

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 30 JULY 2020**

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Notice of the 2020 Annual General Meeting of the Company to be held at 133 Houndsditch, London, EC3A 7BX (or, if permitted under applicable law at the time of the AGM, by other means, including electronic means) on 30 July 2020 at 12.00 p.m.

Dear Shareholder,

## Notice of Annual General Meeting 2020

I am pleased to be writing to you with details of the 2020 Annual General Meeting ("AGM") which will be held at 133 Houndsditch, London, EC3A 7BX (or, if permitted under applicable law at the time of the AGM, by other means, including electronic means) on 30 July 2020 at 12.00 p.m.

The Board is closely monitoring the evolving Covid-19 situation and public health concerns in the United Kingdom. However, under the UK government's current guidance on social distancing and prohibition on public gatherings and in reliance on new legislation, which is expected to come into force prior to the date of the AGM, the Board has made the decision to hold the AGM as a closed meeting. Accordingly, it will not be possible for shareholders to attend the AGM. The Board expects only the Chairman and a very limited number of Directors to be in attendance at the AGM to ensure a quorum and to conduct the business of the meeting. I would like to thank all shareholders for their co-operation and understanding in these challenging and unprecedented times.

The Board very much regrets that, as things currently stand, it will be necessary to restrict attendance at the AGM, but the health and wellbeing of employees, shareholders and the wider community in which the Company operates is of paramount importance for the Board. However, the Board is also committed to ensuring that shareholders can exercise their right to vote and ask questions in advance of the AGM.

Given the potential for the Covid-19 situation in the UK to change rapidly, the Board will keep the situation under review and may need to make further changes to the arrangements relating to the meeting, including how it is conducted. Shareholders should continue to monitor the Company's website and announcements for any updates in relation to the AGM.

The formal notice of AGM is set out on pages 3 to 4 of this document.

### Action to be taken

Shareholders are strongly encouraged to vote on the resolutions to be proposed at the AGM. However, given the guidance regarding precautions to be taken in light of the Covid-19 outbreak, shareholders should vote by proxy given they will not be able to attend the AGM.

Shareholders are able to complete and return a form of proxy in accordance with the procedures set out in notes 2 – 7 on page 5 in order to vote in advance of the AGM. It is recommended that shareholders appoint the Chairman of the AGM as their proxy which will ensure that their votes are able to be cast in accordance with their wishes. If shareholders appoint someone other than the Chairman of the meeting as their proxy then their proxy will not be able to attend and vote on the shareholder's behalf at the AGM.

The Company is not distributing a hard copy form of proxy unless specifically requested and Shareholders are encouraged to vote electronically.

If you have a Form of Instruction, please note the earlier deadline of 12.00 p.m. on 27 July 2020, 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 7 to 8 of this document. Also note the shareholders' FAQ and useful information on page 8.

### Questions and answers

As attendance at the AGM will not be permitted, shareholders may raise questions to be considered in advance of the AGM via email to [CMCAGMQs@cmcmarkets.com](mailto:CMCAGMQs@cmcmarkets.com). Questions may be submitted up to 12.00 p.m. on 28 July 2020. Responses to any such questions will be posted for general view at [www.cmcmarkets.com](http://www.cmcmarkets.com).

### Dividend

The Board is recommending for approval at the AGM a final dividend payment of 12.18 pence per ordinary share for the year ended 31 March 2020. If approved, the dividend will be payable on 11 September 2020 to holders of Ordinary Shares in the Company named on the Register of Members as at the close of business on 7 August 2020.

### Directors

In accordance with the UK Corporate Governance Code, all of the current Directors will stand for re-election by shareholders at the AGM. Biographical details of each Director seeking re-election are included on pages 54 to 55 of the Annual Report & 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 2020 Annual General Meeting (“AGM”) of CMC Markets plc (the “Company”) will be held at 133 Houndsditch, London, EC3A 7BX (or, if permitted under applicable law at the time of the AGM, by other means, including electronic means) on 30 July 2020 at 12.00 p.m. for the following purposes.

Resolutions 15 to 18 (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 2020 (“Annual Report & Accounts”).
2. To declare a final dividend of 12.18 pence per ordinary share for the year ended 31 March 2020, payable on 11 September 2020 to holders of ordinary shares in the Company named on the Register of Members as at the close of business on 7 August 2020.
3. To re-elect James Richards as a Director.
4. To re-elect Peter Cruddas as a Director.
5. To re-elect David Fineberg as a Director.
6. To re-elect Sarah Ing as a Director.
7. To re-elect Clare Salmon as a Director.
8. To re-elect Paul Wainscott as a Director.
9. To re-elect Euan Marshall as a Director.
10. To re-elect Matthew Lewis as a Director.
11. 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.
12. To authorise the Group Audit Committee to determine the remuneration of the auditor.

## Special business

13. To approve the Directors’ Remuneration Report, set out on pages 72 to 87 in the Annual Report & Accounts for the year ended 31 March 2020 (excluding the Directors’ Remuneration Policy set out on pages 74 to 81).
14. 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 £23,852,191; and
  - (ii) comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £23,852,191 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 2021, 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.

15. That subject to the passing of Resolution 14 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 14 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 £3,613,968; and
  - (ii) pursuant to the authority given by paragraph (ii) of Resolution 14 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 2021, 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 14 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 of Members 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

## Notice of Annual General Meeting continued

- 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.
16. That, subject to the passing of Resolution 14 above and in addition to any authority granted under 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 pursuant to the authority given by Resolution 14 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 £3,613,968; 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 2021, 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.
17. 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 28,911,747;
  - (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% 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 end of the next Annual General Meeting of the Company or at the close of business on 30 September 2021, whichever is the earlier (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.
18. 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



**Patrick Davis**  
Company Secretary

15 June 2020

Registered in England and Wales No. 05145017

Registered Office: 133 Houndsditch, London EC3A 7BX

Legal Entity Identifier (LEI): 213800VB75KAZBFH5U07

## Notes

### Covid-19

1. The Board is closely monitoring the evolving Covid-19 situation and public health concerns in the United Kingdom. However, under the UK government's current guidance on social distancing and prohibition on public gatherings and in light of new legislation which is expected to come into force prior to the date of the AGM, it will not be possible for shareholders to attend the Annual General Meeting (AGM). Shareholders are still strongly encouraged to vote on the resolutions to be proposed at the AGM, however, given the guidance regarding precautions to be taken in light of the Covid-19 outbreak, shareholders should vote by proxy and raise questions in advance of the AGM, given they will be unable to attend. Given the potential for the Covid-19 situation in the UK to change rapidly, the Board will keep the situation under review and may need to make further changes to the arrangements relating to the AGM, including how it is conducted. Shareholders should continue to monitor the Company's website and announcements for any updates in relation to the AGM.

### Proxy appointment

2. A member is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to vote at the 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.
3. Shareholders are strongly encouraged to appoint the Chairman of the AGM as their proxy which will ensure that their votes are able to be cast in accordance with their wishes. If shareholders appoint someone other than the Chairman of the AGM as their proxy then their proxy will not be able to attend and vote on the shareholders' behalf at the AGM.
4. 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).
5. A shareholder may only appoint a proxy using the procedures set out in these notes. The Company is not distributing a hard copy form of proxy unless specifically requested and shareholders are encouraged to vote electronically. Shareholders can submit a proxy vote by accessing the shareholder portal at [www.signalshares.com](http://www.signalshares.com), logging in and selecting the "Vote Online Now" link so as to be received no later than 12.00 p.m. on 28 July 2020. Shareholders will require their username and password in order to log in and vote. If a shareholder has forgotten a username or password a reminder can be requested via the shareholder portal. If a shareholder has not previously registered to use the portal, to do so a shareholder will require the investor code ("IVC") which can be found on a share certificate or dividend notification.

**For CREST members, see notes 11 to 14 below.**

6. A shareholder may request a hard copy form of proxy directly from the Company's Registrars, Link Asset Services, by telephone on 0371 664 0300. If a shareholder is outside the United Kingdom, please call +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Asset Services is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. 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 at 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 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 12.00 p.m. on 28 July 2020.

7. If you are a participant of the Corporate Sponsored Nominee, as for the shareholders above a hard copy Form of Instruction is not being distributed. You can vote online at [www.cmcmarketsshares.co.uk](http://www.cmcmarketsshares.co.uk) by the earlier deadline of 12.00 p.m. on 27 July 2020. If you would like to complete a physical Form of Instruction then please call Link on 0371 664 0300 to request a copy to be sent for your completion and return.

### Nominated persons

8. 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

9. While holders of ordinary shares are ordinarily entitled to attend and vote at general meetings of the Company, given the current circumstances, shareholders will be unable to attend and vote at the AGM, but will be able to submit their votes by proxy. The total number of issued ordinary shares in the Company on 15 June 2020, which is the latest practicable date before the publication of this document is 289,117,473, carrying one vote each on a poll. Therefore, the total number of votes exercisable as at 15 June 2020 is 289,117,473.

### Right to vote

10. Entitlement to 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 28 July 2020 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.

### 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.

## Notes continued

### CREST members continued

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 5 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 2019; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning 1 April 2019 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. As attendance at the AGM will not be permitted, shareholders and their proxies will have the opportunity to ask questions in advance of the AGM. Questions may be submitted up to 12.00 p.m. on 28 July 2020. Shareholders may submit questions to the Board in advance of the AGM via email to [CMCAGMQs@cmcmarkets.com](mailto:CMCAGMQs@cmcmarkets.com). Responses to any such questions will be posted for general view at [www.cmcmarkets.com](http://www.cmcmarkets.com).

### 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](http://www.cmcmarkets.com).

### Voting by poll

19. Each of the resolutions to be put to the meeting will be voted on by poll through the votes of appointed proxies. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. Appointed proxies will be required to submit votes on behalf of members in accordance with instructions issued by members at the time of appointment. 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 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 by prior appointment:
  - the Executive Directors' service contracts; and
  - letters of appointment of the Non-Executive Directors.

## Explanatory notes to the resolutions

The following pages give an explanation of the proposed resolutions.

Resolutions 1 to 14 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 15 to 18 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, 6, 7 and 8) 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 3-8: 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 AGM 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 2020. However, the Chairman confirms that all Directors standing for election or re-election at the 2020 AGM continue to be effective and demonstrate commitment to their roles. Biographical details for these Directors are provided on pages 54 to 55 of the Annual Report & Accounts. None of the independent Non-Executive Directors seeking election or re-election at the 2020 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 10 of the UK Corporate Governance Code.

### Resolutions 11 and 12: 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 12, shareholders are being asked to authorise the Group Audit Committee to determine the remuneration of the Company’s auditor.

### 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 74 to 81 of the Annual Report & Accounts) which appears on pages 72 to 87 of the Annual Report & Accounts. Resolution 13 is an advisory vote and does not determine the Directors’ remuneration arrangements.

### Resolution 14: Authority to allot shares

The purpose of Resolution 14 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 £23,852,191, which is equivalent to approximately 33% of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 15 June 2020.

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 £23,852,191, which is equivalent to approximately 33% of the total issued ordinary share capital of the Company, exclusive of treasury shares, as at 15 June 2020. This is in line with the Investment Association’s Share Capital Management Guidelines issued in July 2016.

At 15 June 2020, 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 2021 and the end of the AGM in 2021.

### Resolutions 15 and 16: 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% 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 15 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 14, 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 £3,613,968, equivalent to 5% of shares, as at 15 June 2020, without the shares first being offered to existing shareholders in proportion to their existing holdings.

## Explanatory notes to the resolutions continued

### Resolutions 15 and 16: Disapplication of pre-emption rights continued

At 15 June 2020, 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% 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 16 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 14, or sell treasury shares, for cash up to a further nominal amount of £3,613,968, equivalent to 5% of the total issued ordinary share capital of the Company as at 15 June 2020, 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 16 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 15 in excess of an amount equal to 75% 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 15 and 16 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 15 and 16 are passed the authority will expire on the earlier of 30 September 2021 and the end of the AGM in 2021.

### Resolution 17 – 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 28,911,473 ordinary shares, until the AGM in 2021 or 30 September 2021 whichever is the earlier. This represents 10% of the ordinary shares in issue as at 15 June 2020 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, 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 15 June 2020 (being the latest practicable date prior to the publication of this notice), there were 4,304,684 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 18: 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 18 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 15 June 2020 there was no intention by the Board to call a general meeting using the shorter 14 days' notice period.

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## Shareholders' frequently asked questions and useful information

### How do I contact Link?

By phone

Tel: 0371 664 0300

If you are outside the United Kingdom, please call +44 (0) 371 664 0300.

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales.

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 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 cast relevant votes on your behalf in order for your votes to be accounted for in the poll. You are strongly encouraged to appoint the Chairman of the meeting as your proxy, which will ensure your votes are cast in accordance with your wishes. If you appoint someone other than the Chairman of the meeting as your proxy then your proxy would not be able to attend and vote on your behalf at the meeting. To request a form of proxy, please see notes 2 to 7 on page 5 of this document for guidance.