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If you have sold or otherwise transferred all of your shares in Raven Russia Limited (the "Company"), please send this document and the accompanying Form of Proxy 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. If you have sold or otherwise transferred part of your holding of shares in the Company, please contact your stockbroker, bank or other agent as soon as possible.

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# Raven Russia Limited

*(a company incorporated in Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered no. 43371)*

## Notice of 2016 Annual General Meeting

For ordinary shareholders and,  
for information purposes only,  
preference shareholders and warrant holders

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Notice of the Annual General Meeting of the Company to be held at 11.00 a.m. on Wednesday 15 June 2016 at the offices of Carey Olsen, Carey House, Les Banques, St Peter Port, Guernsey GY1 4BZ is set out in this document. Holders of ordinary shares are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's transfer agent, Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF but in any event so as to be received by Capita Asset Services by 11.00 a.m. on Monday 13 June 2016. Completion and return of a Form of Proxy will not preclude such Ordinary Shareholders from attending and voting in person at the Annual General Meeting should they so wish.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by utilising the procedures described in the CREST manual. For further details please see note 6 to the Notice of AGM in this document.

## **Dear Shareholder**

I am pleased to send you details of the Annual General Meeting (“AGM”) of Raven Russia Limited (“Raven Russia” or the “Company”) which we will be holding on Wednesday 15 June 2016 at the offices of Carey Olsen, Carey House, Les Banques, St Peter Port, Guernsey GY1 4BZ. The meeting will start at 11.00 a.m. and the formal notice of AGM is set out on pages 9 to 13. You will also find enclosed for information only a copy of an announcement released by the Company today.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the Form of Proxy sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 11.00 a.m. on Monday 13 June 2016. Alternatively you may appoint a proxy for the AGM through the CREST System. Further details relating to voting by proxy are set out in the notes to the Notice of AGM.

## **Explanation of the business we will consider at the AGM**

The Notice of AGM contains certain items of business which are of a technical nature and are therefore explained below.

### **Resolution 1**

#### ***Directors’ reports and accounts***

The Directors are required to present to the AGM the Company’s accounts for the year ended 31 December 2015 and the reports of the Directors and auditors on those accounts. These are all contained in the 2015 Annual Report.

### **Resolutions 2, 3 and 4**

#### ***Directors’ Remuneration Report, changes to the Directors’ remuneration policy and Retention Scheme for the period 1 January 2016 to 31 December 2017***

The Company has chosen to ask shareholders to approve the Directors’ Remuneration Report. Resolution 2 is an ordinary resolution to approve the Directors’ Remuneration Report. The vote is advisory only and no Director’s remuneration is conditional upon the resolution being passed.

As described in the Appendix to this document, the Directors are proposing that certain changes be made to the existing Directors’ remuneration policy approved at the Company’s 2014 annual general meeting and that a new retention scheme (the “New Retention Scheme”) be implemented in respect of the period 1 January 2016 to 31 December 2017.

Resolution 3 is an ordinary resolution to approve the changes to the Directors’ remuneration policy set out in the Appendix to this document. Once the changes to the Directors’ remuneration policy as approved by shareholders come into effect, all future payments by the Company to the Directors must be made in accordance with the revised policy (unless a payment has been separately approved by a shareholder resolution). If approved, the changes to the Directors’ remuneration policy will take effect from 1 January 2016.

Resolution 4 is an ordinary resolution to approve the terms of the New Retention Scheme. A summary of the terms of the New Retention Scheme can be found in the Appendix to this document.

### **Resolutions 5, 6, 7, 8, 9, 10, 11 and 12**

#### ***Re-election of Directors***

Consistent with the provisions of the UK Corporate Governance Code, the Company has determined that all Directors will be subject to annual re-election by shareholders.

Biographical details of all the Directors appear on page 40 of the 2015 Annual Report.

### ***Re-election of Independent non-executive Directors***

The Company is, for the first time at the AGM, required to comply with new provisions of the Listing Rules introduced in 2014 relating to controlling shareholders and the re-election of any independent non-executive directors (being such directors whom the Company considers to be independent for the purposes of the UK Corporate Governance Code). For the purposes of the UKLA Listing Rules (the "Listing Rules"), Invesco (as defined below) is a controlling shareholder of the Company, as a result of it exercising or controlling more than 30% of the voting rights of the Company. As such, the election or re-election of any independent non-executive director by shareholders must be approved by a majority vote of both:

- a. the shareholders of the Company; and
- b. the independent shareholders of the Company (that is, the shareholders of the Company entitled to vote on the election of Directors who are not controlling shareholders of the Company).

Resolutions 10 to 12 are therefore being proposed as ordinary resolutions which all shareholders may vote on, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of the resolution (as a proportion of the total votes of independent shareholders cast on the resolution) to determine whether the second threshold referred to in (b) above has been met. The Company will announce the result of resolutions 10 to 12 on this basis as well as announcing the results of the ordinary resolutions of all shareholders.

Under the Listing Rules, if a resolution to re-elect an independent director is not approved by majority vote of both the shareholders as a whole and the independent shareholders of the Company at the AGM, a further resolution may be put forward to be approved by the shareholders as a whole at a general meeting which must be held more than 90 days after the date of the first vote but within 120 days of the first vote. Accordingly, if any of resolutions 10, 11 and 12 are not approved by a majority vote of the Company's independent shareholders at the AGM, the relevant Director(s) will be treated as having been re-elected only for the period from the date of the AGM until the earlier of (i) the close of any general meeting of the Company, convened for a date more than 90 days after the AGM but within 120 days of the AGM, to propose a further resolution to re-elect him or her, (ii) the date which is 120 days after the AGM and (iii) the date of any announcement by the Board that it does not intend to hold a second vote.

In the event that the Director's re-election is approved by a majority vote of all shareholders at a second meeting, the Director will then be re-elected until the next annual general meeting.

The Board considers that the performance of each Board member continues to be effective, that each member of the Board demonstrates the commitment required to continue in their present roles, and accordingly supports each Director's re-election.

### **Resolutions 13 and 14**

#### ***Reappointment and remuneration of auditor***

These resolutions propose the reappointment of Ernst & Young LLP as the auditor to the Company and gives the Directors authority to determine their remuneration.

### **Resolution 15**

#### ***Authority to issue shares***

The Company requires the flexibility to issue shares or to grant rights to subscribe for, or to convert any security into, shares of the Company ("securities") from time to time. In accordance with the Company's articles of incorporation (the "Articles"), the Board has an existing authority which will expire on 12 August 2016 or the conclusion of the Company's 2016 AGM, whichever is earlier. To maintain this flexibility, it is therefore proposed to grant the Directors authority to issue securities

during the period from 15 June 2016 until 14 September 2017 or the conclusion of the Annual General Meeting of the Company in 2017, whichever is earlier.

The authority will grant Directors the authority to issue:

- (a) ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") or grant rights to subscribe for, or to convert any security into, Ordinary Shares up to an aggregate nominal amount of £4,550,402, being approximately two thirds of the Company's current issued ordinary share capital on 13 May 2016 (being the last practicable date prior to the publication of this document). In accordance with the ABI's guidelines, one half of this amount (equal to one-third of the Company's issued ordinary share capital) will only be applied (if at all) to fully pre-emptive rights issues; and
- (b) 32,831,654 cumulative redeemable preference shares of 1p each in the capital of the Company ("Preference Shares"), being approximately one third of the Company's current issued preference share capital on 13 May 2016 (being the last practicable date prior to the publication of this document).

The Directors have no present intention of exercising this authority other than in respect of the issue of Preference Shares to satisfy valid applications pursuant to the Company's quarterly scrip dividend programme.

## **Resolutions 16 and 17**

### ***Authorities for the Company to purchase its own Ordinary and Preference Shares***

Your Directors believe that it is advantageous for the Company to continue to have the flexibility to purchase its own shares and these resolutions seek authority from shareholders to do so by way of market purchases. Purchases of shares by the Company will only be made after careful consideration by your Directors, having taken into account market conditions prevailing at the time, the investment needs of the Company, its opportunities for expansion, its overall financial position and the applicable legal requirements which require the Directors to be satisfied on reasonable grounds that the Company will, immediately after any repurchase, satisfy a solvency test prescribed by Guernsey company law and any other requirements in the Company's Articles.

These special resolutions would renew the authorities given to your Directors at last year's AGM. The maximum number of Ordinary Shares and Preference Shares authorised to be purchased (which represents 10 per cent. of the issued ordinary share capital and 14.99 per cent. of the issued preference share capital, in each case, as at 13 May 2016 (being the last practicable date prior to the publication of this document)), and the maximum and minimum prices to be paid for them are stated in the resolution.

The Company can hold the shares which have been purchased by it as treasury shares (subject to any applicable limits) and either resell them for cash, cancel them either immediately or at a point in the future, or transfer them to an employee share scheme. Your Directors believe that it is desirable for the Company to have this choice. Holding the shares purchased as treasury shares will give the Company the ability to resell or transfer them quickly and cost-effectively and will provide the Company with additional flexibility in the management of its capital base. No dividends will be payable on, and no voting rights will be exercisable in respect of, treasury shares (although any shares transferred to and held within an employee share scheme, will not be caught by such restrictions). The decision whether to cancel any shares purchased by the Company or hold such shares as treasury shares will be made by your Directors at the time of purchase, on the basis of the Company's and the shareholders' best interests.

## **Resolution 18**

### ***Specific authority to make market purchases of Ordinary Shares pursuant to the current tender offer buy back***

The Directors are not proposing a final dividend be paid to shareholders. Instead, the preferred route of distributing funds to shareholders remains by way of tender offer buy back. Your Directors are seeking a specific authority at the AGM to make on market purchases of 17,689,229 Ordinary Shares. The minimum price which may be paid for any Ordinary Share purchased pursuant to this authority will be 1p (being the amount equal to the nominal value of each Ordinary Share). The maximum price which shall be paid for an Ordinary Shares pursuant to this authority shall be the greater of 40p and an amount equal to not more than 30 per cent. above the average of the closing middle market quotation for the Ordinary Shares as derived from the London Stock Exchange Daily Official List ("SEDOL") for the five business days immediately preceding the day on which the Company buys back the Ordinary Shares.

Ordinary Shares purchased pursuant to this authority will be cancelled.

The maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 17,689,229. Any purchases of Ordinary Shares made pursuant to this resolution 18 shall be in addition to any Ordinary Shares that may be purchased pursuant to the general authority relating to Ordinary Shares in Resolution 16.

Further details regarding the current tender offer buy back to which authority is being sought is set out in a separate tender offer circular which was sent to ordinary shareholders today.

## **Resolution 19**

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

Under Article 5 of the Articles, when new equity securities are proposed to be issued for cash, they must first be offered to existing holders pro rata to their holdings. There may be occasions, however, where the Directors may need the flexibility to issue equity securities without a fully pre-emptive offer in order to take advantage of business opportunities as they arise.

The Board has an existing authority to issue equity securities for cash without such securities first being required to be offered to existing holders which will expire on 12 August 2016 or the conclusion of the Company's 2016 AGM, whichever is earlier. It is therefore proposed to renew the Directors authority to allot equity securities free of such pre-emption rights during the period from 15 June 2016 until 14 September 2017 or the conclusion of the Annual General Meeting of the Company in 2017, whichever is earlier.

Resolution 19 will enable the Board, in appropriate circumstances, to allot for cash (other than in connection with a rights issue or open offer), without a pre-emptive offer to existing shareholders, equity securities with an aggregate nominal value of up to £682,560 being up to 68,256,000 Ordinary Shares and representing approximately 10 per cent. of the issued ordinary share capital of the Company as at 13 May 2016 (being the last practicable date prior to the publication of this document). This authority is in line with institutional shareholder guidance, and in particular with the Pre-emption Group's Statement of Principles. These principles allow the authority for an issue of shares for cash (otherwise than in connection with a pre-emptive offer) to be increased from 5% to 10% of the Company's issued share capital, provided that the Company confirms that it intends to use the additional 5% authority only in connection with an acquisition or specified investments. The Board intends to adhere to the Pre-emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 19(b):

- a. in excess of an amount equal to 5% of the Company's issued ordinary share capital (excluding any treasury shares); or

- b. in excess of an amount equal to 7.5% of the Company's issued ordinary share capital (excluding any treasury shares) within a rolling three-year period, without prior consultation with shareholders,

in each case other than 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 effect of the resolution is also to disapply pre-emption provisions in connection with a rights issue or open offer and allows the Directors, in the case of a rights issue or open offer, to make appropriate arrangements in relation to fractional entitlements of other legal or practical problems.

This Resolution is proposed so as to give your Board flexibility to take advantage of business opportunities as they arise.

## **Resolution 20**

### ***Adoption of new articles of incorporation***

It is proposed in this special resolution to adopt new articles of incorporation (the "New Articles"). These are intended to replace the Company's current articles of incorporation in their entirety (the "Current Articles"). The Board proposes that the Current Articles be updated for the amendments to the Companies (Guernsey) Law, 2008, as amended (the "Companies Law") which came into effect in September 2015 and to bring them into line with current market practice. The principal changes being proposed in the New Articles are in relation to the introduction of the Uncertificated Securities (Guernsey) Regulations which replaces the CREST rules and which are mostly technical in nature. Other changes are minor and relate to technical or clarifying matters. In summary, the principal changes proposed to be made to the Current Articles by way of adoption of the new Articles are:

- amendments are proposed to reflect the adoption of the Uncertificated Securities (Guernsey) Regulations, 2009 (as amended) in Guernsey and to remove the wording relating to the CREST Guernsey requirements which is no longer applicable;
- it is proposed that the provisions requiring the directors to issue certificates on the issue of shares in the Company be removed as the requirement for the directors to do this has been removed from the Companies Law;
- in line with amendments to the Companies Law, the directors will no longer be required to disclose to the Board the monetary value of any interest in a transaction or proposed transaction with the Company but will need to disclose the nature and extent of such interest;
- the notice periods for deemed receipt in respect of the service of documents on shareholders by post have been shortened such that notices will be deemed to be received two business days after posting in the case of shareholders resident in the UK, the Channel Islands and the Isle of Mann and three business days in all other cases. The electronic communications provisions will be updated in line with the amendments to the Companies Law. These changes reflect amendments to the Companies Law and bring the Company into line with current market practice; and
- general amendments are proposed to update the Current Articles for recent developments to Guernsey tax legislation, in particular to update the wording empowering directors to request information from shareholders to ensure that the Company complies with its obligations under FATCA and the Common Reporting Standard issued by the Organisation for Economic Co-operation and Development.

A clean copy of the New Articles is available at the Company's website [www.ravenrussia.com](http://www.ravenrussia.com) and a copy marked up to show changes from the Current Articles will be made available for inspection as specified in note 9 to the Notice of AGM in this document.

Resolution 20 will become effective at the end of the meeting.

Waiver of requirements of the UK City Code on Takeovers and Mergers (the "Code")

Under Rule 9 of the Code, when:

- any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or
- any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of the voting rights of a company and such person, or any person acting in concert with him, acquires an interest in any other shares which has the effect that their percentage holding of voting rights is increased,

that person is normally required by the UK Takeover Panel (the "Panel") to make a general offer to all shareholders of that company at the highest price paid by them for shares in that company during the previous 12 months.

As set out above, the Company will seek at the AGM:

- a general authority to make on-market purchases of Ordinary Shares, within limits, of up to 68,256,037 Ordinary Shares representing 10 per cent. of the Company's issued ordinary share capital – see Resolution 16 above; and in addition,
- a specific authority to buy back Ordinary Shares on-market, within limits, pursuant to a tender offer, of up to 17,689,229 Ordinary Shares – see Resolution 18 above.

Both authorities will expire 15 months from the date the resolutions are approved.

Invesco Asset Management Limited acting as agent for and on behalf of its discretionary managed clients ("Invesco") currently owns 31.52 per cent. of the Company's issued ordinary share capital. If the full number of Ordinary Shares were to be purchased under the tender offer proposed today by the Company (the terms of which are set out in a separate circular sent today to ordinary shareholders (assuming no exercise of Warrants and Invesco do not tender any Ordinary Shares to the Company pursuant to that tender offer), then Invesco's percentage interest in the Ordinary Shares would rise to 32.07 per cent. If the general authority proposed by Resolution 16 and the specific authority to buyback Ordinary Shares proposed by Resolution 18 were to be utilised in full (whether pursuant to one or a number of market purchases) and assuming no exercise of Warrants and that Invesco do not tender or sell any of their holding of Ordinary Shares, then its percentage interest in the Ordinary Shares would rise to 35.70 per cent.

Under Rule 37.1 of the Code, when a company purchases its own voting shares, any resulting increase in the percentage of voting rights of any person or group of persons acting in concert will be treated as an acquisition for the purpose of Rule 9.

Invesco is not connected with any of the Company's directors and, accordingly, the Panel has consented under Note 1 on Rule 37.1 that if any of the circumstances referred to above were to occur, Invesco would not incur an obligation to make a general offer under Rule 9. The exception in Note 1 on Rule 37.1 will not apply, and an obligation to make a mandatory offer may therefore be imposed, if Invesco acquires an interest in Ordinary Shares.

## **Further Information**

As at 13 May 2016 (being the last practicable date prior to the publication of this document):

- the issued ordinary share capital of the Company was 682,560,376 Ordinary Shares, none of which were held in treasury;
- the issued preference share capital of the Company was 98,494,964 Preference Shares; and
- there were 25,008,823 Warrants to subscribe for Ordinary Shares outstanding (representing 3.66 per cent. of the Company's existing issued ordinary share capital). These Warrants will represent approximately 3.76 per cent. of the Company's issued ordinary share capital (excluding treasury shares) if the Company purchases the maximum number of Ordinary Shares pursuant to the authority proposed in Resolution 18 in connection with the tender offer proposed today to ordinary shareholders. If the general authority proposed by Resolution 16 and the specific authority to buy back Ordinary Shares proposed by Resolution 18 were to be utilised in full (whether pursuant to one or a number of market purchases), then the Warrants will represent approximately 4.2 per cent. of the Company's issued ordinary share capital (excluding treasury shares).

## **Recommendation**

Your Directors believe that all the proposed resolutions to be considered at the AGM are in the best interests of Raven Russia and its shareholders as a whole. Your Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their own beneficial shareholdings in Raven Russia.

There is more information about the AGM on the following pages.

Yours sincerely

**Richard Jewson**

*Chairman*

17 May 2016

**Raven Russia Limited**

Registered Office: Second Floor, La Vieille Cour, La Plaiderie, St Peter Port, Guernsey GY1 6EH  
Registered in Guernsey with number 43371



# NOTICE OF ANNUAL GENERAL MEETING

## Raven Russia Limited

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Raven Russia Limited (the "Company") will be held at offices of Carey Olsen, Carey House, Les Banques, St Peter Port, Guernsey GY1 4BZ on Wednesday 15 June 2016 at 11.00 a.m. for the purpose of considering and, if thought fit, passing resolutions 1 to 15 as ordinary resolutions and resolutions 16 to 20 as special resolutions.

### Ordinary Resolutions

1. To receive the financial statements and the report of the Directors and of the auditors of the Company for the year ended 31 December 2015.
2. To approve the Directors' Remuneration Report in the form set out in the Company's 2015 Annual Report.
3. To approve the changes to the Directors' remuneration policy in the form set out in the Appendix to this Notice of AGM.
4. To approve the terms of the retention scheme for the period 1 January 2016 to 31 December 2017, a summary of which is set out in the Appendix to this Notice of AGM, and the Directors be authorised to adopt such scheme and do all acts and things which they may, in their absolute discretion, consider necessary or expedient to give effect to such scheme.
5. To re-appoint Richard Jewson as a Director of the Company.
6. To re-appoint Anton Bilton as a Director of the Company.
7. To re-appoint Glyn Hirsch as a Director of the Company.
8. To re-appoint Mark Sinclair as a Director of the Company.
9. To re-appoint Colin Smith as a Director of the Company.
10. To re-appoint Christopher Sherwell as a Director of the Company.
11. To re-appoint Stephen Coe as a Director of the Company.
12. To re-appoint David Moore as a Director of the Company.
13. To re-appoint Ernst & Young LLP as auditors of the Company.
14. To authorise the Directors to agree the remuneration of the auditors of the Company.
15. That the Directors be generally and unconditionally authorised to exercise all the powers of the Company to issue:
  - (a) ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") or grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of £2,275,201;
  - (b) Ordinary Shares in connection with an offer of such securities by way of a rights issue up to an aggregate nominal amount of £2,275,201; and
  - (c) 32,831,654 cumulative redeemable preference shares of 1p each in the capital of the Company ("Preference Shares"), provided that such authority shall expire on 14 September 2017 or, if earlier, the conclusion of the next Annual General Meeting of the Company (unless previously renewed, revoked or varied by the Company by ordinary

resolution), save that the Company may, before such expiry, make an offer or agreement which would, or might, require shares to be issued or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may issue shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

“rights issue” means an offer to:

- (a) holders of Ordinary Shares in proportion (as nearly as may be practicable) to the respective number of Ordinary Shares held by them; or
- (b) holders of other relevant 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 for further securities by means of the issue of a renounceable letter (or other negotiable document) 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 or any other matter.

### **Special Resolutions**

- 16. To authorise the Company, pursuant to Article 10.1 of the articles of incorporation of the Company (the “Articles”) and in accordance with section 315 of the Companies (Guernsey) Law, 2008, as amended (the “Law”) and in substitution for the existing authority granted at the Annual General Meeting of the Company held on 13 May 2015, to make market acquisitions (as defined in section 316 of the Law) of Ordinary Shares provided that:
  - (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 68,256,037 Ordinary Shares;
  - (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 1p;
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be an amount equal to the higher of: (i) 105 per cent. of the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for the Ordinary Shares for the five business days immediately preceding the date of purchase; and (ii) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003; and
  - (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire 15 months from the date of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority and may make a purchase of Ordinary Shares pursuant to any such contract after such expiry.
- 17. To authorise the Company, pursuant to Article 10.1 of the Articles and in accordance with section 315 of the Law and in substitution for the existing authority granted at the Annual General Meeting of the Company held on 13 May 2015, to make market acquisitions (as defined in section 316 of the Law) of Preference Shares provided that:
  - (a) the maximum number of Preference Shares hereby authorised to be purchased shall be 14,774,244 Preference Shares;
  - (b) the minimum price (exclusive of expenses) which may be paid for a Preference Share shall be 1p;

- (c) the maximum price (exclusive of expenses) which may be paid for a Preference Share shall be an amount equal to 120 per cent. of the average of the middle market quotations (as derived from the London Stock Exchange Daily Official List) for the Preference Shares for the five business days immediately preceding the date of purchase; and
  - (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire 15 months from the date of this resolution, save that the Company may, prior to such expiry, enter into a contract to purchase Preference Shares under such authority and may make a purchase of Preference Shares pursuant to any such contract after such expiry.
18. To authorise the Company, pursuant to Article 10.1 of the Articles and in accordance with section 315 of the Law, to make one or more market acquisitions (as defined in section 316 of the Law) of Ordinary Shares pursuant to the tender offer as described in the Company's Tender Offer circular dated 17 May 2016 to ordinary shareholders provided that:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 17,689,229 Ordinary Shares:
  - (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share shall be 1p;
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share pursuant to this authority shall be the greater of 40p and an amount equal to not more than 30 per cent. above the average of the closing middle market quotations for the Ordinary Shares derived from the London Stock Exchange Daily Official List ("SEDOL") for the five dealing days immediately preceding the day on which the Company buys back the Ordinary Shares concerned; and
  - (d) unless previously revoked or varied, the authority hereby conferred shall expire on the date which is 15 months from the date of passing this resolution and that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares under the authority hereby conferred and may make purchase(s) of Ordinary Shares in pursuance of any such contract or contracts.
19. That subject to, and conditional upon, the passing of Resolution 15, the Company's Directors be and are hereby authorised, in accordance with Article 5.1 of the Articles, to issue equity securities (as defined in the Articles) for cash pursuant to the authority conferred by Resolution 15, in each case:
- (a) in connection with an offer of such securities by way of a rights issue (as defined in Resolution 15): and
  - (b) (otherwise than pursuant to sub-paragraph 19(a) above), up to an aggregate nominal amount of £682,560,

as if Article 5.1 of the Articles did not apply to any such issue provided that such authority shall expire on 14 September 2017 or, if earlier, the conclusion of the next Annual General Meeting of the Company (unless previously renewed, revoked as varied by the Company by special resolution), save that the Company may, before such expiry, make an offer or agreement which would, or might, require equity securities to be issued after such expiry and the Directors may issue equity securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

20. To adopt with effect from the end of this Annual General Meeting the articles of incorporation produced to the meeting and initialed by the Chairman of the meeting for the purpose of identification (the "New Articles") as the articles of incorporation of the Company in substitution for, and to the exclusion of, the existing articles of incorporation.

*By order of the Board*

*Registered Office:*

Second Floor  
La Vieille Cour  
La Plaiderie  
St Peter Port  
Guernsey  
GY1 6EH

**Benn Garnham**

*Secretary*

Dated: 17 May 2016

**Notes:**

1. As at 13 May 2016 (being the last practicable date before the publication of this Notice) the Company's issued ordinary share capital consisted of 682,560,376 Ordinary Shares carrying one vote each.
2. A member entitled to attend and vote at the Meeting convened by the above Notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him or her provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different shares. A proxy need not be a member of the Company.
3. To appoint a proxy you may:
  - (a) use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF in each case no later than 11.00 a.m. on 13 June 2016; or
  - (b) if you hold your shares in uncertified form, use the CREST electronic proxy appointment service as described in Note 6 below.

Completion of the Form of Proxy or the appointment of a proxy electronically through CREST will not prevent a member from attending and voting in person.

4. The Company, pursuant to article 130.2 of the Articles, specifies that only those members entered on the register of members of the Company as at 6.00 p.m. on 13 June 2016 shall be entitled to attend or vote at the meeting in respect of shares registered in their name at that time. Changes to entries on the register after 6.00 p.m. on 13 June 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising 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 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's specifications and must contain the information required for such instructions, as described in the CREST Manual ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message must be transmitted so as to be received by the issuer's agent (ID RA10), by 11.00 a.m. on 13 June 2016. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009. Please refer to the CREST Manual at [www.euroclear.com/CREST.Appendix](http://www.euroclear.com/CREST.Appendix).
9. A copy of the articles of incorporation referred to in resolution 20 showing the changes proposed to the articles of incorporation will be available for inspection at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA during normal business hours on any business day until the close of the AGM and will be available at the place of the meeting for at least 15 minutes prior to, and until the conclusion of, the meeting.

## APPENDIX

### Details of the new Retention Scheme and changes to the Directors' remuneration policy

This appendix should be read in conjunction with the Letter from the Chairman of the Remuneration Committee on pages 48 and 49 of the 2015 Annual Report.

As explained in the Chairman's letter, the volatility in the Rouble : US Dollar exchange rate since late 2014 has had a fundamental effect on the Group's business model and strategy. This means that the existing, growth driven, incentive scheme (being the Combined Bonus and Long Term Incentive Scheme for 2015 – 2017 (the "CBLTIS")) does not align management with the defensive strategy needed currently.

Discussions have been held with a number of the larger ordinary shareholders of the Company and, as a result of these discussions, it has been agreed that the objective of incentives in respect of the next two financial years (to 31 December 2017) should be to provide cohesion and retention of the key management team, to allow them to react appropriately to the effects of a fluid macro environment. There will also be a degree of discretion afforded to the Remuneration Committee when awards are made to take account of the effects of events outside of the control of executive management.

This will be achieved through the introduction of a retention scheme (the "Retention Scheme") and an annual performance incentive.

In addition the executive directors and certain senior managers have agreed to waive their entitlements to awards (whether vested or unvested) under the CBLTIS and will therefore not receive any compensation pursuant to the CBLTIS.

As at the date of this document, 58.72 per cent. of ordinary shareholders of the Company have confirmed to the Company that they will vote in favour of Resolutions 2, 3 and 4 to be proposed to the Annual General Meeting.

The details of the new Retention Scheme and revised Directors' remuneration policy are as follows:

#### Retention Scheme

The Retention Scheme will be available to the executive directors of the Company and certain other senior managers of the Group. Participants will be entitled to receive three equal payments each equivalent to 150% of basic salary. Each instalment will be paid as follows; upon approval of the revised remuneration policy at the Company's 2016 AGM, on 31 December 2017 and on 31 March 2019. The sole condition for each instalment being paid will be the continuing employment of the participant at the relevant payment date.

Participants will receive payment of an instalment in a combination of the Company's listed securities and cash. The executive directors of the Company will receive payment of their instalments as follows:

A Bilton	Entirely in listed securities of the Company
G Hirsch	Entirely in listed securities of the Company
M Sinclair	Half in cash and the remainder in listed securities of the Company
C Smith	Half in cash and the remainder in listed securities of the Company

The number of listed securities of the Company issued to satisfy such payments will be calculated with reference to the average closing mid-market share price of the relevant listed security of the Company in the 30 trading days up to and including the trading day immediately prior to the scheduled payment date of that instalment.

## Revised Directors' remuneration policy – Annual performance incentive

An annual cash bonus of up to 75% of basic salary, based on performance in 2016 and 2017, wholly at the discretion of the Remuneration Committee.

A new incentive scheme for the three years to 31 December 2020 will be prepared and presented for approval at the 2017 AGM.

The above proposals require changes to the Directors' remuneration policy for the period to 31 December 2017. The changes are to replace the CBLTIS with the annual performance incentive and Retention Scheme. All other elements of the Group's policy will be unchanged.

The table below sets out details of the proposed changes:

	<b>Purpose and link to strategy</b>	<b>Operation</b>	<b>Opportunity</b>	<b>Performance metrics</b>	<b>Discretion applied</b>								
<b>Annual performance incentive</b>	A simple method to allow the Remuneration Committee to reward managements' performance in the context of the Group's defensive strategy.	An annual bonus payable in cash.	Up to 75% of basic salary.	Wholly at the discretion of the Remuneration Committee.	The awards, up to the maximum of 75% of basic salary, are wholly at the discretion of the Remuneration Committee.								
<b>Retention Scheme</b>	To retain key management during the period of market turbulence.	<p>An award granted that vests in three equal instalments; upon approval of the revised Directors' remuneration policy at the Company's 2016 AGM, on 31 December 2017 and on 31 March 2019.</p> <p>The participants will receive the payment of each instalment in a combination of listed securities of the Company and cash. The directors of the Company will receive their payments on the following basis:</p> <table border="0"> <tr> <td>A Bilton</td> <td>Entirely in listed securities of the Company</td> </tr> <tr> <td>G Hirsch</td> <td>Entirely in listed securities of the Company</td> </tr> <tr> <td>M Sinclair</td> <td>Half in cash and the remainder in listed securities of the Company</td> </tr> <tr> <td>C Smith</td> <td>Half in cash and the remainder in listed securities of the Company</td> </tr> </table> <p>The number of listed securities of the Company will be calculated with reference to the average closing mid-market share price of the relevant listed securities of the Company in the 30 trading days up to and including the trading day immediately prior to the scheduled payment date of that instalment.</p> <p>Listed securities of the Company that vest will be freely transferable and have no restriction on sale.</p>	A Bilton	Entirely in listed securities of the Company	G Hirsch	Entirely in listed securities of the Company	M Sinclair	Half in cash and the remainder in listed securities of the Company	C Smith	Half in cash and the remainder in listed securities of the Company	150% of basic salary in respect of each of the three scheduled payments.	As the purpose is retention the sole condition for vesting is employment on the day of vesting.	None
A Bilton	Entirely in listed securities of the Company												
G Hirsch	Entirely in listed securities of the Company												
M Sinclair	Half in cash and the remainder in listed securities of the Company												
C Smith	Half in cash and the remainder in listed securities of the Company												

