

CPPGROUP PLC

NOTICE OF ANNUAL GENERAL MEETING

28 May 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the actions you should take, you are recommended immediately to seek your own advice from your stockbroker, solicitor, accountant or other appropriate independent professional adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in CPPGroup Plc, please send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

As previously advised, in order to reduce our environmental impact, your Board have decided to remove paper from the voting process. Please register your proxy in accordance with the instructions given in the notes to this document on pages 4 and 5.

Notice of Annual General Meeting

Important Notice

At the time of publication of this Notice, the UK Government has prohibited public gatherings of more than two people and non-essential travel, save in certain limited circumstances.

In light of these measures, the AGM this year will be run as a closed meeting and shareholders will not be able to attend in person. The Company will make arrangements such that the legal requirements to hold the meeting can be satisfied through the attendance of a minimum number of directors and the format of the meeting will be purely functional.

Shareholders are therefore strongly encouraged to submit a proxy vote in advance of the meeting. Details on how to submit your proxy vote by post, online or through CREST are set out on page 4 of this Notice. Given the current restrictions on attendance, shareholders are encouraged to appoint the chair of the meeting as their proxy rather than a named person who will not be permitted to attend the meeting.

Any questions relating to the business of the meeting, may be submitted in advance through our website at <https://international.cppgroup.com/2020-annual-general-meeting-notice/> and will be answered on the website in due course.

This situation is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Any changes to the AGM (including any change to the location of the AGM) will be communicated to shareholders before the meeting through our website and, where appropriate, by RIS

Notice is hereby given that the Annual General Meeting (the "**Meeting**") of CPPGroup Plc (the "**Company**") will be held 6 East Parade, at 11.00 am on 28 May 2020 to consider and, if thought fit to pass, the following resolutions. It is intended to propose resolutions 7 and 8 as special resolutions. All other resolutions will be proposed as ordinary resolutions:

Ordinary Business

1. To receive and consider the reports of the Directors and the Auditor and the Financial Statements for the year ended 31 December 2019.
2. To re-elect Jason Walsh as a Director of the Company.
3. To re-appoint Deloitte LLP as Auditor of the Company to hold office from the conclusion of the Meeting until the next Annual General Meeting at which the accounts are laid before the Company.
4. To authorise the Directors to set the Auditor's remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions, of which resolution 5 and 6 will be proposed as ordinary resolutions and resolutions 7 and 8 as special resolutions.

5. That, subject to and conditional on admission of the New Ordinary Shares (as defined below) to trading on AIM, becoming effective, all of the ordinary shares of 1 penny each in the capital of the Company (the "**Existing Ordinary Shares**") be consolidated into new ordinary shares of £1.00 each (the "**New Ordinary Shares**") on the basis of 1 New Ordinary Share of £1.00 for every 100 Existing Ordinary Shares of 1 penny each, each such New Ordinary Share having the rights and being

subject to the restrictions (save as to nominal value) as the Existing Ordinary Shares as set out in the Company's articles of association, provided that:

- (a) any fractions of New Ordinary Shares to which any holder of Existing Ordinary Shares would otherwise be entitled arising from such consolidation shall be aggregated with other fractions of New Ordinary Shares to which other members of the Company may be entitled and consolidated so far as is possible into New Ordinary shares and sold for the benefit of the Company.
- (b) the Directors of the Company be authorised to sell on behalf of the relevant members, all fractional entitlement shares or any New Ordinary Shares arising therefrom and to pay the purchase price (net of expenses) in due proportion among the relevant members entitled thereto (save that no amounts shall be paid to any member where the individual amount of net proceeds to which any member is entitled is less than £3.00 (which proceeds may be retained for the benefit of the Company) and any fraction of a penny which would otherwise be payable shall be rounded down in accordance with the usual practice of the registrar of the Company).
- (c) any director (or any person appointed by the directors) shall be and is hereby authorised on behalf of all relevant members to execute an instrument or transfer in respect of such fractional entitlement shares or any New Ordinary Shares arising therefrom and to do all acts and things the directors consider necessary or expedient to effect the transfer of such shares to or in accordance with the directions of, any buyer of such shares.

For the purposes of implementing the provisions of this paragraph the Board may appoint any other person to execute sales, transfers or renunciations on behalf of persons otherwise entitled to such fractions and generally may make all arrangements which appear to them to be necessary or appropriate for the settlement and disposal of the fractional entitlement shares or New Ordinary Shares arising therefrom.

6. That pursuant to section 551 of the Companies Act 2006 (the "**Act**") the Directors be, and they are, hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot and grant rights to subscribe for, or convert any security into ordinary shares in the capital of the Company ("**Ordinary Shares**") up to a maximum nominal amount (within the meaning of section 551(3) and (6) of the Act) of £2,882,166 to such persons at such times and on such terms as they think proper during the period from the passing of this resolution and expiring on 27 August 2021 or at the conclusion of the next Annual General Meeting of the Company to be held in 2021 (or any adjournment thereof), whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Board may allot such Ordinary Shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
7. That subject to the passing of resolution 6 set out above, the Directors be, and they are, hereby generally authorised pursuant to section 571 of the Act to allot for cash or otherwise equity securities (as defined in section 560 of the Act) of the Company pursuant to the authority conferred by resolution 6 set out above as if section 561 of the Act did not apply to such allotment or sale provided that this power shall be limited:
 - (a) to the allotment of equity securities for cash in connection with or pursuant to an offer by way of a rights issue, open offer or otherwise in favour of the holders of Ordinary Shares where the equity securities respectively attributable

Notice of Annual General Meeting *continued*

to the interests of all such shareholders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date for such allotment but subject to such exclusions or other arrangements as the Directors of the Company (the "**Directors**") may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever;

- (b) to the allotment of equity securities (otherwise than pursuant to sub paragraph (a) above, pursuant to the terms of any share schemes for directors and employees of the Company or any of its subsidiaries; and
- (c) to the allotment otherwise than pursuant to subparagraphs (a) and (b) above of equity securities not exceeding in aggregate the nominal amount of £864,650, being an aggregate nominal amount equal to 10% of the aggregate nominal amount of the share capital of the Company as at close of business on the 22 April 2020, being the latest practicable date before publication of this notice (the "**Latest Practicable Date**").

Provided further that the authority hereby granted shall expire (unless renewed, varied or revoked by the Company) on 27 August 2021 or at the conclusion of the next Annual General Meeting of the Company to be held in 2021 (or any adjournment thereof), whichever is the earlier, save that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted or rights to be granted after the expiry of such power and the Directors may allot shares, or grant rights to subscribe for or to convert any securities into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired.

- 8. That the Company is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of any of its Ordinary Shares (whether Existing Ordinary Shares or, subject to the passing of resolution 5, the New Ordinary Shares) on such terms and in such manner as the Directors may from time to time determine, provided that:
 - (a) the maximum number of Ordinary Shares which may be purchased will be 864,650 or, in the event that resolution 5 is not passed, 86,463,994 Ordinary Shares (representing 10% of the issued share capital) ;
 - (b) the minimum price (excluding any expenses) which may be paid for each Ordinary Share is the nominal value at the date of purchase.;
 - (c) the maximum price (excluding any expenses) which may be paid for each Ordinary Share shall not be more than the higher of:
 - i. the amount equal to 5% above the average of the closing middle market quotations for the Ordinary Shares as derived from the AIM appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
 - ii. the value of each Ordinary Share on the basis of the higher of the price quoted for:
 - (A) the last independent trade of; and
 - (B) the highest current independent bid for

an Ordinary Share on the trading venue where the purchase is carried out at the relevant time, including when the Ordinary Shares are traded on different venues;

- (d) the authority hereby conferred shall expire on 27 August 2021 or at the conclusion of the next Annual General Meeting of the Company to be held in 2021 (or any adjournment thereof), whichever is the earlier (unless such authority is renewed, revoked, or varied by the Company at a general meeting prior to such time); and
- (e) the Company may, before this authority expires, make a contract to purchase Ordinary Shares under the authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of Ordinary Shares pursuant to any such contract as if this authority had not expired.

By order of the Board

Lorraine Beavis
Company Secretary
CPPGroup Plc

Registered office:
6 East Parade
Leeds
LS1 2AD

Registered in England and Wales No 07151159

28 April 2020

Registrar: Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to vote at the Annual General Meeting (and also for the purpose of determining how many votes a person entitled to vote may cast), a person must be entered on the register of members of the Company at close of business on 26 May 2020 or, in the event of any adjournment, at close of business on the date which is two business days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

*However, as mentioned in the **important notice** at the beginning of this document, in light of the fact the UK Government has prohibited public gatherings of more than two people and non-essential travel, save in certain limited circumstances, the AGM this year will be run as a closed meeting and shareholders will not be able to attend in person. Shareholders are therefore strongly encouraged to submit a proxy vote in advance of the meeting.*

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint another person or persons as your proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. You can only appoint a proxy using the procedures set out in these notes. *As mentioned in the **important notice** at the beginning of this document, due to the current circumstances, you are strongly encouraged to appoint the Chairman of the meeting as your proxy rather than a third person, who will not be allowed to attend.*
3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this Appointment of proxies section. Please read the section "Nominated persons" below.
4. Details of how to appoint the Chairman of the Meeting as your proxy are set out below.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you select the "Discretionary" option or no voting indication is given, your proxy will vote or abstain from voting at his or her discretion.

Voting arrangements

6. In order to reduce the Company's environmental impact our intention is to remove paper from the voting process as far as possible. You are therefore asked to vote in one of the following ways:
 - Register your vote on line through our registrar's portal - <https://www.signalshares.com/> You will need your investor code which is printed on your share certificate or may be obtained by calling the Company's registrar, Link Asset Services, on 0871 664 0300. If you are outside the United Kingdom, please call +44 (0) 371 664 0300 (Calls from the UK cost 12p per minute plus your 'phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate).
 - CREST members may use the CREST electronic proxy appointment service as detailed in note 7 below

If you prefer, you may request a hard copy form from Link Asset Services using the numbers shown above and return it to Link at the address shown on the form.

All proxy appointments, whether electronic or hard copy, must be received by the Company's Registrar no later than 48 hours before the time appointed for holding the Meeting (excluding non-working days).

Appointment of proxies through CREST

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures, and to the address, described in the CREST Manual available via www.euroclear.com/CREST subject to the provisions of the Company's articles of association. 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 made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") 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 an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID **RA10**) no later than 48 hours before the time appointed for holding the Meeting (excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp 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 proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should take note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

8. 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).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. The cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Notes to the Notice of Annual General Meeting *continued*

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice to the Company's Registrar clearly stating your intention to revoke your proxy appointment. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Link Asset Services no later than 48 hours before the time appointed for holding the meeting (excluding non-working days).

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Issued shares and total voting rights

11. As at the Latest Practicable Date, the Company's issued share capital comprised 864,649,945 Ordinary Shares of 1 penny each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the Latest Practicable Date is 864,649,945.

Nominated persons

12. If you are a person who has been nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**"):
- You may have a right under an agreement between you and the member of the Company by whom you were nominated to have information rights (the "**Relevant Member**") to be appointed (or to have someone else appointed) as proxy for the Annual General Meeting.
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right, under an agreement between you and the Relevant Member, to give instructions to the Relevant Member as to the exercise of voting rights.
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, where applicable, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

Documents on display

13. Copies of Directors' service contracts, Non-Executive Directors' letters of appointment and the Company's Articles of Association are available for inspection by members during normal business hours at 6 East Parade, Leeds, LS1 2AD.
14. Biographical details of those Directors being put forward for election are contained in the Corporate Governance Report on page 40 of the Annual Report & Accounts and on the Company's website <https://international.cppgroup.com>.

A copy of this notice, and the other information required by section 311A of the Act, can be found at <https://international.cppgroup.com>.

Communication

15. Except as provided above, members who wish to communicate with the Company in relation to the Meeting should contact the Company Secretary, by writing to the registered office of the Company. No other methods of communication will be accepted. Shareholders may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.

Corporations which are members

16. 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.

Asking questions at the Annual General Meeting

17. Any member attending the Annual General 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) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered. *As outlined at the beginning of this Notice, on this occasion, any questions should be submitted in advance of the meeting, through the Company's website at <https://international.cppgroup.com/2020-annual-general-meeting-notice/>*

Explanatory notes

1 Resolution 1: Financial Statements

For each financial year the Directors are required to present the audited financial statements, the Directors' Report and the Auditor's Report to the shareholders at a general meeting. Questions from shareholders on the financial statements and any other matters relating to the Company's business may be submitted to the Company's website in advance of the meeting, as detailed in the **important notice** at the beginning of this document.

2 Resolution 2: Re-election of directors

Under the Company's articles of association any Director who has been a Director at each of the preceding two Annual General Meetings and who was not appointed or re-appointed by the Company in general meeting at, or since, either such meeting, shall retire by rotation.

Accordingly, Jason Walsh will seek re-election at the Meeting.

The Board believes that its performance continues to be effective and that the election of Directors is consistent with the Board's evaluation of the size, structure and composition of the Board.

Biographical details of all Directors are set out on page 40 of the Annual Report and Accounts and on the Company's website <https://international.cppgroup.com>.

3 Resolutions 3 and 4: Re-appointment and remuneration of auditors

At each Annual General Meeting the Company is required to appoint an Auditor to serve until the next such meeting. Deloitte LLP has expressed its willingness to continue in office for a further year. Resolution 3 proposes the re-appointment of Deloitte LLP and resolution 4 proposes that, in accordance with normal practice, the Directors should be authorised to agree the fees of the Auditor.

4 Resolution 5: Share Consolidation

As at the Latest Practicable Date, the Company had 864,649,945 Existing Ordinary Shares in issue and a mid-market price at the close of business on such date of 4.2 pence per share. With shares of low denominations, small absolute movements in the share price can represent large percentage movements resulting in volatility. This volatility can therefore, at times, also result in the Company being undervalued against what the Board considers is its true value.

The Board is of the view that it would benefit the Company and Shareholders to reduce the number of Ordinary Shares in issue with a resulting adjustment in the market price of such shares, by consolidating the Existing Ordinary Shares on the basis of one New Ordinary Share of £1.00 for every 100 Existing Ordinary Shares of 1 penny each. This is expected to assist in reducing the volatility in the Company's share price and enable a more consistent valuation of the Company, making the Company's shares more attractive to shareholders.

Upon implementation of the Share Consolidation, Shareholders on the register of members of the Company on the Record Date, which is expected to be 6pm on 28 May 2020, will exchange every 100 Existing Ordinary Shares they hold for one New Ordinary Share. The proportion of the issued ordinary share capital of the Company held by each Shareholder following the Share Consolidation will, save for fractional entitlements and subject to the exercise of share options, be unchanged. To effect the Share Consolidation it may be necessary to issue such minimum number of additional Existing Ordinary Shares (not exceeding 99 in total) so that the aggregate nominal value of the ordinary share capital of the Company is exactly divisible by 100.

Other than the change in nominal value, the New Ordinary Shares arising on implementation of the Share Consolidation will have the same rights as the Existing Ordinary Shares, (save as to nominal value) including voting, dividend and other rights.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the consolidation of Existing Ordinary Shares described above, any Shareholder would otherwise be entitled to a fraction of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a "Fractional Shareholder"), such fractions shall be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full New Ordinary Shares and sold in the market. The costs, including the associated professional fees and expenses, that would be incurred in distributing such proceeds are likely to exceed the total net proceeds distributable to such Fractional Shareholders. The Board is therefore of the view that, as a result of the disproportionate costs in such circumstances, (with the exception of individual amounts of net proceeds to which any member is entitled in excess of £3), it would not be in the Company's best interests to distribute such proceeds of sale and the proceeds will instead be retained for the benefit of the Company in accordance with the Resolution.

If you hold a share certificate in respect of your Existing Ordinary Shares in the Company, your certificate will no longer be valid from the time the proposed Share Consolidation becomes effective. If you hold more than 100 Existing Ordinary Shares on the Record Date you will be sent a new share certificate evidencing the New Ordinary Shares to which you are entitled under the Share Consolidation. Such certificates are expected to be despatched no later than 12 June 2020. Upon receipt of the new certificate, you should destroy any old certificates. Pending the despatch of the new certificates, transfers of certificated New Ordinary Shares will be certified against the Company's share register.

If you hold your Existing Ordinary Shares in uncertificated form, you should expect to have your CREST account credited with the New Ordinary Shares to which you are entitled on implementation as soon as practicable after the Share Consolidation becomes effective.

The Share Consolidation is conditional upon permission being granted by the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Application for such Admission will be made so as to enable the New Ordinary Shares to be admitted to trading on AIM as soon as practicable following the Record Date. It is expected that Admission will become effective by or as soon as practicable after 8am on 29 May 2020 whereupon the Share Consolidation will be effective.

5 Resolutions 6 (Authority to allot shares) and 7 (Disapplication of pre-emption rights)

Under the Act your Directors may allot shares and grant rights to subscribe for, or convert any security into shares, only if authorised to do so by the Company's shareholders. The Act also prevents allotments for cash, other than to existing shareholders in proportion to their existing shareholdings (what are known as "pre-emptive rights"). The authority granted by a shareholders' resolution dated 7 May 2019 is due to expire at the conclusion of this year's Annual General Meeting. Accordingly, resolution 6 will be proposed to allot Ordinary Shares up to a maximum nominal amount of £2,882,166, representing approximately one third (33.3 %) of the Company's issued share capital on the Latest Practicable Date.

Explanatory notes *continued*

Under resolution 7, the Directors will be able either to issue shares for cash, other than to existing shareholders in proportion to their existing holdings, up to a maximum amount of £864,650, representing approximately 10% of the issued ordinary share capital or in a rights or other pre-emptive issue. These arrangements are intended to ensure that the interests of existing shareholders are protected so that, for example, in the event of an issue of new shares for cash to new shareholders, which is not a rights issue, the proportionate interest of existing shareholders could not, without their agreement, be reduced by more than 10%.

In compliance with the Statement of Principles issued by the Pre-Emption Group of the Association of British Insurers, it is the intention of the Company that the cumulative usage of the authority granted by resolution 7 within a rolling three year period shall not exceed 7.5% of the Company's issued share capital without prior consultation with shareholders.

Passing resolutions 6 and 7 will extend the Directors' flexibility to act in the best interests of shareholders, when opportunities arise, to issue new shares. Save for the allotment of shares pursuant to the Company's existing share option schemes, the directors have no intention at this time to allot shares pursuant to the passing of these resolutions. To reflect market practice, the Company has widened the potential offers that could benefit from a disapplication of the pre-emptive provisions of section 561(1) of the Act to include open offers in addition to rights issues or other pro-rata offers.

As at the date of this notice the Company holds no treasury shares.

The authorities sought by resolutions 6 and 7 will last until the conclusion of the next Annual General Meeting in 2021 or 27 August 2021 (whichever is the earlier).

6 Resolution 8: Purchase of own shares

This resolution will give the Company authority to purchase its own shares in the market up to a limit of 864,650 Ordinary Shares (or, in the event that resolution 5 is not passed, 86,464,994 Ordinary Shares), being approximately 10% of the Company's ordinary shares in issue as reconstituted (based on the issued share capital as at close of business on the Latest Practicable Date).

The maximum and minimum prices are stated in the resolution. Your Directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares. The authority sought by resolution 8 will last until the conclusion of the next Annual General Meeting to be held in 2021 or 27 August 2021 (whichever is the earlier). The Directors have no intention at this time to purchase any shares pursuant to the passing of this resolution, and would only do so if satisfied that, in their opinion, a purchase would be expected to result in an increase in expected earnings per share and would be in the interests of shareholders generally.

In the event that shares are purchased under this authority, they would either be cancelled (and the number of shares in issue reduced accordingly) or, in accordance with the Act, be retained as treasury shares. Whilst held in treasury, all rights attaching to the Ordinary Shares, including voting rights and any rights to receive a dividend, are suspended. The Company will consider holding repurchased shares pursuant to the authority conferred by this resolution as treasury shares. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with additional flexibility in the management of its capital base.

Recommendation

Your Directors believe that all the proposed resolutions to be considered at the Annual General Meeting as set out in this document are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that you vote in favour of them.