

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

**If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or otherwise transferred all of your shares, please send this document, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **CMC Markets plc**

(incorporated and registered in England and Wales under number 05145017)

(Legal Entity Identifier ("LEI") number 213800VB75KAZBFH5U07)

### **NOTICE OF ANNUAL GENERAL MEETING**

**TO BE HELD ON 26 JULY 2018**

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Notice of the 2018 Annual General Meeting of the Company to be held at 133 Houndsditch, London EC3A 7BX on 26 July 2018 at 10.00 a.m.

Dear Shareholder,

### **Notice of Annual General Meeting 2018**

I am pleased to be writing to you with details of the 2018 Annual General Meeting (“**AGM**”) which we are holding at our head office at 133 Houndsditch, London EC3A 7BX on 26 July 2018 at 10.00 a.m. The formal notice of AGM is set out on pages 3 to 6 of this document.

### **Action to be taken**

If you would like to vote on the resolutions but cannot attend the AGM, please complete the Form of Proxy sent to you with this notice and return it in accordance with the instructions printed on the Form of Proxy as soon as possible. It must be received by 10.00 a.m. on 24 July 2018. If you wish to lodge your proxy and voting instructions online or via CREST then please see the Form of Proxy for details on how to do this.

If you have a Form of Instruction, please note the earlier deadline of 10.00 a.m. on 23 July 2018, for lodging your form or voting instructions online.

### **Business of the Meeting**

An explanation of the business to be considered at this year’s AGM appears on pages 10 to 14 of this document. Also note the shareholders’ FAQ and useful information on pages 15 to 16.

### **Dividend**

The Board is recommending for approval at the AGM a final dividend payment of 5.95 pence per ordinary share for the year ended 31 March 2018. If approved, the dividend will be payable on 24 August 2018 to holders of ordinary shares in the Company named on the Register of Members as at the close of business on 3 August 2018.

### **Directors**

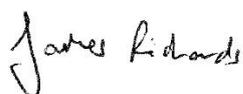
Following the departure of Simon Waugh, Malcolm McCaig and Manjit Wolstenholme, the Board welcomed the appointments of Sarah Ing, Clare Salmon and Paul Wainscott.

In accordance with the UK Corporate Governance Code, the new appointments will stand for election and all of the remaining Directors will stand for re-election by shareholders at the AGM. Biographical details of each Director seeking election or re-election are included on pages 50 to 51 of the Annual Report and Accounts.

### **Recommendation**

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you vote in favour of them.

Yours sincerely,



James Richards  
Chairman

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given** that the 2018 Annual General Meeting (“AGM”) of CMC Markets plc (the “Company”) will be held at 133 Houndsditch, London EC3A 7BX on 26 July 2018 at 10.00 a.m. for the following purposes.

Resolutions 16 to 19 (inclusive) will be proposed as special resolutions, which means that for each of these to be passed at least 75% of the votes cast must be in favour of the resolution. All other resolutions will be proposed as ordinary resolutions, which means that for each of these to be passed, more than 50% of the votes cast must be in favour of the resolution.

### Ordinary Business

1. To receive the Company’s accounts and the reports of the Directors and Auditors for the year ended 31 March 2018 (“Annual Report & Accounts”).
2. To declare a final dividend of 5.95 pence per ordinary share for the year ended 31 March 2018, payable on 24 August 2018 to holders of ordinary shares in the Company named on the Register of Members as at the close of business on 3 August 2018.
3. To elect Paul Wainscott as a Director.
4. To elect Sarah Ing as a Director.
5. To elect Clare Salmon as a Director.
6. To re-elect James Richards as a Director.
7. To re-elect Peter Cruddas as a Director.
8. To re-elect David Fineberg as a Director.
9. To re-elect Grant Foley as a Director.
10. To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
11. To authorise the Group Audit Committee to determine the remuneration of the Auditor.

### Special business

12. To approve the Directors’ Remuneration Policy set out on pages 69 to 76 in the Annual Report & Accounts for the year ended 31 March 2018.
13. To approve the Directors’ Remuneration Report, set out on pages 66 to 82 in the Annual Report & Accounts for the year ended 31 March 2018 (excluding the Directors’ Remuneration Policy set out on pages 69 to 76).
14. That the rules of the CMC Markets plc Combined Incentive Plan (the “CIP”), the principal terms of which are summarised in the Appendix to this notice and a copy of which is produced to the meeting and signed by the Chairman for the purposes of identification, be approved and the Board be authorised to:
  - (i) do all such other acts and things as they may consider necessary to implement and operate the CIP, including making such modifications as the Board considers appropriate to take account of the requirements of the UK Listing Authority and best practices and liaising with the trustees of the

Company's employee benefit trust in order to facilitate the grant of awards and delivery of cash and shares under the CIP; and

- (ii) establish such further plans for the benefit of employees overseas based on the CIP, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation, provided that any shares of the Company made available under such further plans are treated as counting against any plan limits in the CIP.

15. That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:

- (i) up to a nominal amount of £24,084,029;
- (ii) comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £24,084,029 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006 and to expire at the end of the next AGM or on 30 September 2019, whichever is the earlier, but, in each case, so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority given by this resolution has expired.

For the purposes of this Resolution, "**rights issue**" means an offer to:

- (I) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (II) people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe further securities by means of the issue of a renounceable letter (or other negotiable instrument) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

16. That subject to the passing of Resolution 15 above, the Directors be authorised to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:

- (i) pursuant to the authority given by paragraph (i) of Resolution 15 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act 2006 in each case:
  - (a) in connection with a pre-emptive offer; and
  - (b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £3,612,604; and
- (ii) pursuant to the authority given by paragraph (ii) of Resolution 15 above in connection with a pre-emptive rights issue,

as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment;

such authority to expire at the end of the next Annual General Meeting of the Company or at the close of business on 30 September 2019, whichever is the earlier but so that the Company may, before such expiry, 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 given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

For the purposes of this Resolution:

- I. **“rights issue”** has the same meaning as in Resolution 15 above;
- II. **“pre-emptive offer”** means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other equity securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- III. references to an allotment of equity securities shall include a sale of treasury shares; and
- IV. the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.
17. That, subject to the passing of Resolution 15 above and in addition to any authority granted under Resolution 16 above, the Directors be authorised to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash pursuant to the authority given by Resolution 15 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act 2006 as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment, such authority to be:
  - (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £3,612,604; and
  - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of Directors 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,

such authority to expire at the end of the next Annual General Meeting of the Company or at the close of business on 30 September 2019, whichever is the earlier, but so that the Company may, before such expiry, 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 given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

18. That the Company be and is hereby unconditionally and generally authorised for the purpose of Section 701 of the Companies Act 2006 to make market purchases (as defined in Section 693 of that Act) of ordinary shares of 25 pence each in the capital of the Company provided that:
- (a) the maximum number of shares which may be purchased is 28,900,835;
  - (b) the minimum price which may be paid for each share is 25 pence;
  - (c) the maximum price which may be paid for a share is an amount equal to the higher of (a) 105 per cent of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which such share is contracted to be purchased and (b) the higher of the price of the last independent trade and the highest current bid as stipulated by Commission-adopted Regulatory Technical Standards pursuant to article 5(6) of the Market Abuse Regulation; and
  - (d) this authority shall expire at the conclusion of the Annual General Meeting of the Company held in 2019 or, if earlier, 30 September 2019 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.
19. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

BY ORDER OF THE BOARD



Jonathan Bradshaw  
Company Secretary

6 June 2018

Registered in England and Wales No. 05145017

Registered Office: 133 Houndsditch, London EC3A 7BX

Legal Entity Identifier (LEI): 213800VB75KAZBFH5U07

## Notes

### Proxy appointment

1. A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, speak and vote at the Annual General Meeting (AGM). A proxy need not be a shareholder of the Company. 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.
2. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
3. A form of proxy is enclosed. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person.
4. To appoint a proxy the form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be either (a) sent to the Company's Registrars Link Asset Services of PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with Note 12 below or (c) the proxy appointment must be registered electronically, by visiting the Company's Registrar's website [www.cmcmarketsshares.co.uk](http://www.cmcmarketsshares.co.uk) where full details of the procedures are given, in each case so as to be received no later than 10.00 a.m. on 24 July 2018.

If you have a Form of Instruction, please note the earlier deadline of 10.00 a.m. on 23 July 2018, for lodging your form or voting instructions online.

### Nominated persons

5. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

### Information about shares and voting

6. Holders of ordinary shares are entitled to attend and vote at general meetings of the Company. The total number of issued ordinary shares in the Company on 6 June 2018, which is the latest practicable date before the publication of this document is 289,008,354, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 6 June 2018 are 289,008,354.

### Right to attend and vote

7. Entitlement to attend and vote at the meeting, and the number of votes which may be cast at the meeting, will be determined by reference to the Company's register of members at close of business on 24 July 2018 or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.

### Venue arrangements

8. To facilitate entry to the meeting, members are requested to bring with them the admission card which is attached to the proxy card.
9. Members should note that the doors to the AGM meeting room will be open at 9.30 a.m. (Shareholder registration from 9.00 a.m.).
10. Mobile phones may not be used in the meeting room. Cameras and recording equipment are not allowed in the meeting room.

### CREST members

11. 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 of the meeting) by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made by means of CREST 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 (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message (regardless of whether it constitutes the appointment of a proxy or 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 RA10 by the latest time(s) for receipt of proxy appointments specified in Note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means.

13. 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, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. 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.

#### **Corporate representatives**

15. 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.

#### **Audit concerns**

16. Shareholders should note that, under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM for the financial year beginning 1 April 2017; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 April 2017 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 (requirements as to website availability) of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 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 AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

#### **Questions**

17. Any member or their proxy attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (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.

#### **Website information**

18. A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at [www.cmcmarkets.com/group/](http://www.cmcmarkets.com/group/).

#### **Voting by poll**

19. Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the board considers it a more democratic method of voting. Members and proxies attending the meeting will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the UK Listing Authority once the votes have been counted and verified.

**Use of electronic address**

20. Members may not use any electronic address provided in either this notice of meeting or any related documents (including the enclosed form of proxy) to communicate with the Company for any purposes other than those expressly stated.

**Documents available for inspection**

21. Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 133 Houndsditch, London EC3A 7BX up to and including the date of the AGM and at the Company's registered office from 15 minutes before the AGM until it ends:

- the executive directors' service contracts
- letters of appointment of the non-executive directors; and
- rules of the Combined Incentive Plan ("CIP")

## EXPLANATORY NOTES TO THE RESOLUTIONS

The following pages give an explanation of the proposed resolutions.

Resolutions 1 to 15 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than 50% of the votes cast must be in favour of the resolution.

Resolutions 16 to 19 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least 75% of the votes cast must be in favour of the resolution.

Under the Listing Rules, Peter Cruddas and Fiona Cruddas are classed as “controlling shareholders” of the Company. This means that the independent non-executive Directors of the Company must be elected or re-elected by a majority of the votes cast by the independent shareholders of the Company, as well as by a majority of the votes cast by all the shareholders. The independent shareholders of the Company, means all the shareholders of the Company other than Peter Cruddas and Fiona Cruddas. Therefore, the resolutions for the election of the independent non-executive Directors (Resolutions 3 to 6) will be taken on a poll and the votes cast by the independent shareholders and by all the shareholders will be calculated separately. Such resolutions will be passed only if a majority of the votes cast by the independent shareholders are in favour, in addition to a majority of the votes cast by all the shareholders being in favour.

If the ordinary resolution to approve the election of an existing independent non-executive Director is passed, but separate approval by the independent shareholders is not given, the Listing Rules permit an existing independent non-executive Director to remain in office pending a further ordinary resolution of all the shareholders to approve the election of the Director. Such a resolution may only be voted on within the period of between 90 days and 120 days following the date of the original vote.

### **Resolutions 3-9: Election or Re-election of Directors**

In accordance with the recommendations of the UK Corporate Governance Code (the Code), all Directors are seeking election or re-election at this and separate resolutions are proposed for each. As explained in the Nomination Committee section of the Annual Report & Accounts, a formal Board performance evaluation was not undertaken during the financial year ended 31 March 2018. However, the Chairman confirms that all Directors standing for election or re-election at the 2018 AGM continue to be effective and demonstrate commitment to their roles. Biographical details for these Directors are provided on pages 50 to 51 of the Annual Report & Accounts.

None of the independent non-executive Directors seeking election or re-election at the 2018 AGM has any existing or previous relationship with the Company, nor with any controlling shareholder of the Company or any associate of a controlling shareholder of the Company within the meaning of LR 13.8.17 R (1).

The Company’s Nomination Committee considers the appointment and replacement of Directors subject to the rules set out in the Company’s Articles of Association. The Nomination Committee will normally engage an independent search consultant with no connection to the Company to find appropriate candidates for the Board with the requisite skills, and in doing so will take account of relevant guidelines and legislation relating to the appointment of individuals to boards. The Nomination Committee may also consider candidates introduced to the Company from other sources.

In considering the independent non-executive Directors’ independence, the Board has taken into consideration the guidance provided by the UK Corporate Governance Code. The Board considers

James Richards, Paul Wainscott, Sarah Ing and Clare Salmon to be independent in accordance with Provision B.1.1 of the UK Corporate Governance Code.

#### **Resolutions 10 and 11: Re-election of Auditor and Auditor's remuneration**

The Company is obliged by law to appoint the Auditor annually. PricewaterhouseCoopers LLP were first appointed as Auditor at the 2010 AGM. This resolution proposes that PricewaterhouseCoopers LLP be reappointed as the Company's Auditor. In Resolution 11, shareholders are being asked to authorise the Group Audit Committee to determine the remuneration of the Company's Auditor.

#### **Resolution 12: Directors' Remuneration Policy**

The Companies Act 2006 requires the Company to ask shareholders to approve the Directors' Remuneration Policy. This is set out on pages 69 to 76 of the Annual Report & Accounts for the year ended 31 March 2018. Resolution 12 is a binding vote. If approved by shareholders, the Directors' Remuneration Policy will take effect immediately after the end of the 2018 AGM and will apply until replaced by a new or amended policy.

#### **Resolution 13: Directors' Remuneration Report**

This resolution deals with the remuneration paid to the Directors during the year under review. Shareholders are invited to vote on the Directors' Remuneration Report (excluding the Directors' Remuneration Policy set out on pages 69 to 76 of the Annual Report & Accounts) which appears on pages 66 to 82 of the Annual Report & Accounts. Resolution 14 is an advisory vote and does not determine the Directors' remuneration arrangements.

#### **Resolution 14: Combined Incentive Plan**

The Company is seeking shareholders' approval to adopt the CIP. The Directors, following a recommendation from the Remuneration Committee, propose to implement the CIP as a unified short and long term incentive plan. The CIP is designed to support the Company's remuneration strategy for executives and key senior employees and enables the delivery of cash and deferred share awards which relate to company and participant performance over a financial year. Awards under the CIP will be made following each financial year, subject to satisfaction of company, personal and strategic performance targets set by the Remuneration Committee and as set out in the Directors' Remuneration Policy. Awards for Executive Directors will comprise: (i) cash (replacing the existing annual bonus short term incentive arrangement and for Executive Directors will initially form 45% of the grant award value) and (ii) deferred share awards (as to 55% of the remaining grant award value)<sup>1</sup>. Share awards will vest over five years from grant subject to a three year performance underpin target set and measured by the Remuneration Committee as well as continued employment. For Executive Directors the deferred share awards will vest in three tranches on the third, fourth and fifth anniversaries of grant. The directors consider the CIP to be a simplified reward and incentive arrangement which aligns effectively with the strategic objectives of the Company and the objectives of the Directors' Remuneration Policy. The CIP will also enable the Company to align the interests of key employees, executives with those of shareholders, and to recruit, retain and motivate key staff.

A summary of the principal terms of the CIP is set out in the Appendix to this notice. A copy of the rules of the CIP will be available for inspection during normal business hours on Monday to Friday each week (public holidays excepted) at the Company's Registered Office: 133 Houndsditch, London EC3A 7BX, from the date of this document up to and including the date of the 2018 AGM

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<sup>1</sup> The current CEO will not be eligible for share awards under the CIP.

and at the place of the 2018 AGM from 15 minutes before start of the meeting until the close of the meeting.

#### **Resolution 15: Authority to allot shares**

The purpose of Resolution 15 is to renew the Directors' power to allot shares.

The authority in paragraph (i) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal value of £24,084,029, which is equivalent to approximately 33 per cent of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 6 June 2018.

The authority in paragraph (ii) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £24,084,029, which is equivalent to approximately 33 per cent of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 6 June 2018. This is in line with the Investment Association's Share Capital Management Guidelines issued in July 2016.

At 6 June 2018, the Company did not hold any shares in treasury.

There are no present plans to undertake a rights issue or to allot new shares other than in connection with employee share and incentive plans. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

If the resolution is passed the authority will expire on the earlier of 30 September 2019 and the end of the AGM in 2019.

#### **Resolutions 16 and 17 – Disapplication of pre-emption rights**

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The Pre-Emption Group's Statement of Principles supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than 5 per cent of issued ordinary share capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of Resolution 16 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 15, or sell treasury shares, for cash (I) in connection with a pre-emptive offer or pre-emptive rights issue or (II) otherwise up to a nominal value of £3,612,604, equivalent to five per cent of the total issued ordinary share capital of the Company excluding treasury shares, as at 6 June 2018, without the shares first being offered to existing shareholders in proportion to their existing holdings.

At 6 June 2018, the Company did not hold any shares in treasury.

The Pre-Emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than an additional 5 per cent of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits

attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group in May 2016, the purpose of Resolution 17 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 15, or sell treasury shares, for cash up to a further nominal amount of £3,612,604, equivalent to 5 per cent of the total issued ordinary share capital of the Company as at 6 June 2018, exclusive of treasury shares, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in Resolution 17 is used, the Company will publish details of the placing in its next annual report.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles and not to allot shares or other equity securities or sell treasury shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 16 in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company, excluding treasury shares, within a rolling three-year period, other than:

- (i) with prior consultation with shareholders; or
- (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The Board has no current intention of exercising the authorities in Resolutions 16 and 17 but considers them to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

If Resolutions 16 and 17 are passed the authority will expire on the earlier of 30 September 2019 and the end of the AGM in 2019.

#### **Resolution 18 – Purchase of own shares**

The effect of this resolution is to renew the authority granted to the Company to purchase its own ordinary shares, up to a maximum of 28,900,835 ordinary shares, until the AGM in 2019 or 30 September 2019 whichever is the earlier. This represents 10% of the ordinary shares in issue as at 6 June 2018 and the Company's exercise of this authority is subject to the stated upper and lower limits on the price payable.

Although there is no current intention to do so but if any shares are purchased, they will be either cancelled or held as treasury shares, as determined by the Directors at the time of purchase. Shares will only be purchased for the purposes of employee share schemes, or if the Directors consider such purchases to be in the best interests of shareholders generally and that they can be expected to result in an increase in earnings per share. The authority will only be used after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Company. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

As at 6 June 2018 (being the latest practicable date prior to the publication of this Notice), there were 4,362,471 outstanding share options and awards granted under all share option schemes

operated by the Company and NIL outstanding warrants, which, if exercised would represent 1.49% of the issued ordinary share capital of the Company. If this authority were exercised in full, that percentage would increase to 1.65%.

**Resolution 19: Notice of general meetings**

Under the Companies Act 2006, the notice period required for all general meetings of the Company is 21 days. AGMs will always be held on at least 21 clear days' notice but shareholders can approve a shorter notice period for other general meetings, as long as this is not less than 14 clear days.

In order to maintain flexibility for the Company, Resolution 19 seeks such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. As at 6 June 2018 there was no intention by the Board to call a general meeting using the shorter 14 days' notice period.

## **Shareholders' frequently asked questions and useful information**

### **If you wish to attend the 2018 AGM**

There is a map showing the offices of CMC Markets plc on the reverse of the attendance card.

Please bring your attendance card (attached to the Form of Proxy) with you as this will help with registration formalities.

### **How do I contact Link?**

#### By phone

Tel: 0871 664 0300

Calls cost 12p per minute plus your phone's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Please have the Form of Proxy or voting form to hand as you may be asked to quote your shareholder reference number.

#### By mail

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

### **What is a proxy and who can be one?**

A proxy is someone appointed by you to attend the meeting and vote on your behalf. This can be a person of your choosing or the Chairman of the meeting. A proxy does not need to be a shareholder in the Company but must attend the meeting if your votes are to be cast.

### **How do I return the proxy or voting form?**

Please use the enclosed envelope. Postage is already paid if mailed in mainland UK. If you mail these documents from overseas, you must pay the appropriate local postage costs.

### **Can I lodge my proxy and voting instructions online?**

Yes. Please see the Form of Proxy for details on how to do this.

**The day of the 2018 AGM**

Doors open for shareholder registration at 9.00 a.m. Light refreshments will be available. Shareholders will be invited to take seats in the meeting room from 9.30 a.m. for a 10.00 a.m. start to the meeting. The final poll results will be released to the London Stock Exchange following the meeting. The aforementioned times are indicative only and may be subject to change.

**Note regarding future AGMs**

Please note that for future AGMs from 2019, shareholders will not receive a Form of Proxy in the post. Instead, shareholders will receive instruction to vote and how to register to do so. Shareholders will still be able to vote in person at future AGMs and may request a hard copy Form of Proxy directly from the Registrar.

## APPENDIX

### CMC Markets plc– Combined Incentive Plan (“CIP”)

#### Operation

The Company’s board of directors (the “**Board**”) will adopt the CIP, subject to shareholder approval. The remuneration committee of the Board (the “**Committee**”) will operate the CIP.

#### Eligible employees

Any employee of the Company or any of its subsidiaries (the “**Group**”), is eligible to participate in the CIP, subject to the discretion of the Committee. Non-executive directors are not eligible to participate in the CIP. Awards will ordinarily be granted to executive directors and senior managers of the Group. The Company’s current CEO will be eligible to receive cash awards but not share awards under the CIP.

Awards will not usually be granted to an employee who on the award date has given or received notice of termination of employment, unless the Committee determines otherwise.

#### Grant of awards

Awards will be granted by the Committee following the end of a financial year (“**Awards**”).

Awards will have two parts: (i) a cash award (“**Cash Award**”) and a share based award (“**Share Award**”). Share Awards will be made either as a conditional right to receive shares or as an option over shares.

Where a Share Award is granted as an option, the exercise price (if any) payable to acquire shares on exercise will be determined by the Committee and may, if the Committee sees fit, be nil or equal to the nominal value of a share.

At grant, the Committee will determine the value of the Award based on the achievement of applicable performance conditions during the previous financial year. For executive directors, 45% of the value of the Award will ordinarily be made as a Cash Award, with the remaining amount, forming a Share Award subject to the conditions imposed by the Group’s prevailing shareholder approved Directors’ Remuneration Policy. These proportions may be varied for more junior employees who participate in the CIP.

Awards may be granted during the period of: (i) 42 days following shareholder approval of the CIP, (ii) 42 days following the announcement of the Company’s final or interim results for any financial period, or (iii) within 42 days following the occurrence of an event which the Board considers to be exceptional, or (iv) within 42 days of the recruitment of an eligible employee.

If it is not possible to make the grant due to a dealing restriction imposed by the UK Listing Rules or other regulatory restriction, then awards may be granted within 42 days of the date the restriction ceases to apply.

No awards may be granted more than 10 years after the adoption of the CIP. The rights of existing participants will not be affected by any termination of the CIP.

Awards may be granted over newly issued shares, treasury shares or shares purchased in the market. Awards may be made on terms such that if the participant does not wish to accept the grant of an award then they will be required to inform the Company within 30 days of the date of grant.

Except as required by foreign laws, awards will not form part of a pensionable earnings. Awards are not transferable (other than on death). No payment will be required for the grant of an Award.

### **Vesting and Performance Conditions**

Cash Awards will be paid to the employee as soon as practicable following the date of grant of the Award.

Unless the Committee determines otherwise, Share Awards will be subject to the satisfaction of a performance condition underpin measured over three years from grant which will determine the proportion (if any) of the Share Award to vest. Share Awards made to the Company's executive directors will always be subject to performance conditions.

Performance conditions may be varied in certain circumstances following the grant of an award so as to achieve their original purpose, but not so as to make their achievement materially less or more difficult to satisfy.

Share Awards made to executive directors will ordinarily vest over five years subject to the conditions imposed by the Group's prevailing shareholder approved Directors' Remuneration Policy as follows:

- 40% of the award will vest on the third anniversary of the date of grant;
- a further 30% of the award will vest on the fourth anniversary of the date of grant; and
- the final 30% of the award will vest on the fifth anniversary of the date of grant.

The Committee will have discretion to choose other vesting and deferral terms and proportion for more junior employees although awards will not ordinarily be permitted to vest earlier than the third anniversary of grant.

The Committee may also decide to satisfy Share Awards in cash provided the participant receives the same economic value as would have been provided by an award over shares. The Cash Award may not be substituted for Share Awards.

### **Performance Condition**

Awards made in respect of the financial year 2018/19 will be made subject to a performance condition comprised of three elements:

- 60% of the award will be measured against an earnings per share ("EPS") condition;
- 30% of the award will be measured against a strategic performance condition based on a combination of:

- (i) achieving a Net Promotor Score (NPS) target measured against industry research findings whereby threshold vesting will be achieved for median performance and maximum vesting for upper quartile performance;
  - (ii) annual premium client growth in excess of 5% for threshold vesting and 10% for maximum vesting;
  - (iii) regulatory compliance;
  - (iv) staff engagement (measured through annual surveys); and
  - (v) annual strategic objectives set by the Committee; and
- 10% of the award will be measured against achievement of personal objectives comprising:
    - (i) performance of the individual against objective CMC conduct, culture and values; and
    - (ii) other personal objectives set by the Committee.

Awards in respect of later financial years will be made subject to a performance condition determined by the Committee in accordance with the terms of the prevailing shareholder approved Directors' Remuneration Policy

### **Deferred Share Award Period**

As noted above, the Share Award will ordinarily vest subject to a performance underpin measured over a three year deferral period starting on the date of grant.

In assessing the underpin on the third anniversary the Committee will have regard to the Company's performance over the deferral period and the threshold level of success achieved. The review will take into account the Company's Total shareholder return, aggregate profit levels and regulatory breaches during the deferral period.

If the underpin is not met, the Share Award will not vest and will immediately lapse.

The vesting of Share Awards will also be subject to continued employment with the Group and any other terms or conditions, that the Committee determines at the date of grant.

### **Dividend Equivalents**

Participants may be entitled to receive additional shares (or cash) representing the value of dividends declared between the date of grant and the date of vesting (or exercise in the case of an option) on the number of shares subject to the participant's award which have vested (or have been exercised in the case of an option). Such dividend equivalent awards can be made on the basis that dividends have been reinvested during the deferral period into shares. Any cash or shares so awarded will not count towards the plan and individual limits summarised in 'Limits' below.

### **Malus and Clawback**

The Committee may, at the time of vesting or at any time before, defer or reduce the vesting of awards (including to nil) in certain exceptional circumstances, which will include those set out below ("**Relevant Events**"):

- there has been a materially adverse misstatement or misrepresentation of the Company's financial statements or the results of any member of the Group or part thereof;
- the participant (or the participant's team), in the opinion of the Committee, has engaged in gross misconduct, fraud or conduct which has resulted in significant losses (as determined by the Committee); and / or
- the Company or any member of the Group has suffered serious reputational damage or financial downturn, as a result of any action taken by the participant (or the participant's team).

These provisions will allow the Committee to vary, reduce, defer or impose additional conditions to any Award under the CIP or any other incentive plan operated by any member of the Group,

Such reduction or cancellation may take place via clawback until two years from the last date of vesting of an award or in connection with the malus and clawback provisions of any other incentive plan operating by any member of the Group.

These provisions can be extended (for example, vesting may be delayed or deferred or any holding period extended) where the Committee are investigating whether such Relevant Events have taken place.

## **Limits**

### *(a) Company dilution limit*

No Share Award may be granted if such Share Award would cause:

- (i) in any ten year period, the number of shares which may be issued in respect of awards granted under the CIP and under any other discretionary share plan adopted by the Company to exceed 5% of the issued ordinary share capital of the Company from time to time; or
- (ii) in any ten year period, the number of shares which may be issued in respect of awards granted under the CIP and under any other employees' share plan adopted by the Company to exceed 10% of the issued ordinary share capital of the Company from time to time.

For the purposes of these limits, no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Shares held in treasury will be treated as newly issued Shares for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise, but (for the avoidance of doubt) shares acquired in the market will not.

In addition, no account will be taken of shares which are issued and which represent the value of dividends declared during the period between grant and vesting (or exercise, in the case of an option) on the number of shares subject to the participant's award which have vested (or have been exercised in the case of an option). The Company may settle awards made under the CIP using shares held in an employee benefit trust ("**EBT**").

### *(b) Individual limit*

The combined limit for Cash Awards and Share Awards granted to executive directors may only be made in accordance with the limits relating to Cash Awards and Share Awards set out in the Directors' Remuneration Policy (as set out in the Directors' Remuneration Report to the Company's annual report and accounts). The combined limit for Cash Awards and Share Awards to Employees (excluding executive directors) in respect of a particular Financial Year may not at the Grant Date exceed 300 per cent. of the Participant's Salary

In order to calculate the size of a Share Award for the purposes of this limit, market value will be determined by reference to the Company's closing share price immediately prior to the date of grant. Alternatively, the Committee has discretion to refer to the Company's share price on such other basis as it (in its absolute discretion) sees fit.

In applying this limit no account will be taken of any dividend equivalent cash or share award.

### **Vesting, Exercise and Taxation**

Within 30 days of vesting and/or the receipt of a notice of exercise of a Share Award, together with a payment (or arrangements to pay) for the aggregate exercise price due (if any) and a payment (or arrangements to pay) for any income tax and employee social security contributions (or similar liabilities) due, the shares in respect of which the award has vested or been exercised must be issued by the Company or the Company must procure their transfer (which for the purposes of the CIP includes the transfer of shares out of treasury or from an EBT) to the participant and shall issue a definitive certificate in respect of the shares allotted or transferred. Shares issued or transferred by the Company on the exercise and/or vesting of Share Awards will rank pari passu with existing shares.

Vesting and exercise of Share Awards (in the case of options) will be conditional upon the participant paying any taxes and employee social security contributions (or similar liabilities) due.

### **Leavers**

Ordinarily, if a participant gives or receives notice of termination of office or employment with the Group, any unvested Share Award held by that participant shall lapse.

A vested but unexercised option must usually be exercised by the date of notice is given/received or will otherwise lapse.

If a participant ceases to hold office or be employed by the Group by reason of retirement or redundancy, the sale of the business or entity that employs them out of the Group or the transfer of their employment out of the Group or for any other reason at the Committee's discretion (each, a "Good Leaver Reason"), unvested Share Awards:

- (i) during the deferral period (and before the performance underpin has been tested):

the Share Award will continue to subsist until the performance underpin is reviewed by the Committee. The Share Award will, unless the Committee determines otherwise, be reduced taking into account the proportion of the deferral period which has elapsed from the date of grant to the date on which the participant ceases to hold office or be employed by the Group

("time pro-rating"). If the underpin is met, the Share Award will vest in full (with no subsequent deferral). Options must be exercised within 12 months of vesting.

(ii) after the deferral period (and after the performance underpin has been tested):

If the underpin was met, the Share Award will vest in full (with no subsequent deferral). Options must be exercised within 6 months of vesting.

On death or the permanent mental or physical incapacity of a participant, their Share Award will automatically vest on death or the date the participant ceases employment and the Committee will determine vesting by reference to the extent to which the performance underpin (or other condition) has been met at the time of death or ceasing employment instead (unless it decides to waive the underpin). Awards will also be subject to pro-rating as above, unless the Committee determines otherwise. Unvested and vested options held at the time of death must in these circumstances be exercised within 12 months of death.

If a participant ceases to hold office or employment with the Group in any other circumstances an unvested award will lapse on the date they give or receive notice to end their office or employment with any member of the Group.

### **Corporate events**

A corporate event means:

- a takeover or compulsory acquisition of the Company;
- a scheme of arrangement or compromise being sanctioned in respect of the Company;
- winding up of the Company; or
- such other event determined by the Committee to constitute a corporate event for the purposes of this rule.

The deferral period relating to awards will end on the date that the corporate event takes place.

If a corporate event occurs, the Committee will have discretion to decide whether participants' unvested Share Awards will vest on a pro-rated basis and in whether to account for the extent to which performance underpin has been satisfied at that time.

Alternatively, the Committee may permit Share Awards to be exchanged for equivalent awards which relate to shares in an acquiring company. Such exchange will usually apply (such that awards may not vest) on an internal reorganisation of the Company, although the Committee will have discretion not to enforce an exchange if it considers appropriate.

### **Variation of share capital**

In the event of a capitalisation issue or offer by way of rights (including an open offer) or a demerger, or upon any consolidation, subdivision or reduction or other variation of the Company's capital which will materially affect the value of the Company's shares, the number of shares subject to a Share Award and/or the exercise price (if any) may be adjusted in such manner as the Committee considers

appropriate. Special dividends may also trigger such adjustment only where the Share Award is not otherwise subject to dividend equivalents.

## **Amendments**

Amendments to the rules of the CIP may be made at the discretion of the Board. However, the provisions governing eligibility requirements, plan limits, individual participation limits and the adjustments that may be in connection with a variation of capital cannot be altered to the advantage of participants without prior shareholder approval.

This requirement does not apply to minor amendments to benefit the administration of the CIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the group.

The Board may add to, vary or amend the rules of the CIP by way of a separate schedule in order that the CIP may operate to take account of local tax, securities laws and regulatory treatment for participants or the relevant group company, provided that the parameters of these arrangements will provide no greater benefits than provided pursuant to the rules of the CIP as summarised in this Appendix.

**Note:** This Appendix summarises the main features of the CIP rules, but does not form part of them, and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the rules. The rules governing the CIP are available for inspection at the Company's registered address of 133 Houndsditch, London, EC3A 7BX, during usual office hours (Saturdays, Sundays and statutory holidays excepted) from the date of despatch of the Chairman's letter up to and including the date of the Annual General Meeting of the Company, and at the meeting itself. The directors reserve the right, up to the time of the meeting, to make such amendments and additions to the rules of the CIP as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix.

