

# Beazley plc

Incorporated in Jersey under Companies (Jersey) Law 1991 with registered number 102680

## Notice of 2015 Annual General Meeting and accompanying notes

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should consult an independent adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all your shares in Beazley plc ("the Company"), please forward 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 these documents to the person who now holds the shares.

Whether or not you propose to attend the Annual General Meeting, please complete and submit the enclosed Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be completed, signed and returned so as to reach the Company's Registrars Equiniti (Jersey) Limited by no later than 12.00 noon on 23 March 2015. Alternatively you can appoint a proxy or proxies electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) or if you have already registered with Equiniti (Jersey) Limited's online portfolio service, Shareview, you can submit your form of proxy at [www.shareview.co.uk/myportfolio](http://www.shareview.co.uk/myportfolio).



# Beazley plc

(Incorporated in Jersey under Companies (Jersey) Law 1991 with registered number 102680)

23 February 2015

Dear Shareholder

## Notice of 2015 Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting (**AGM**) which will be held at 12.00 noon on 25 March 2015 at 2 Northwood Avenue, Santry Demesne, Santry, Dublin 9, Ireland. The formal notice of the AGM and resolutions to be proposed are set out on pages 3 to 10 of this document.

You will find enclosed a Form of Proxy for use at the AGM. Please complete, sign and return the enclosed Form of Proxy as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received by Equiniti (Jersey) Limited, C/O Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and in any event no later than 48 hours before the time appointed for holding the AGM, that is to say, no later than 12.00 noon on 23 March 2015. Alternatively you can appoint a proxy or proxies electronically by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) or if you have already registered with Equiniti (Jersey) Limited's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk/myportfolio](http://www.shareview.co.uk/myportfolio), where full details of the procedure are given. The proxy appointment and instructions must be received electronically by Equiniti (Jersey) Limited not less than 48 hours before the time appointed for holding the AGM, that is to say, no later than 12.00 noon on 23 March 2015.

For those shareholders who have elected to receive a hard copy of the Annual Report and Accounts for the financial period ended 31 December 2014, please find them enclosed. Shareholders who have not elected to receive the Annual Report and Accounts in hard copy can view them on the Company's website at [www.beazley.com](http://www.beazley.com). Alternatively you may obtain a hard copy by writing to the Company Secretary, Beazley plc, No 2 Northwood Avenue, Santry Demesne, Santry, Dublin 9, Ireland.

There will also be an opportunity for shareholders to ask questions in the meeting itself. Your Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings.

Yours faithfully



Dennis Holt  
Chairman

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Beazley plc (the "Company") will be held at 2 Northwood Avenue, Santry Demesne, Santry, Dublin 9, Ireland on 25 March 2015 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions listed below of which resolutions numbered 1 to 19 inclusive will be proposed as ordinary resolutions and resolutions numbered 20 to 22 inclusive will be proposed as special resolutions:

## **Annual Report and Accounts**

- 1 That the Accounts for the financial year ended 31 December 2014 together with the reports of the Directors and Auditors thereon be received.
- 2 That the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) set out on pages 82 to 108 of the Annual Report and Accounts for the financial year ended 31 December 2014 be approved.

## **Dividends**

- 3 That the payment of a second interim dividend of 6.2 pence per ordinary share be approved and paid on 27 March 2015 to shareholders on the register of members on 27 February 2015 (save to the extent that shareholders on the register of members on 27 February 2015 are to be paid a dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's articles of association (the "Articles") and such shareholders shall have no right to this second interim dividend).
- 4 That, subject to the passing of Resolution 3 above, the payment of a special dividend of 11.8 pence per ordinary share be approved and paid on 27 March 2015 to shareholders on the register of members on 27 February 2015 (save to the extent that shareholders on the register of members on 27 February 2015 are to be paid a dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with the Articles and such shareholders shall have no right to this special dividend).

## **Re-election of Directors**

- 5 That George Blunden be re-elected as a Director of the Company.
- 6 That Martin Bride be re-elected as a Director of the Company.
- 7 That Adrian Cox be re-elected as a Director of the Company.
- 8 That Angela Crawford-Ingle be re-elected as a Director of the Company.
- 9 That Dennis Holt be re-elected as a Director of the Company.
- 10 That Andrew Horton be re-elected as a Director of the Company.
- 11 That Neil Maidment be re-elected as a Director of the Company.
- 12 That Pdraic O'Connor be re-elected as a Director of the Company.
- 13 That Vincent Sheridan be re-elected as a Director of the Company.
- 14 That Ken Sroka be re-elected as a Director of the Company.
- 15 That Rolf Tolle be re-elected as a Director of the Company.
- 16 That Clive Washbourn be re-elected as a Director of the Company.

## **Auditors**

- 17 That KPMG be reappointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting to be held in 2016.
- 18 That the remuneration of KPMG be determined by the Directors of the Company.

### **Authority to allot shares**

19 That the Directors be generally and unconditionally authorised in accordance with the Articles to exercise all the powers of the Company to allot relevant securities (as defined in the Articles) to such persons and at such times and upon such conditions as the Directors may determine:

- (a) up to a maximum aggregate nominal amount of £8,690,657 (representing approximately one third of the Company's issued ordinary share capital); and
- (b) up to an additional maximum aggregate nominal amount of £8,690,657 (representing approximately one third of the Company's issued ordinary share capital) solely in connection with an allotment pursuant to an offer by way of a rights issue as defined in the Articles, being an offer or issue to or in favour of holders of ordinary shares in the Company on the register of members of the Company on a date fixed by the Directors where the equity securities (as defined in the Articles) respectively attributable to the interests of all those ordinary shareholders are proportionate (as nearly as practicable) to the respective numbers of shares in the Company held by them on that date,

and the authorities conferred on the Directors under paragraphs 19(a) and 19(b) above shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

### **Disapplication of pre-emption rights**

20 That, subject to the passing of Resolution 19 above, the Directors be authorised pursuant to Article 8 of the Articles to allot equity securities wholly for cash as if Article 7 of the Articles did not apply to any such allotment provided that such authority shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue to holders of ordinary shares in the Company on the register of members of the Company on a date fixed by the Directors where the equity securities (as defined in the Articles) respectively attributable to the interests of all those holders are proportionate (as nearly as practicable) to the respective numbers of shares in the Company held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to fractional entitlements, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange; and
- (b) to the allotment (other than under paragraph 20(a) of equity securities wholly for cash or otherwise up to a maximum aggregate nominal amount not exceeding £1,303,598,

and such authority shall expire at the conclusion of the next Annual General Meeting of the Company after 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 Directors may allot equity securities pursuant to any such offer or agreement as if the authority conferred hereby had not expired.

### **Market purchases**

21 That the Company be generally and unconditionally authorised:

- (a) pursuant to Article 57 of the Companies (Jersey) Law 1991 (the "Law") and Article 12 of the Articles to make market purchases of ordinary shares in the capital of the Company on such terms and in such manner as the Directors of the Company shall from time to time determine, provided that:
  - (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 52,143,943 (representing approximately 10 per cent. of the Company's issued ordinary share capital);
  - (ii) the minimum price (exclusive of any expenses) which may be paid for an ordinary share is its nominal value;
  - (iii) the maximum price (exclusive of any expenses) which may be paid for an ordinary share is not more than the higher of:
    - (A) 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 date on which that ordinary share is contracted to be purchased; and
    - (B) an amount equal to the higher of (i) the price of the last independent trade of an ordinary share; and (ii) the highest current independent bid for an ordinary share on the London Stock Exchange at the time the purchase is carried out;

- (iv) the authority hereby conferred shall expire on 25 June 2016 or, if earlier, at the conclusion of the next Annual General Meeting of the Company following the passing of this Resolution, unless previously revoked, varied or renewed by the Company in general meeting; and
  - (v) the Company may at any time prior to the expiry of such authority make a contract or contracts to purchase ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts; and
- (b) pursuant to Article 58A of the Law and Article 13 of the Articles to hold as treasury shares any ordinary shares purchased pursuant to the authority conferred in paragraph 21(a).

**Notice for general meetings**

22 That any general meeting of the Company, other than an Annual General Meeting of the Company, may be called on not less than 14 clear days' notice.

By Order of the Board,

Sian Coope  
Company Secretary  
Beazley plc

Registered office:  
22 Grenville Street  
St Helier  
Jersey JE4 8PX  
23 February 2015

## Notes

- 1 Shareholders entitled to attend and vote at this meeting may appoint one or more proxies to attend and, on a poll, vote in their place. A proxy need not be a shareholder of the Company. If a shareholder appoints more than one proxy to attend this meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the shareholder. If a shareholder wishes to appoint more than one proxy, he/she may photocopy the Form of Proxy or (an) additional Form(s) of Proxy may be obtained by contacting the Company's Registrars Shareholders' Helpline on 0871 384 2658 (for calls from within the United Kingdom. Calls to this number are charged at 8p per minute plus network extras. Lines are open from 8.30am to 5.30pm, Monday to Friday), or +44 121 415 7593 (for calls from outside the United Kingdom. Calls to this number will be charged depending on where the call is made from, at international rates).
- 2 Any person receiving a copy of this Notice as a person nominated by a shareholder to enjoy information rights under Article 134 of the Articles of Association of the Company (a "Nominated Person") should note that the provisions in this Notice concerning the appointment of a proxy or proxies to attend the meeting in place of the shareholder do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the shareholder by whom he or she was nominated to be appointed or to have someone else appointed as a proxy for the meeting. If a Nominated Person has no such right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights at the meeting.
- 3 Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those shareholders registered in the register of members of the Company by 6.00pm on 23 March 2015 shall be entitled to attend or vote at the aforesaid meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00pm on 23 March 2015 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4 A Form of Proxy is enclosed with this Notice. In order to be valid, a Form of Proxy must be returned duly completed (together with the original or a duly certified copy of the power of attorney or other authority, if applicable, under which it is signed) by one of the following methods no later than 48 hours before the time fixed for the meeting or any adjournment thereof:
  - in hard copy form by post, by courier or by hand to the Company's Registrars, Equiniti (Jersey) Limited, C/O Equiniti Limited Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
  - in electronic form by visiting [www.sharevote.co.uk](http://www.sharevote.co.uk) where you will be asked to enter your unique Reference Number, Card ID and Account Number as printed on your Form of Proxy;
  - alternatively if you have already registered with Equiniti (Jersey) Limited's online portfolio service, Shareview, you can submit your Form of Proxy at [www.shareview.co.uk/myportfolio](http://www.shareview.co.uk/myportfolio). Full instructions are given on both websites. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website; and
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

Completing and returning the Form of Proxy will not preclude shareholders from attending and voting in person at the meeting should they wish to do so.

- 5 Under Article 93 of the Companies (Jersey) Law 1991, a body corporate may only appoint one person to act as its representative at meetings of the Company. A shareholder which is a body corporate that wishes to allocate its votes to more than one person should use the proxy arrangements.
- 6 As at 4 February 2015, being the last practicable date prior to the publication of this Notice, the Company's issued share capital consisted of 521,439,431 Ordinary Shares, none of which were held in treasury. The total voting rights in the Company as at 4 February 2015 were 521,439,431.
- 7 Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the AGM and also on the date and at the place of the AGM from noon until the conclusion of the AGM:
  - (a) copies of the executive Directors' service agreements; and
  - (b) copies of the non-executive Directors' letters of appointment.
- 8 A copy of this Notice of the AGM and Annual Report and Accounts are available on the Company's website at [www.beazley.com](http://www.beazley.com).

## Explanatory Notes on the Business of the AGM

### **NOTE FOR CREST shareholders: Electronic proxy appointment through CREST**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof 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) 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's specifications and must contain the information required for such instructions, as described in the CREST manual which can be viewed at [www.euroclear.com](http://www.euroclear.com). The message, regardless of whether it constitutes 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 Company's agent, Equiniti (Jersey) Limited, (CREST Participant ID 7RA01) by 12.00 noon on 23 March 2015 (or 48 hours preceding the date and time for any adjourned 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 Company'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 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(s), 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 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 Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.

You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

### **Resolution to Receive the Annual Report and Accounts for the financial year ended 31 December 2014 and the Directors' Report and Auditors' Report on these (Resolution 1)**

The Directors are required to present to the AGM the accounts, and the reports of the Directors and auditors, for the financial year ended 31 December 2014. These are contained in the Company's Annual Report and Accounts 2014.

### **Resolution that the Directors' Remuneration Report for the financial year ended 31 December 2014 be approved (Resolution 2)**

The Company is required to ask shareholders to approve the Directors' Remuneration Report which is included in the Annual Report and Accounts 2014. These can be viewed on the Company's website and are available to shareholders on request.

The Company's auditors, KPMG, have audited those parts of the Directors' Remuneration Report which are required to be audited and their report may be found in the Annual Report and Accounts.

### **Resolutions to approve the payment of a second interim dividend and a special dividend (Resolutions 3 and 4)**

The Board has recommended the payment of a second interim dividend of 6.2 pence per Ordinary Share which, provided shareholders approve Resolution 3, will be paid by the Company on 27 March 2015 to all shareholders on the register of members on 27 February 2015 (other than those who will be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's articles of association (the "Articles") and such shareholders shall have no right to this second interim dividend).

The Board has recommended the payment of a special dividend of 11.8 pence per Ordinary Share which, provided shareholders approve Resolution 4, will be paid by the Company on 27 March 2015 to all shareholders on the register of members on 27 February 2015 (other than those who will be paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's Articles and such shareholders shall have no right to this special dividend).

The recommended second interim dividend that shareholders are being asked to approve in Resolution 3 and special dividend that shareholders are being asked to approve in Resolution 4 are both in addition to the first interim dividend of 3.1 pence per Ordinary Share paid by the Company on 29 August 2014 to all Shareholders on the register of members on 1 August 2014 (other than those shareholders who were paid such dividend by a subsidiary of the Company resident for tax purposes in the United Kingdom pursuant to elections made or deemed to have been made in accordance with Article 125 of the Company's Articles).

A dividend access plan has been implemented so that, subject to the Company's Articles and the plan's rules, shareholders are entitled to elect to receive either UK-sourced dividends or Irish-sourced dividends. Shareholders who do not elect (or who are not deemed to have elected) to receive UK-sourced dividends through the dividend access plan are reminded that their dividends will be Irish-sourced and will generally be subject to Irish withholding tax at the rate of 20 per cent.

#### **Reappointment of Directors (Resolutions 5 to 16 inclusive)**

In compliance with the provision on annual re-election of all Directors introduced by the UK Corporate Governance Code, all Directors wishing to seek re-election are submitted for re-election and are recommended by the board. Biographical details of all directors offering themselves for re-election are contained in the Annual Report and Accounts 2014 and on the Company's website.

Rolf Tolle was appointed as a Non Executive Director in December 2010. He has a familial connection in the business with his son, Christian Tolle, who joined the Company in August 2009 and is Head of Life, Accident and Health. Christian Tolle reports to the Chief Underwriting Officer and does not currently sit on the Executive Committee. The board values the independence of its Non Executive Directors and considered carefully the appointment of Rolf Tolle, acknowledging that his relationship with his son could call his independence into question. The board believes that the position that Rolf's son holds within Beazley does not impact Rolf's independence of character or judgement.

Rolf Tolle is a significant figure in the Lloyd's insurance sector, and is a substantive asset to the board and the Company. He was the first appointed Franchise Performance Director for the Lloyd's market. This was a new position created as part of the transformation of the Lloyd's market. His role was to monitor the performance of the Lloyd's syndicates and to formulate and implement procedures to monitor risk across the Lloyd's market. In this context he brings valuable insight and skills to the Beazley board, as both an industry expert and also from a risk perspective. He performs a valuable role in bringing challenge to the boardroom based on his in depth understanding of the key drivers and challenges faced by the Group.

The board meets the independence criteria for Rolf Tolle by ensuring that when Life, Accident and Health is a specific board or board committee matter Rolf Tolle excuses himself from the discussion and any related board or Committee decision. Such matters typically take up significantly less than 5 per cent of the total time set aside for board meetings. The board believes that this practice is consistent with the spirit of the UK Corporate Governance Code and the principle of independence. The Chairman oversees this potential conflict of interest, and ensures that the matter is revisited annually as part of the Board Effectiveness Review. The board is satisfied that the above familial connection does not pose any detriment to shareholders and that Rolf Tolle's continuance on the board of Beazley plc adds considerable value to the company's business and shareholders.

#### **Auditors (Resolutions 17 and 18)**

The Company is required, at each AGM at which accounts are presented, to appoint auditors to hold office until the next such meeting. KPMG has indicated its willingness to continue in office. Accordingly, Resolution 17 reappoints KPMG as auditors to the Company and Resolution 18 authorises the Directors to fix their remuneration.



### **Authority of Directors to allot shares (Resolution 19)**

Under Article 6 of the Articles, the Board needs to be given authority by ordinary resolution to exercise all powers of the Company to allot relevant securities (as defined in the Company's Articles). The authority granted at the last Annual General Meeting to allot relevant securities is due to expire at the conclusion of this year's Annual General Meeting. Accordingly, this resolution seeks to grant a new authority to authorise the Directors to allot relevant securities in the Company and will expire at the conclusion of the next Annual General Meeting of the Company. Upon the passing of this resolution, the Board will have authority (pursuant to paragraph (a) of the resolution) to allot relevant securities up to a maximum aggregate nominal amount of £8,690,657 representing approximately one third of the current issued ordinary share capital of the Company as at 4 February 2015, being the latest practicable date before the publication of this Notice. In addition, in accordance with the latest institutional guidelines from the Investment Association ("IA") on the expectations of institutional investors in relation to the authority of Directors to allot shares, upon the passing of this resolution, the Board will have authority (pursuant to paragraph (b) of the resolution) to allot an additional number of ordinary shares up to a maximum aggregate nominal amount of £8,690,657, which is approximately a further third of the current issued ordinary share capital as at 4 February 2015, being the latest practicable date before the publication of this Notice. However, the Directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings. This authority will also expire immediately following the next Annual General Meeting.

As a result, if this resolution is passed, the Board could allot shares representing up to two-thirds of the current issued ordinary share capital pursuant to a rights issue.

There is no present intention of exercising this authority except in connection with the Company's employee share schemes. However, it is considered prudent to maintain the flexibility that this authority provides. If they do exercise the authority, the Directors intend to follow emerging best practice as regards its use (including, where appropriate, the Directors standing for re-election) as recommended by the IA.

As of 4 February 2015, being the last practicable date prior to the publication of this Notice, the Company did not hold any treasury shares.

### **Disapplication of pre-emption rights (Resolution 20)**

Under Article 7 of the Articles, if the Directors wish to exercise the authority under Resolution 20 and allot any shares for cash, it must offer them in the first instance to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their shareholdings.

At the last Annual General Meeting, the Directors were empowered to make limited allotments of new shares for cash other than according to the pre-emption rights, which requires a company to offer all allotments of new shares for cash proportionately to existing shareholders first. This power granted to the Directors at the last Annual General Meeting is due to expire at the conclusion of this year's AGM. Accordingly, this resolution proposes to seek renewal of this power to the Directors. This resolution, which is conditional on the previous resolution having been passed, would, in accordance with Article 8 of the Articles, authorise the Directors to do this by allowing the Directors to allot shares for cash (i) by way of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings; and (ii) to persons other than existing shareholders up to a maximum aggregate nominal amount of £1,303,598 which is equivalent to 5 per cent of the nominal amount of the issued share capital of the Company on 4 February 2015, being the latest practicable date prior to the publication of this Notice.

If given, the authority will expire at the conclusion of the next Annual General Meeting in 2016. The Directors intend to renew such power at subsequent Annual General Meetings in accordance with current best practice.

The Directors have no current plans to allot shares, except in connection with employee share schemes. The Directors do not intend to issue more than 7.5 per cent. of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with shareholders.

### **Authority for the Company to purchase its own shares (Resolution 21)**

This Resolution gives the Company the authority to buy back up to 52,143,943 Ordinary Shares in accordance with Article 12 of the Articles. This represents approximately 10 per cent. of the Company's issued ordinary share capital as at 4 February 2015, being the latest practicable date before the publication of this Notice. The authority would expire at the conclusion of the 2016 Annual General Meeting or, if earlier, 25 June 2016. The Board intends to seek renewal of this power at subsequent Annual General Meetings in accordance with current best practice.

The minimum price that may be paid by the Company for an Ordinary Share is its nominal value and the maximum price which may be paid by the Company for an Ordinary Share is the higher of:

- (a) 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 date on which that Ordinary Share is contracted to be purchased; and
- (b) an amount equal to the higher of (i) the price of the last independent trade of an Ordinary Share; and (ii) the highest current independent bid for an Ordinary Share on the London Stock Exchange at the time the purchase is carried out.

Any buy back of shares would be made on the London Stock Exchange.

In certain circumstances, it may be advantageous for the Company to purchase its own shares and Resolution 21 seeks authority from shareholders to continue to do so. Authority was given to the Company to make market purchases up to an aggregate of 52,098,128 of its Ordinary Shares at the Annual General Meeting held on 26 March 2014 (being equal to approximately 10 per cent. of the Company's issued ordinary share capital as at 5 February 2014, the last practicable date prior to the publication of the notice of the Annual General Meeting held on 26 March 2014). This authority is due to expire at the end of the Annual General Meeting to be held on 25 March 2015 and it is proposed that the Company be authorised to continue to make market purchases up to an aggregate of approximately 10 per cent. of the Company's issued ordinary share capital. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be in the best interests and to the corporate benefit of shareholders generally. The Directors consider it to be desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources over the next 12 months and particularly in the short term.

In addition, other investment opportunities, appropriate gearing levels and the overall position of the group will also be taken into account when determining whether to exercise this authority. The Company may hold in treasury any of its own shares that it purchases pursuant to the authority conferred by this resolution. This gives the Company the ability to reissue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares.

The total number of options to subscribe for shares outstanding as at 4 February 2015 being the latest practicable date before the publication of this Notice, was 20,926,990. This represents 4.0 per cent of the issued share capital at that date. If the Company was to buy back the maximum number of Ordinary Shares permitted pursuant to this resolution, then the total number of options to subscribe for Ordinary Shares outstanding at 4 February 2015 would represent 4.5 per cent of the reduced share capital.

### **Notice Period for general meetings (Resolution 22)**

The Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increased the notice period for general meetings of an English company to 21 clear days unless shareholders approve a shorter period, which cannot be less than 14 clear days. The Company has committed to comply with the Shareholders' Rights Regulations to the extent practicable as if it were an English company. Accordingly, at the Annual General Meeting of the Company held on 26 March 2014, shareholders authorised the calling of general meetings other than an Annual General Meeting on not less than 14 clear days' notice. Resolution 22 seeks the approval of shareholders to renew the authority to be able to call general meetings (other than an Annual General Meeting) on not less than 14 clear days' notice. The flexibility offered by Resolution 22 will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.

The Company undertakes to meet the requirements for electronic voting under the Shareholders' Rights Regulations before calling a general meeting on not less than 14 clear days' notice. If given, the approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.



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