

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

It contains the resolutions to be voted on at the Company's Annual General Meeting on **Thursday, 14 July 2016 at 1.00pm.**

If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 (or if you are resident outside the United Kingdom, an appropriately qualified independent financial advisor).

If you have sold or transferred all of your shares in Mothercare plc, please send this document and the accompanying documents at once to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

# mothercare

Dear Shareholder

**Annual General Meeting 2016**

The Annual General Meeting of the Company will be held at the Company's head office at Cherry Tree Road, Watford, Hertfordshire, WD24 6SH on **Thursday, 14 July 2016** at 1.00pm and we look forward to meeting as many shareholders as possible. Please note there is limited car parking available.

**Shareholder Communications**

Those shareholders that elected to receive an email communication should have already received that email and be aware that the Annual Report and Notice of this Annual General Meeting are available on our website at [www.mothercareplc.com/financial-reports](http://www.mothercareplc.com/financial-reports); printed copies are therefore not being mailed to them. **If you would prefer in future to receive a printed copy of the Annual Report, Notice of Annual General Meeting and Form of Proxy, please contact the Company's Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. We will be happy to provide it to you.**

We wish to encourage as many shareholders as possible to take advantage of the ability to cast their votes on the resolutions before the meeting by the use of the electronic proxy appointment service offered by the Registrars, Equiniti Limited, at [www.sharevote.co.uk](http://www.sharevote.co.uk). All such votes must be received by 1.00pm on 12 July 2016. Using this facility streamlines procedures for the meeting, helps meet our environmental targets and reduces costs.

The directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and the shareholders as a whole. The directors therefore recommend shareholders to vote in favour of the resolutions, as they intend to do in respect of their own beneficial shareholdings representing approximately 0.58 per cent of the issued share capital of the Company.

Yours sincerely



**Alan Parker CBE**

Chairman

Enc: Notice of Annual General Meeting (for those elected to receive a printed copy)  
Form of Proxy and return envelope (for those elected to receive a printed copy)  
Report and Accounts (for those elected to receive a printed copy)



MOTHERCARE PLC • CHERRY TREE ROAD • WATFORD • HERTFORDSHIRE • WD24 6SH

REGISTERED IN ENGLAND NO 1950509

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Mothercare plc (the 'Company') will be held at Cherry Tree Road, Watford, Hertfordshire, WD24 6SH on **Thursday, 14 July 2016 at 1.00pm**. You will be asked to consider and if thought fit pass the resolutions below. Resolutions 16 to 19 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

## As Ordinary Resolutions:

- 1 To receive the Company's annual accounts, together with the directors' report, the strategic report, the directors' remuneration report and the auditors' report on those accounts and the auditable elements of the directors' remuneration report for the financial year ended 26 March 2016.
  - 2 To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the 52 weeks ended 26 March 2016.
  - 3 To re-elect Alan Parker as a director of the Company.
  - 4 To re-elect Mark Newton-Jones as a director of the Company.
  - 5 To re-elect Richard Smothers as a director of the Company.
  - 6 To re-elect Angela Brav as a director of the Company.
  - 7 To re-elect Lee Ginsberg as a director of the Company.
  - 8 To re-elect Amanda Mackenzie as a director of the Company.
  - 9 To re-elect Richard Rivers as a director of the Company.
  - 10 To re-elect Imelda Walsh as a director of the Company.
  - 11 To re-elect Nick Wharton as a director of the Company.
  - 12 To re-appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
  - 13 To authorise the directors to determine the remuneration of the auditors.
  - 14 The Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
    - (A) up to a nominal amount of £28,477,635 (such amount to be reduced by the nominal amount allotted or granted under paragraph (B) below in excess of such sum); and
    - (B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £56,955,270 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:
      - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
      - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,
- and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,
- each such authority to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 14 October 2017) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.
- 15 That, in accordance with sections 366(2) and 367(3) of the Companies Act 2006, the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised, in aggregate, to:
    - (A) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;
    - (B) make political donation to political organisations other than political parties not exceeding £50,000 in total; and
    - (C) incur political expenditure not exceeding £100,000 in total,as such terms are defined in sections 363 to 365 of the Companies Act 2006) during the period of one year beginning with the date of the passing of this resolution; and provided that the authorised sum referred to in paragraphs (A), (B) and (C) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating that authorised sum, shall be converted into pounds sterling at such rate as the board of the company in its absolute discretion may determine to be appropriate.

## As Special Resolutions:

- 16 THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, provided that this authority expires at the end of the Company's next annual general meeting after this resolution is passed.

# Notice of Annual General Meeting

## continued

17 THAT, if resolution 14 is passed, the Board be given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

- (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 14, by way of a rights issue only):
- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (B) to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of £4,271,645,

such power to apply in each case until the end of next year's annual general meeting (or, if earlier, until the close of business on 14 October 2017) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

18 THAT, if resolution 14 is passed, the Board be given power in addition to any authority granted under resolution 17 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be:

- (A) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £4,271,645; and
- (B) used only for the purposes of financing (or re-financing, if the authority is to be used within six months after the original transaction) a transaction which the Board 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 power to apply in each case until the end of next year's annual general meeting (or, if earlier, until the close of business on 14 October 2017) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

19 THAT the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 50 pence each ('**Ordinary Shares**'), such power to be limited:

- (a) to a maximum number of 17,086,581 Ordinary Shares; and
- (b) by the condition that the minimum price which may be paid for an Ordinary Share is 50 pence per share and the maximum price which may be paid for an Ordinary Share is the highest of:
  - (i) an amount equal to 5 per cent above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 14 October 2017) but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

By order of the Board

**Daniel Talisman**

General Counsel and Group Company Secretary  
Cherry Tree Road, Watford, Hertfordshire, WD24 6SH  
13 June 2016

Please see the explanatory notes to the notice of Annual General Meeting, below.

## Notes to the Notice of Annual General Meeting

- 1 Biographical details, including relevant qualifications and experience, of the directors proposed for re-election are given on pages 46 and 47 of the Company's annual report and accounts.
- 2 An explanation of the business to be conducted at the meeting is given on pages 6 and 7 of this Notice.
- 3 Only those shareholders on the register of members of the Company as at 6.30pm on 12 July 2016 (or, in the event of any adjournment, at 6.30pm on the day that falls two days before the reconvened meeting) will be entitled to attend, speak or vote at the annual general meeting and they may only vote in respect of the number of shares registered in their name at the relevant time. Change to entries on the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.
- 4 Any member 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.
- 5 A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, to speak and to vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A form for appointing a proxy is enclosed with this Notice. To be effective, the form of proxy must be completed and reach the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA not later than 1.00pm on 12 July 2016. You may also submit your proxy electronically; see your proxy card for details of how to register your vote. Completion of a form of proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 8) will not preclude a member from attending and voting in person at the meeting. If you require additional forms of proxy, please contact the Registrars of the Company on +44(0)121 415 7042 if calling from outside the UK or if within the UK on 0371 384 2013. Lines are open 8.30am to 5.30pm, Monday to Friday.
- 6 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).
- 7 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided they do not do so in relation to the same shares.
- 8 CREST members holding their shares in uncertificated form who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the annual general meeting to be held on 14 July 2016 and any adjournments thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or relates to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) no later than 1.00pm on 12 July 2016. For these purposes, 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. No messages received through the CREST network after this time will be accepted. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s)) take(s) such actions 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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning limitation of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be reviewed at [www.euroclear.com](http://www.euroclear.com).

- 9 The Company cannot accept responsibility for loss or damage arising from the opening or use of any emails or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to opening or use. Any electronic communication received by the Company and/or Equiniti Limited, including the lodgement of an electronic form of proxy, that is found to contain a computer virus will not be accepted.
- 10 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 auditors' report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with section 527 or 528 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 meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

# Notes to the Notice of Annual General Meeting

## continued

- 11** A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006, (a “nominated person”) does not have a right to appoint any proxy. Nominated persons may have a right under an agreement with the shareholder to be appointed (or to have someone appointed) as a proxy for the meeting. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under an agreement with the relevant shareholder to give instructions as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 5 above does not apply to nominated persons. The rights described in paragraph 5 can only be exercised by shareholders of the Company. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains the registered shareholder or custodian or broker who administers the investment on your behalf. Therefore, any changes or queries relating to your personal details and holding (including any administration) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee to deal with matters that are directed to them in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
- 12** The following documents, which are available for inspection during normal business hours at the registered office of the Company on any weekday (public holidays excluded), will also be available for inspection at the annual general meeting from 12.30pm on the day of the meeting until the conclusion of the meeting:
- (i) copies of service contracts and letters of appointment of the directors of the Company;
  - (ii) copies of the deeds of indemnity of the directors; and
  - (iii) a copy of the Company’s Articles of Association (under article 136 of which the directors have the benefit of a “qualifying third party indemnity provision” for the purposes of sections 232, 234 and 236 of the Companies Act 2006).
- 13** As at 19 May 2016 (being the last practicable business day prior to the publication of this Notice) the Company’s issued share capital consisted of 170,865,812 ordinary shares of 50 pence each, carrying one vote each. Therefore the total voting rights in the Company as at that date were 170,865,812.
- 14** A copy of this Notice and other information required by section 311A of the Companies Act 2006 can be found at [www.mothercareplc.com](http://www.mothercareplc.com).
- 15** Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
- calling our shareholder helpline on +44(0)121 415 7042 if calling from outside the UK or if within the UK on 0371 384 2013. Lines are open 8.30am to 5.30pm, Monday to Friday;
  - by writing to Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or
  - by sending an email to [investorrelations@mothercare.com](mailto:investorrelations@mothercare.com)
- You may not use any electronic address provided either in this Notice or any related documents (including the chairman’s letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

# Explanatory Notes to the Proposed Resolutions

The Ordinary Resolutions will be passed if the votes cast for the resolutions are more than those cast against. The resolutions to be proposed as Special Resolutions will be passed if at least 75 per cent of the votes cast for and against the resolutions are in favour.

## As Ordinary Resolutions:

**Resolution 1:** To receive the Company's annual accounts together with the directors' report, strategic report, directors' remuneration report and the auditors' report upon the accounts and the auditable elements of the directors' remuneration report for the financial year ended 26 March 2016. The directors will present these reports and accounts and shareholders may raise any questions on these at the meeting.

**Resolution 2:** To approve the directors' remuneration report (other than the part containing the directors' remuneration policy which is not being put to a vote at this AGM). The report can be found on pages 70 to 80 of the Annual Report and Accounts for the financial year ended 26 March 2016.

**Resolutions 3 to 11:** Re-election of directors. The Company's articles of association require that one third (or if not three or a multiple of three, the number nearest to but not less than one third) of the directors that are required to retire by rotation must retire. In line with UK Corporate Governance Code requirements, all the directors are up for re-election.

Each of the directors standing for re-election has been subject to a formal performance evaluation. The Board believes that each of them should be re-elected, subject to shareholder approval, because they have continued to be effective members of the Board and have demonstrated commitment to their respective roles. Alan Parker is the non-executive Chairman. Angela Brav, Lee Ginsberg, Amanda Mackenzie, Imelda Walsh and Nick Wharton are non-executive directors. Richard Rivers is the senior independent non-executive director. Mark Newton-Jones and Richard Smothers were appointed to the Board in July 2014 and March 2015 as CEO and CFO respectively.

**Resolution 12:** Re-appointment of auditors. Deloitte LLP has indicated its willingness to act as auditors to the Company and accordingly an ordinary resolution to re-appoint them will be proposed.

**Resolution 13:** To authorise the directors to determine the remuneration of the auditors.

**Resolution 14:** Authority to allot shares. Paragraph (A) of this resolution would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £28,477,635 (representing 56,955,270 ordinary shares of 50 pence each). This amount represents approximately one-third (33.33%) of the issued ordinary share capital of the Company as at 19 May 2016, the latest practicable date prior to publication of this Notice.

In line with guidance issued by the Investment Association ("IA"), paragraph (B) of this resolution would give the directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £56,955,270 (representing 113,910,541 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds (66.66%) of the issued ordinary share capital of the Company as at 19 May 2016, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the earlier of 14 October 2017 and the conclusion of the annual general meeting of the Company held in 2017.

The directors have no present intention to exercise either of the authorities sought under this resolution, other than pursuant to the Company's share option schemes. However, the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources. However, if they do exercise the authorities, the directors intend to follow IA recommendations concerning their use (including as regards the directors standing for re-election in certain cases).

As at the date of this Notice, no ordinary shares are held by the Company in treasury.

## Explanatory note for political donations resolution (15)

Part 14 of the Companies Act 2006 prohibits companies from making political donations exceeding £5,000 in aggregate in any 12 month period to (i) political parties, (ii) other political organisations and (iii) independent election candidates and from incurring political expenditure without shareholders' consent. However, as the definitions used in the Companies Act 2006 are broad, it is possible that normal business activities, which might not be thought to be political expenditure in the usual sense, could be caught.

It remains the policy of the Company not to make political donations or incur political expenditure within the ordinary meaning of those words and the directors have no intention of using the authority for that purpose. The authority being sought in this resolution will not change that policy, but is being sought as a precaution to ensure that the Company's normal business activities are within the Companies Act 2006.

## As Special Resolutions:

**Resolution 16:** General meeting notice. Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") increased the notice period required for general meetings of companies to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days.

# Explanatory Notes to the Proposed Resolutions

## continued

The directors believe it is in the best interests of shareholders to preserve this ability and Resolution 16 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. Annual general meetings will continue to be held on at least 21 clear days' notice.

It is intended that this flexibility will only be used for non-routine business and where merited in the interests of shareholders generally.

**Resolutions 17 and 18:** Disapplication of statutory pre-emption rights. This resolution would give the directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The authority set out in resolution 17 would be limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or (b) otherwise up to an aggregate nominal amount of £4,271,645 (representing 8,543,290 shares). This aggregate nominal amount represents 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 19 May 2016, the latest practicable date prior to publication of this Notice of AGM.

The authority set out in resolution 18 would be limited to allotments or sales of up to an aggregate nominal amount of £4,271,645 (representing 8,543,290 shares) in addition to the authority set out in resolution 17 which are 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 determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice of AGM. This aggregate nominal amount represents 5% of the issued ordinary share capital of the Company (excluding treasury shares) as at 19 May 2016, the latest practicable date prior to publication of this Notice of AGM.

In respect of the authority referred to in resolution 17(b), the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

The authority will expire at the earlier of 14 October 2017 and the conclusion of the annual general meeting of the Company held in 2017.

**Resolution 19:** Purchase of own shares. Authority is sought for the Company to purchase up to 10 per cent of its issued Ordinary Shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The Company has not purchased any Ordinary Shares in the period from the last annual general meeting to the date of this Notice under the existing authority.

The directors have no present intention to exercise the authority sought under this resolution, other than pursuant to the Company's share option schemes including, subject to shareholder approval, the Plan. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary Shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The directors will consider holding any Ordinary Shares the Company may purchase as treasury shares. The Company currently has no Ordinary Shares in treasury. The minimum price, exclusive of expenses, which may be paid for an Ordinary Share is 50 pence. The maximum price, exclusive of expenses, which may be paid for an Ordinary Share is the highest of (i) an amount equal to 5% above the average market value for an Ordinary Share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 10,577,529 Ordinary Shares, representing 6.19 per cent of the Company's ordinary issued share capital as at 19 May 2016. If both the existing authority given at the 2015 AGM had been exercised in full and the shares purchased cancelled and the authority now being sought by resolution 19 were to be exercised in full and the shares purchased cancelled, the options to subscribe for ordinary shares would represent 7.74 per cent of the Company's resulting issued ordinary share capital following such purchases and cancellations. If the existing authority given at the 2015 AGM is not exercised at all before the 2016 AGM, but the authority being sought by resolution 19 is exercised in full and the shares purchased were cancelled, the options to subscribe for ordinary shares would represent 6.88 per cent of the Company's resulting issued ordinary share capital following such purchases and cancellations. The Company holds no shares in treasury.

The authority will expire at the earlier of 14 October 2017 and the conclusion of the annual general meeting of the Company held in 2017.

