

**THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek advice from your own stockbroker, bank manager, solicitor, accountant or other financial adviser authorised pursuant to the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

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.

---

# Raven Russia Limited

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

## Notice of 2017 Annual General Meeting

For ordinary shareholders and,  
for information purposes only,  
holders of convertible preference shares,  
preference shares and warrants

---

Notice of the Annual General Meeting of the Company to be held at 10.00 a.m. on Wednesday 12 July 2017 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 10.00 a.m. on Monday 10 July 2017. 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 12 July 2017 at the offices of Carey Olsen, Carey House, Les Banques, St Peter Port, Guernsey GY1 4BZ. The meeting will start at 10.00 a.m. and the formal Notice of AGM is set out on pages 9 to 13.

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 10.00 a.m. on Monday 10 July 2017. 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’ report and financial statements***

The Directors are required to present to the AGM the Company’s financial statements for the year ended 31 December 2016 and the reports of the Directors and auditors on those financial statements. These are all contained in the 2016 Annual Report.

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

#### ***Directors’ Remuneration Report, Remuneration Policy and Five Year Performance Plan***

The Company has chosen to ask ordinary 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.

Resolution 3 is an ordinary resolution to approve the Remuneration Policy set out in Appendix 1 to this document. Once the Remuneration Policy as approved by shareholders comes into effect, all future payments by the Company to the Directors must be made in accordance with the revised policy other than any existing remuneration commitments or contractual arrangements agreed prior to the approval and implementation of this Policy in accordance with any policy in place at the time (which will be honoured in accordance with their original terms) or where a payment has been separately approved by a shareholder resolution. If approved, the Remuneration Policy will take effect from 1 January 2018.

Resolution 4 is an ordinary resolution to approve the terms of the Five Year Performance Plan for the period 31 March 2018 to 31 March 2023 (the “Plan”). A summary of the terms of the Plan can be found in Appendix 2 to this document. The Company has chosen to ask ordinary shareholders to approve the terms of the Plan.

### **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 2016 Annual Report.

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

The Company is required to comply with the provisions of the UK Listing Rules (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 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 a 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 date of the first vote. Accordingly, if any of resolutions 10, 11 and 12 are approved by the shareholders of the Company but 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 his present role, 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 14 September 2017 or the conclusion of the Company's 2017 AGM, whichever is earlier.

To maintain this flexibility, it is therefore proposed to grant the Directors authority to issue securities during the period from 12 July 2017 until 11 October 2018 or the conclusion of the Annual General Meeting of the Company in 2018, 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 £4,544,852, being approximately two thirds of the Company’s current issued ordinary share capital on 9 June 2017 (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) 32,966,196 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 9 June 2017 (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, 17 and 18**

### ***Authorities for the Company to purchase its own Ordinary, Preference and Convertible 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 purchase, satisfy a solvency test prescribed by Guernsey company law and any other requirements in the Company’s Articles.

Special resolutions 16 and 17 would renew the authorities given to your Directors at last year’s AGM and special resolution 18 proposes a new authority in relation to the Convertible Preference Shares that were created and issued last year. The maximum number of Ordinary Shares, Preference Shares and Convertible Preference Shares authorised to be purchased (which represents 10 per cent. of the issued ordinary share capital, 14.99 per cent. of the issued preference share capital and 14.99 per cent. of the issued convertible preference share capital, in each case, as at 9 June 2017 (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 resolutions.

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 19**

### ***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 up to 40,525,228 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 Share pursuant to this authority shall be the greater of 52p 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 40,525,228. Any purchases of Ordinary Shares made pursuant to this resolution 19 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 for which authority is being sought is set out in a separate tender offer circular which was published today.

## **Resolution 20**

### ***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 14 September 2017 or the conclusion of the Company's 2017 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 12 July 2017 until 11 October 2018 or the conclusion of the Annual General Meeting of the Company in 2018, whichever is earlier.

Resolution 20 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 £681,727 being up to 68,172,790 Ordinary Shares and representing approximately 10 per cent. of the issued ordinary share capital of the Company as at 9 June 2017 (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 20(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 21**

### ***Adoption of revised memorandum of incorporation***

The current memorandum of incorporation of the Company (the "Memorandum") was adopted at incorporation on 4 July 2005. It is therefore proposed to update the Memorandum to reflect changes in the Guernsey companies law since that date, in particular to remove the detailed objects which are no longer required; to incorporate the required provisions of the Companies (Guernsey) Law 2008 (as amended) (the "Law"); and to remove the authorised share capital, which is not up-to-date and is dealt with in the Articles.

Resolution 21 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 68,172,790 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 40,525,228 Ordinary Shares – see Resolution 19 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 31.54 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 published today (assuming no exercise of Warrants or conversion of Convertible Preference Shares 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 32.39 per cent. If the general authority proposed by Resolution 16 and the specific authority to buyback Ordinary Shares proposed by Resolution 19 were to be utilised in full (whether pursuant to one or a number of market purchases) and assuming no exercise of Warrants or conversion of Convertible Preference Shares 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 36.10 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 (including as a result of converting any of its Convertible Preference Shares) prior to the Annual General Meeting.

#### **Further Information**

As at 9 June 2017 (being the last practicable date prior to the publication of this document):

- the issued ordinary share capital of the Company was 681,727,905 Ordinary Shares, none of which were held in treasury;
- the issued preference share capital of the Company was 98,898,589 Preference Shares;
- the issued convertible preference share capital of the Company was 108,689,501 Convertible Preference Shares; and
- there were 11,135,297 Warrants to subscribe for Ordinary Shares outstanding (representing 1.63 per cent. of the Company's existing issued ordinary share capital). These Warrants will represent approximately 1.70 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 19 in connection with the tender offer proposed today to ordinary shareholders and assuming no conversion of Convertible Preference Shares. If the general authority proposed by Resolution 16 and the specific authority to buy back Ordinary Shares proposed by Resolution 19 were to be utilised in full (whether pursuant to one or a number of market purchases), then assuming no conversion of Convertible Preference Shares, the Warrants will represent approximately 1.90 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*

13 June 2017

**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 the offices of Carey Olsen, Carey House, Les Banques, St Peter Port, Guernsey GY1 4BZ on Wednesday 12 July 2017 at 10.00 a.m. for the purpose of considering and, if thought fit, passing resolutions 1 to 15 as ordinary resolutions and resolutions 16 to 21 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 2016.
2. To approve the Directors' Remuneration Report in the form set out in the Company's 2016 Annual Report.
3. To approve the Directors' remuneration policy in the form set out in Appendix 1 to this Notice of AGM.
4. To approve the terms of the Five Year Performance Plan for the period 31 March 2018 to 31 March 2023, a summary of which is set out in Appendix 2 to this Notice of AGM, and the Directors be authorised to adopt such plan and do all acts and things which they may, in their absolute discretion, consider necessary or expedient to give effect to such plan.
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 £2,272,426;
  - (b) Ordinary Shares in connection with an offer of such securities by way of a rights issue up to an aggregate nominal amount of £2,272,426; and
  - (c) 32,966,196 cumulative redeemable preference shares of 1p each in the capital of the Company ("Preference Shares"),

provided that such authority shall expire on 11 October 2018 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 15 June 2016, 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 68,172,790 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 for an Ordinary Share (as derived from the London Stock Exchange Daily Official List (“SEDOL”)) for the five business days immediately preceding the date on which the Ordinary Share is purchased; and (ii) the amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange trading services SETS; 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 15 June 2016, 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 14,834,788 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 SEDOL) 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 market acquisitions (as defined in section 316 of the Law) of Convertible Preference Shares provided that:
- (a) the maximum number of Convertible Preference Shares hereby authorised to be purchased shall be 16,303,425 Convertible Preference Shares;
  - (b) the minimum price (exclusive of expenses) which may be paid for a Convertible Preference Share shall be 1p;
  - (c) the maximum price (exclusive of expenses) which may be paid for a Convertible Preference Share shall be an amount equal to 105 per cent. of the average of the middle market quotations (as derived from SEDOL) for the Convertible 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 Convertible Preference Shares under such authority and may make a purchase of Convertible Preference Shares pursuant to any such contract after such expiry.
19. 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 13 June 2017 to ordinary shareholders provided that:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 40,525,228 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 52p 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 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.

20. 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 20(a) above), up to an aggregate nominal amount of £681,727,

as if Article 5.1 of the Articles did not apply to any such issue provided that such authority shall expire on 11 October 2018 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.

21. That the existing memorandum of incorporation of the Company be rescinded in whole and substituted with the new memorandum of incorporation in the form produced to the meeting and initialled by the Chairman for the purpose of identification.

*By order of the Board*

*Registered Office:*

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

**Benn Garnham**  
*Secretary*

Dated: 13 June 2017

**Notes:**

1. As at 9 June 2017 (being the last practicable date before the publication of this Notice) the Company's issued ordinary share capital consisted of 681,727,905 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 to Capita Asset Services at PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF in each case no later than 10.00 a.m. on 10 July 2017; 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 128.2 of the Articles, specifies that only those members entered on the register of members of the Company as at the close of business on 10 July 2017 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 the close of business on 10 July 2017 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 10.00 a.m. on 10 July 2017. 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 new memorandum of incorporation referred to in resolution 21 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 1

### Remuneration Policy for the period from 1 January 2018 to 31 December 2020

#### Current Policy

On 15 June 2016, shareholders approved an amendment to the Directors' Remuneration Policy for 2016 and 2017, introducing a Retention Scheme and an Annual Performance Incentive.

The Retention Scheme entitles the Directors to two further payments each equating to 150% of basic salary on 31 December 2017 and 31 March 2019 conditional on their continued employment at that time. Both Glyn Hirsch and Anton Bilton receive their entitlement entirely in listed securities of the Company and, currently, Mark Sinclair and Colin Smith receive their entitlement as to 50% in cash and 50% in listed securities of the Company.

The Annual Performance Incentive allows for a maximum cash bonus of up to 75% of basic salary in 2017 at the discretion of the Remuneration Committee based on performance in that year.

#### Proposed New Policy

The Directors are now presenting to shareholders their proposal for the remuneration policy of the Company for the period from 1 January 2018 to 31 December 2020.

We engaged Aon Hewitt, independent remuneration consultants, to review our remuneration policies. The conclusion of this exercise was that the Company requires a policy which allows flexibility in the short term to react to the impact of any extraneous events, together with a long term incentive which is mindful of shareholder returns over an extended period. We also consulted our largest shareholders directly on our proposals. In summary, the Directors now propose the following to operate in the three years to 31 December 2020:

- **Basic Salary, Benefits and Pension Contribution** – no change to the current policy, basic salary increases limited to UK RPI and Company funded pension contributions of 10% of basic salary and other customary benefits;
- **Annual Performance Incentive** – an annual performance incentive will not be available for calendar year 2018. For calendar years 2019 and 2020, Executive Directors will be eligible to participate in a discretionary bonus scheme. Annual bonuses will be available at the discretion of the Remuneration Committee based on a framework of performance criteria agreed at the beginning of each financial year. Any bonus awarded can be paid in either cash or in listed securities of the Company (but not both) at the election of each executive director. If the award is settled in listed securities of the Company, the maximum opportunity would be 175% of basic salary and if settled in cash the maximum bonus would be 50% of basic salary. Other than disposals made to satisfy tax liabilities arising on the bonus, listed securities received by the Executive Directors in respect of annual bonuses must be held for at least three years from receipt but, in any event, we would expect these securities to be held for the long term;
- **Five Year Performance Plan (“the Plan”)** – in addition, we propose a long term incentive plan linked to the Total Shareholder Return (“TSR”) of the Company’s ordinary shares, further details of which are set out in Appendix 2.

As such, the proposed remuneration policy of the Company for the period from 1 January 2018 to 31 December 2020 can be framed accordingly:

	<b>Purpose and Link to Strategy</b>	<b>Operation</b>	<b>Opportunity</b>	<b>Performance metrics</b>	<b>Discretion applied</b>
<b>Base Salary</b>	To retain, attract and motivate the right people for our business	Salaries are reviewed annually and fixed for the calendar year reflecting: <ul style="list-style-type: none"> <li>the experience and responsibilities of each individual;</li> <li>market comparators for listed companies; and</li> <li>percentage increases in base salary for the Group as a whole.</li> </ul>	Executive Directors' base salary increases have been held to a maximum of UK RPI since 2012.	None	None
<b>Benefits</b>	To promote the well-being of Executives	Benefits are limited to life insurance, health insurance, private healthcare and reimbursing of all professional and business subscriptions and membership fees including gym membership fees.	None	None	None
<b>Pension</b>	To reward continuing service	A contribution is made to personal pension arrangements or direct to personal pension plans. Benefits and pension contributions are held at the lower end of listed company comparators.	Contributions of 10% of base salary are made each year.	None	None
<b>Annual performance incentive</b>	A simple method to allow the Remuneration Committee to reward managements' performance in the year which encourages share ownership and reduces the cash burden to the Group.	An annual bonus payable in listed securities of the Company. Other than disposals made to satisfy tax liabilities arising on the bonus, listed securities must be held for at least three years from the date of receipt. Alternatively the award can be settled in cash subject to the lower maximum award described under "opportunity".	None for calendar year 2018. For calendar years 2019 and 2020, a maximum of 175% of basic salary, if paid in the Company's listed securities. Reducing to a maximum of 50% of basic salary if the Executive elects to receive the award in cash.	At the discretion of the Remuneration Committee based on a framework of performance criteria agreed at the beginning of each financial year.	At the discretion of the Remuneration Committee based on a framework of performance criteria agreed at the beginning of each financial year.
<b>Five Year Performance Plan</b>	A long term incentive scheme designed to encourage share ownership and to directly align participants' interests with ordinary shareholders.	The proposal will allow each Executive Director to invest into the Plan a number of listed securities in the Company that they hold as at 31 December 2017 (or which they are or may become entitled to receive on 31 December 2017 and 31 March 2019 under the Retention Scheme). Any securities so invested must continue to be retained by the relevant Executive Director until 31 March 2023. On 31 March 2023, based on annual compound TSR calculations, the participants will be entitled to up to three times the value of the securities invested in the Plan. Vested entitlements would be settled in the Company's ordinary shares with a value based on the calendar month average ordinary share price for March 2023.	Up to three times the value of listed securities invested.	An annual compound equivalent TSR over the period 31 March 2018 to 31 March 2023. Below an annual compound equivalent TSR of 4% the Plan would lapse; At an annual compound TSR of 12% and above the plan would vest at the maximum value; and A sliding scale would operate for an annual compound TSR of between 4% and 12%	None

### Legacy arrangements

Any existing remuneration commitments or contractual arrangements agreed prior to the approval and implementation of this policy in accordance with any policy in place at the time will be honoured in accordance with their original terms.

## Clawback

Financial misstatement which resulted in overstatement of vesting of the Five Year Performance Plan would result in clawback.

## Recruitment and Exit Policies

Recruitment of new Directors would be based on the same terms as the existing service contracts. No additional remuneration would be offered as an incentive to join and the composition of remuneration would be based on the same components as existing Directors.

Exit policies for the elements of remuneration are summarised in the table below:

Component	Good leaver*	Bad leaver*	Change of control
<b>Basic Salary and Benefits</b>	12 months' notice period	No notice period or payment in lieu of notice	150% of the normal notice provisions for basic salary
<b>Annual performance incentive</b>	Pro rata payment based on the performance in the year in question at the discretion of the Remuneration Committee	No award	Pro rata payment based on the previous year's award
<b>Retention scheme</b>	Awards not vested forfeited except in certain circumstances**	Awards not vested forfeited	All subsisting awards vest
<b>Five Year Performance Plan</b>	Will receive the return of their invested securities together with a scaled back return the amount of which will be at the discretion of the Remuneration Committee	Will receive the return of their invested securities only	The annual compound TSR will be calculated and measured between 31 March 2018 and the date of the change of control takes effect (rather than the highest 30 dealing day average ordinary share price achieved in the 5 year period of the plan) with entitlements vesting to the extent that such annual compound TSR is between 4 and 12%.

\* Bad leaver provisions relate to termination of employment for the reason of gross misconduct including breach of obligation, bankruptcy and disqualification as a director. A good leaver covers all other circumstances.

\*\* If a scheme participant ceases employment due to ill health or disability, redundancy as determined by the Committee or retirement, awards not vested shall vest in full on such date as if the remaining scheduled payment dates occurred at such time.

## Shareholder views

The view of shareholders is sought prior to any significant change to the Remuneration Policy. The views of shareholders holding 63.47% of ordinary shares were taken into account prior to presenting the terms of this Remuneration Policy at the 2017 AGM.



## Appendix 2

### Five Year Performance Plan (the “Plan”)

The Directors propose a long term incentive plan linked to the Total Shareholder Return (“TSR”) of the Company’s ordinary shares:

- The proposal will allow each proposed participant to invest into the Plan a number of listed securities of the Company that they hold as at 31 December 2017 (or which they are or may become entitled to receive on 31 December 2017 and 31 March 2019 under the Retention Scheme (referred to above in Appendix 1));
- Any securities so invested must continue to be retained by the relevant proposed participant until 31 March 2023 and the participants will continue to receive dividends that are paid on such invested securities during such period;
- On 31 March 2023, based on annual compound TSR calculations, the members of the Plan will be entitled to up to three times the value of securities that they invested (or agreed to invest) in the Plan on 31 December 2017;
- The TSR targets will be as follows:
  - Below an annual compound equivalent of 4% TSR between 31 March 2018 and 31 March 2023, the Plan would lapse and the proposed participants will simply retain the listed securities he invested (or agreed to invest) in the Plan on 31 December 2017;
  - At an annual compound TSR of 12% and above between 31 March 2018 and 31 March 2023, the Plan would vest at the maximum value; i.e. the proposed participant retains his listed securities and will receive an additional amount equal to three times the value of the listed securities he invested (or agreed to invest) in the Plan on 31 December 2017; and
  - A sliding scale would operate for an annual compound TSR of between 4% and 12%.
- Vested entitlements would be settled after March 2023 in the Company’s ordinary shares with a value based on the calendar month average ordinary share price for March 2023;
- The Executive Directors and two other senior managers (who are not Executive Directors) will be invited to participate in the Plan;
- The proposal will allow each proposed participant to invest into the Plan a number of listed securities, up to a value of £2 million calculated as follows
  - in connection with any listed securities of the Company which they may become entitled to receive on 31 March 2019 under the Retention Scheme, the value of such listed securities to be fixed as 150 per cent. of basic salary as at 31 December 2017; and
  - in connection with any listed securities of the Company which they hold as at 31 December 2017, the value of such listed securities shall be calculated by the average price for the period from the date of the Company’s 2017 AGM to 31 March 2018.

To the extent that any of the prospective participants do not invest the maximum number of listed securities permitted by the Plan, the other participants will be allowed to increase the size of their participation provided that the value of listed securities to be invested in the Plan by the prospective participants does not exceed £12 million, in aggregate.

In addition, in order to participate in the Plan, the proposed participants will be required to invest all of the listed securities received under the Retention Scheme on 31 December 2017 and 31 March 2019 (other than disposals made to meet tax liabilities arising on the retention

payments), the value of the latter to be fixed as 150 per cent. of basic salary as at 31 December 2017. For the 31 March 2019 Retention Scheme payment, all proposed participants will elect to take the entire amount in listed securities of the Company if vesting conditions are met.

- TSR calculations will be based on the comparison of the average ordinary share price for the period from the date of the Company's 2017 AGM and 31 March 2018 to the highest 30 dealing day average ordinary share price achieved in the period from 1 April 2018 to 31 March 2023. Adjustments will be made to reflect the economic effect of certain matters relating to the ordinary shares, including (but not limited to): distributions where tender offers are made or dividends paid, calculated using the cash amounts made or paid by the Company; future issues of ordinary shares (including bonus issues); and any scrip dividends on, subdivisions of or consolidations of ordinary shares.

Assuming each of the prospective participants invest the maximum number of listed securities permitted by the Plan, the maximum aggregate amount which they could receive under the Plan, if the annual compound 12% TSR was met, will be ordinary shares with a value of £36m, equating to circa 6.24% of the existing ordinary shares in issue.

The participants will not benefit from share price growth and dividends paid over the performance period, as would be the case in a standard long term incentive arrangement. Hence, for comparison to a standard arrangement, discounting the maximum potential payment by the annual maximum TSR target would equate to equivalent annual awards to the Executive Deputy Chairman and Chief Executive Officer of less than 120% of basic salary (assuming all participants invested the maximum amount).

The Remuneration Committee feels that these arrangements are an innovative and positive step for the continued incentivisation of the key management team and alignment with shareholder interests.



