase.

The directors would also give careful consideration to the gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits. This authority would expire at the conclusion of the 2018 Annual General Meeting of the Company or, if earlier, on 1 July 2018. It is the current intention to renew this authority annually.

The CA 2006 enables certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under employee share schemes. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares. Accordingly, if the directors exercise this authority to purchase shares, the Company will have the option of holding those shares in treasury. Following a purchase of own shares by the Company, the directors may consider holding them in treasury.

The total number of ordinary shares in respect of which there are options or warrants or awards that are outstanding under the Company's share schemes and which are to subscribe for ordinary shares or which could result in the subscription of ordinary shares as at 10 March 2017 (being the latest practicable date prior to publication of this Notice) was 417,829. The proportion of issued ordinary share capital (excluding treasury shares) that the options represented on this date was approximately 0.15% and the proportion of issued ordinary share capital (excluding treasury shares) that they will represent if the full authority to purchase shares (being sought) is used is approximately 0.17%.

Resolution C will be proposed as a special resolution.

#### **Notice of general meetings (special resolution D)**

The CA 2006 provides that the notice period required for general meetings of the Company is 21 days. Shareholders may approve a shorter notice period, which cannot however be less than 14 clear days, or for annual general meetings, 21 clear days' notice. It is proposed to seek renewal of the authority that was granted to the directors at the Annual General Meeting in 2016 to call general meetings other than an Annual General Meeting on not less than 14 clear working days' notice. The authority granted by this resolution, if passed, will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The flexibility offered by this resolution will be used where, taking into account the circumstances (and noting the guidance issued by ISS), the directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.

Resolution D will be proposed as a special resolution.

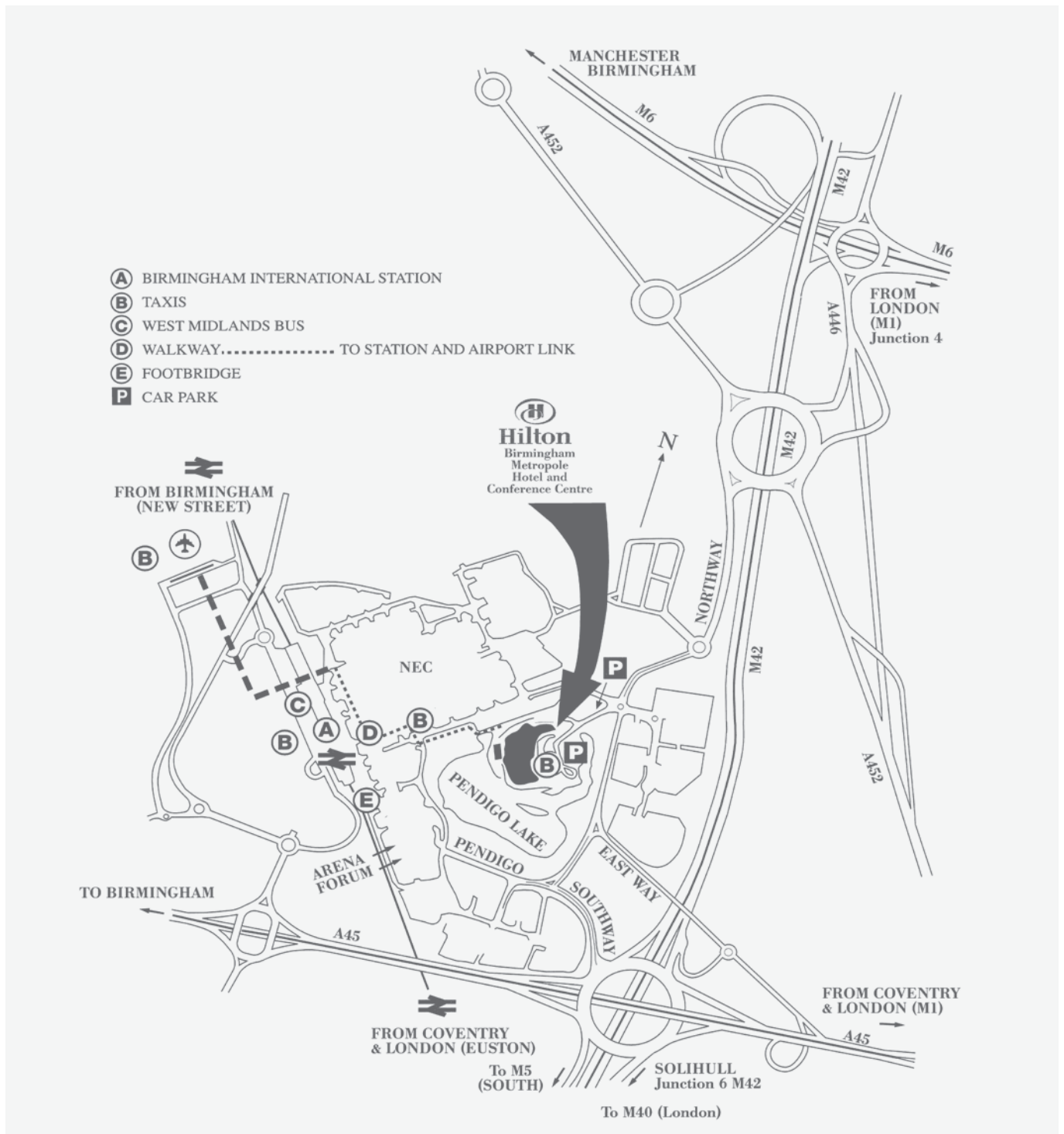
# Directions to the Annual General Meeting

**Travelling north on the M1**, exit west at Junction 19 onto the M6 to Birmingham. Continue to Junction 4 and exit south towards Solihull onto the M42. Leave at Junction 6 and follow the signs to NEC. Then follow signs to hotel.

**Travelling south on the M1**, exit west at Junction 21 onto the M69 towards Coventry. Continue to the Junction with the M6 and exit towards Birmingham. Follow directions on the M6 as above.

**Travelling south on the M6**, exit at Junction 4 and follow signs to NEC.

Free parking is available at the hotel by ensuring that your parking ticket is validated on registration for the Annual General Meeting. No reimbursement for any other travel expenses will be made.



This map is not to scale