



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in FDM Group (Holdings) plc (the “**Company**”), please hand this document and the accompanying documents to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

FDM Group (Holdings) plc

(incorporated and registered in England and Wales under the Companies Act 2006
with registered number 7078823)

Notice of Annual General Meeting 2021

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 2 and 3 of this document and which recommends you to vote in favour of the resolutions to be proposed at the 2021 Annual General Meeting of the Company. Notice of the Annual General Meeting to be held at 10.30 am on Wednesday 28 April 2021 at the Company’s offices at Third Floor, The Cottons Centre, Cottons Lane, London SE1 2QG is set out on pages 4 to 7 (inclusive) of this document.

In light of current and anticipated public health regulations in connection with the COVID-19 pandemic, you will not be permitted to attend the Annual General Meeting in person. We encourage you to vote by completing and submitting a form of proxy. In line with our ongoing paperless strategy, we have **not** provided a hard-copy form of proxy with this Notice of Annual General Meeting. Instead, we ask that you vote in one of the following ways:

- Complete the online form of proxy by logging onto your Signal Shares account at www.signalshares.com. If you have not previously registered for a Signal Shares account you can do so by using your investor code (“**IVC**”), which you will find on your share certificate, or you can obtain it from our Registrar, Link Group by calling on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. This phone service is available from 0900 to 1730, Monday to Friday excluding public holidays in England and Wales.
- Download a form from www.fdmgroup.com/investors/shareholder-information and return the completed form to the address shown on the form.
- Request a hard copy form from Link on the telephone number shown above and return the completed form to the address shown on the form.
- In the case of CREST members, use the CREST electronic proxy services in accordance with the procedures set out in note 5 on page 12.
- In the case of users of the Proxymity platform, use the Proxymity service in accordance with the procedures set out in note 6 on page 13.

You should appoint the chair of the AGM as your proxy to ensure that your vote is counted. Any other proxy will not be allowed to attend the AGM unless it is for the purpose of forming the quorum.

To be valid, your proxy vote must be received by the Company’s Registrar, Link Group, by no later than 10.30 am on Monday 26 April 2021.

Further instructions relating to how you are able to vote are set out in the notes to the notice of the Annual General Meeting.

22 March 2021

Dear Shareholder

Notice of Annual General Meeting

I am pleased to write to you with details of our Annual General Meeting (the “**AGM**”) which we are holding at FDM Group’s offices at Third Floor, The Cottons Centre, Cottons Lane, London SE1 2QG on Wednesday 28 April 2021 at 10.30 am. The formal notice of AGM is set out on pages 4 to 7 (inclusive) of this document.

For unavoidable reasons which will be familiar to you, and which I will explain below, the AGM will take a different form this year. Shareholders will not be permitted to attend the AGM in person (beyond the two individual shareholders designated by the Board as being necessary to form a quorum). However, I would urge you to participate by voting ahead of the meeting by proxy.

COVID-19

Our preference would have been to welcome shareholders in person to our 2021 AGM, but our expectations are that the current legal restrictions on gatherings which are in place to protect public health will still be in force on 28 April 2021 when our AGM will be taking place. I am therefore asking Shareholders to comply with certain important measures for this year’s AGM which are similar to those we had in place for last year’s meeting. These recommendations are designed to retain participation by Shareholders in the business of the AGM, while balancing health and safety considerations as well as legal requirements restricting gatherings.

The current relevant legislation does not permit us to enable shareholders to gather for our AGM. It is therefore necessary for us to hold a closed meeting this year, which means that you will not be permitted to attend the AGM in person. Anyone seeking to attend the meeting in person (beyond the two individuals which the Board will designate (within the rules) as being necessary to form a quorum) will be refused entry.

Shareholders wishing to vote on any of the matters of business at the AGM are therefore requested to submit their votes in advance by proxy using one of the methods referred to on page 1 of this document and in the notes on pages 11 to 15 of this document (inclusive). Your vote must be received no later than 10.30 am on 26 April 2021 (or, in the event of any adjournment, on the date which is 48 hours before the time of the adjourned AGM).

You should appoint the chair of the AGM as your proxy to ensure that your vote is counted.

You can still ask questions or raise matters of concern for you as a Shareholder by emailing our Company Secretary, Mark Heather (email: mark.heather@fdmgroup.com). Please see Note 12 in the explanatory notes section of this document for further information.

The Board will seek to make the usual arrangements for a presentation of the half-year results by way of a separate presentation and follow-up meetings for certain Shareholders later in the year, depending on changes to the lockdown restrictions and the latest public health advice in force at that time.

The Board is taking the above measures to safeguard the health of Shareholders and other participants, and to make the AGM as safe and efficient as possible. Legal restrictions and public health advice issued by the UK Government in relation to COVID-19 are rapidly evolving and the Board therefore intends to keep the above arrangements under close review during the period between sending this notice and the date of the AGM. Circumstances may result in it being necessary to make further alternative arrangements for the AGM, in which case we will seek to give you as much notice as possible. In the unlikely event that legislation and relevant guidance change after the date of this notice such that physical gatherings become possible, we anticipate that attendance is still likely to be very restricted in terms of numbers and we would therefore strongly recommend remote participation in the meeting by way of proxy in the manner specified in this notice. Details of alternative arrangements for the AGM, if any, will be communicated with Shareholders before the AGM via an announcement on RNS and through the Shareholder Information section of the Investors page on the Company’s website (www.fdmgroup.com).

The results of the shareholders’ voting will be published on our website (www.fdmgroup.com) and will be released to the London Stock Exchange as soon as practicable following the closing of the AGM.

The Board

As required by the UK Corporate Governance Code 2018 (the “Code”), all of the Directors will be offering themselves for re-election at the AGM.

Biographical details of each of the Directors (as at the date of this Notice) are given on pages 59 to 61 of the Company’s Annual Report and Accounts for the period ended 31 December 2020 and on the Company’s website (www.fdmgroup.com). Having considered the performance of and contribution made by each of the Directors at the relevant time, the Board remains satisfied that the performance of each Director continues to be effective and that each Director has been, and will continue to be, able to devote sufficient time and focus to their respective roles at FDM. As such the Board recommends the re-appointment of each Director who is standing for re-appointment.

Final Dividend

The Board proposes a final dividend of 15.0 pence per ordinary share for the year ended 31 December 2020. If approved, the recommended final dividend will be paid on 4 June 2021 to all shareholders who are on the register of members at the close of business on 14 May 2021.

Employee Share Plans

Two resolutions are proposed at this year’s AGM in relation to the share plans that the Company operates for its employees, further information in relation to which is included in the explanatory notes for the proposed resolutions.

Explanatory Notes

Explanatory notes on the business to be considered at the AGM appear on pages 8 to 11 (inclusive) of this document.

Recommendation

The Directors of the Company consider that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own shareholdings.

Yours sincerely



David Lister
Chairman

FDM Group (Holdings) plc

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 2021 Annual General Meeting of FDM Group (Holdings) plc (the “**Company**”) will be held at the offices of the Company at Third Floor, The Cottons Centre, Cottons Lane, London SE1 2QG on Wednesday 28 April 2021 at 10.30 a.m. for the transaction of the following business.

You will be asked to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 18 will be proposed as ordinary resolutions and resolutions 19 to 22 will be proposed as special resolutions.

Ordinary Resolutions

Report and Accounts

- 1 To receive the Company’s Annual Report and Accounts for the year ended 31 December 2020 together with the reports of the Directors and auditors.

Remuneration Policy and Report

- 2 To approve the Directors’ Remuneration Policy as set out on pages 105 to 114 of the Annual Report 2020.
- 3 To approve the Directors’ Remuneration Report (other than the part containing the Directors’ Remuneration Policy) for the year ended 31 December 2020 as set out on pages 90 to 104 of the Annual Report 2020.

Dividend

- 4 To declare a final ordinary dividend for the year ended 31 December 2020 of 15.0 pence for each ordinary share in the capital of the Company.

The FDM 2014 Performance Share Plan

- 5 That the amendments to the rules of the FDM 2014 Performance Share Plan, as shown in the marked-up version of the plan rules produced to the meeting, be and are hereby approved and the Directors be and are hereby generally authorised to adopt the amendments and to do all things that they consider necessary or expedient to give effect to the amendments.

The FDM Buy-As-You-Earn Plan

- 6 That:
 - (a) the rules of the FDM Buy-As-You-Earn Plan (the “**BAYE**”), in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification and the principal terms of which are summarised in the Appendix to the notice of the Company’s 2021 Annual General Meeting, be and are hereby approved and the Directors be and are hereby generally authorised to adopt the BAYE and to do all acts and things that they consider necessary or expedient to give effect to the BAYE; and
 - (b) the Directors be and are hereby authorised to establish such further plans for the benefit of employees overseas based on the BAYE, subject to such modifications as may be necessary or desirable to take account of overseas securities laws, exchange control and tax legislation, provided that any ordinary shares of the Company made available under such further plans are treated as counting against the individual and overall limits in the BAYE.

Directors

- 7 To re-elect Andrew Brown as a Director of the Company.
- 8 To re-elect Rod Flavell as a Director of the Company.
- 9 To re-elect Sheila Flavell as a Director of the Company.
- 10 To re-elect Michael McLaren as a Director of the Company.
- 11 To re-elect Alan Kinnear as a Director of the Company.
- 12 To re-elect David Lister as a Director of the Company.
- 13 To re-elect Jacqueline de Rojas as a Director of the Company.
- 14 To re-elect Michelle Senecal de Fonseca as a Director of the Company.
- 15 To re-elect Peter Whiting as a Director of the Company.

Auditors

- 16 To re-appoint PricewaterhouseCoopers LLP as the Company's auditors to hold office from the conclusion of this meeting until the conclusion of the next meeting at which accounts are laid before the Company.
- 17 To authorise the Directors to agree the remuneration of the auditors.

Allotment of Securities

- 18 That,
 - (a) in accordance with section 551 of the Companies Act 2006 (the "CA 2006"), the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution) up to an aggregate nominal amount of £363,972 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at 23.59 on 27 July 2022 (being 15 months after the date of this resolution) save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted or rights to subscribe for or convert any Relevant Security into shares to be granted after it expires and the Directors may allot Relevant Securities or grant rights to subscribe for or convert any Relevant Security into shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

and further,

- (b) that, in accordance with section 551 of the CA 2006 and in addition to the authority granted pursuant to clause 18(a) of this resolution, the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution) in connection with a rights issue up to a further aggregate nominal amount of £363,972 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at 23.59 on 27 July 2022 (being 15 months after the date of this resolution) save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted or rights to subscribe for or convert any Relevant Security into shares to be granted after it expires and the Directors may allot Relevant Securities or grant rights to subscribe for or convert any Relevant Security into shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

For the purposes of this resolution, "rights issue" means an offer to:

- (i) ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and
- (ii) holders of other equity securities if this is required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

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

These authorities shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority).

Special Resolutions

Authority to disapply pre-emption rights

- 19 That subject to the passing of resolution 18, the Directors be authorised to allot equity securities (as defined in section 560 of the CA 2006) for cash under the authority conferred by that resolution and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the CA 2006 did not apply to any such allotment or sale, provided that such authority shall be limited to:
- (a) the allotment of equity securities in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to clause 19(a) of this resolution) to any person up to an aggregate nominal amount of £54,595.

The authority granted by this resolution will expire at the end of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at 11.59 on 27 July 2022 (being 15 months after the date of this resolution), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities or sell treasury shares as if section 561 of the CA 2006 did not apply but without prejudice to any allotment of equity securities or sale of treasury shares already made or agreed to be made pursuant to such authorities.

Additional authority to disapply pre-emption rights

- 20 That subject to the passing of resolutions 18 and 19, the Directors be authorised, in addition to the authority granted pursuant to resolution 19, to allot equity securities (as defined in section 560 of the CA 2006) for cash under the authority conferred by that resolution and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the CA 2006 did not apply to any such allotment or sale, provided that such authority shall be:
- (a) limited to the allotment of equity securities or sale of treasury shares to any person up to an aggregate nominal amount of £54,595; and
 - (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or another capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The authority granted by this resolution will expire at the end of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at 11.59 on 27 July 2022 (being 15 months after the date of this resolution), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

Authority to purchase own shares

- 21 That the Company be generally and unconditionally authorised for the purposes of section 701 of the CA 2006 to make market purchases (as defined in section 693(4) of the CA 2006) of ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**") in such manner and on such terms as the Directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the CA 2006, including for the purpose of its employee share schemes, provided that:
- (a) the maximum number of Ordinary Shares which may be purchased is 10,919,166;
 - (b) the minimum purchase price which may be paid for any Ordinary Share is 1 pence (exclusive of expenses);

- (c) the maximum purchase price which may be paid for any Ordinary Share shall not be more than the higher of (in each case exclusive of expenses):
 - (i) 5% above the average middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
 - (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out.

This authority shall take effect on the date of passing of this resolution and shall (unless previously revoked, renewed or varied) expire at the end of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at 11.59 on 27 July 2022 (being 15 months after the date of this resolution), save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

Notice of general meeting

- 22 That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Mark Heather
Company Secretary

Registered Office: 3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG
Registered in England and Wales under company number 7078823

22 March 2021

Explanatory Notes for the Proposed Resolutions

Resolution 1 – To receive the Report and Accounts

The Board asks that shareholders receive the Company's Annual Report and Accounts for the period ended 31 December 2020 together with the reports of the Directors and Auditors (the "2020 Annual Report and Accounts").

Resolutions 2 and 3 – Approval of the Directors' Remuneration Policy and the Directors' Remuneration Report

The Directors' Remuneration Report is set out in full on pages 90 to 114 of the 2020 Annual Report and Accounts. In accordance with section 421 of the Companies Act 2006 (the "CA 2006"), the Directors' Remuneration Report contains:

- a statement by Peter Whiting, Chairman of the Remuneration Committee, on pages 90 to 96;
- the Annual Report on Remuneration on pages 97 to 104; and
- the Directors' Remuneration Policy on pages 105 to 114.

Resolution 2 is a resolution to approve the Directors' Remuneration Policy. The current Directors' Remuneration Policy was approved by shareholders at the Company's Annual General Meeting in 2018, and therefore requires renewal at the 2021 AGM.

The Remuneration Committee has reviewed the current policy and considers it remains fit for purpose. The new Directors' Remuneration Policy is therefore broadly a roll-forward of the existing Policy, but with updates to reflect relevant governance changes and the formal inclusion in the Policy of changes already made in practice. The vote on resolution 2 is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved Directors' Remuneration Policy, or has otherwise been approved by a resolution of members. If resolution 2 is passed, the Directors' Remuneration Policy will take effect immediately after the end of the AGM on 28 April 2021. Shareholder approval for the remuneration policy must be sought at least every three years. Shareholder approval must additionally be sought if the directors wish to change the remuneration policy within such three-year period.

Resolution 3 is an ordinary resolution to approve the Annual Report on Remuneration. Resolution 3 is an advisory resolution and accordingly entitlement of a Director to remuneration is not conditional on the resolution being passed.

Resolution 4 – Final Dividend

The Directors recommend the payment of a final ordinary dividend of 15.0 pence per ordinary share for the year ended 31 December 2020. If shareholders approve the recommended final ordinary dividend, it will be paid on Friday 4 June 2021 to all shareholders who are on the register of members at the close of business at 5.00 p.m. on Friday 14 May 2021 with an ex-dividend date of Thursday 13 May 2021.

Resolution 5 – The FDM 2014 Performance Share Plan

The FDM 2014 Performance Share Plan (the "PSP") was adopted by the board of directors of the Company in connection with the admission of the Company's shares to trading on the London Stock Exchange in 2014 and is the Company's long term incentive plan. The PSP includes two limits on participation:

- Executive Directors may be granted awards in respect of a financial year over shares with a value of up to 100% of salary, or 200% in exceptional circumstances (the "Directors Limit"); and
- employees who are not Executive Directors may be granted awards in respect of a financial year over shares with a value of up to the greater of 100% of salary and £150,000, or 200% of salary and £300,000 in exceptional circumstances (the "Employee Limit").

Resolution 5 proposes the approval of amendments to the rules of the PSP. The amendments include an increase in the Directors Limit to permit the grant of awards in respect of a financial year over shares with a value of up to 150% of salary (with no increase to the 200% of salary exceptional circumstances limit). This additional headroom is proposed to align the terms of the PSP with the new Directors' Remuneration Policy for which approval is sought as referred to in relation to resolution 5, and as referred to in the statement from the Remuneration Committee's Chair in the Directors' Remuneration Report included in the Annual Report and Accounts for the year ended 31 December 2020. For consistency, the Employee Limit is proposed to be increased to permit the grant of awards in respect of a financial year over shares with a value of up to the greater of 150% of salary and £225,000 (with no increase to the 200% of salary or £300,000 exceptional circumstances limit). A marked-up version of the rules of the PSP will be available for inspection as referred to in note 16 of the Notes to the Notice of Annual General Meeting. It is also proposed that the rules of the PSP be amended to include a provision enabling the Directors to require that shares acquired under the plan be held in accordance with arrangements determined for the purposes of the Company's post-employment shareholding guideline; although this amendment does not require shareholder approval, it is shown in the version of the rules available for inspection.

Resolution 6 – The FDM Buy-As-You-Earn Plan

The FDM Buy-As-You-Earn Plan (the “BAYE”) is an employee share purchase plan which was adopted by the Directors in 2019 in order to broaden the scope and benefits of employee share ownership, which is fundamental to the Company’s culture. Executive Directors do not currently participate in the BAYE but will be able to do so in accordance with the new Directors’ Remuneration Policy for which approval is sought as referred to in relation to resolution 2. It is proposed that the BAYE be approved by shareholders in order that the company has flexibility to satisfy awards granted under it with new issue shares and/or treasury shares, in addition to the market purchase shares with which awards have been satisfied to date. A summary of the principal terms of the BAYE is set out in the Appendix to the notice of the Company’s 2021 Annual General Meeting and the rules of the BAYE will be available for inspection as referred to in note 16 of the Notes to the Notice of Annual General Meeting.

Resolutions 7 to 15 – Re-appointment of Directors

In accordance with the provisions of the Code, all of the Company’s Directors will retire at this year’s AGM and offer themselves for re-election. Resolutions 7 to 15 deal with their proposed re-election.

Biographical details of all the Directors (as at the date of this Notice) are set out on pages 59 to 61 of the 2020 Annual Report and Accounts and appear on the Company’s website www.fdmgroup.com. The biographical details also contain information about each Director’s experience.

The Board carried out a review of its effectiveness in 2020 which looked at, amongst other matters, the way in which the Board as a whole discharges its responsibilities and functions, and the contribution of individual Directors to the Board and, where appropriate, its committees. Following that review, the Board considers that the performance of each Board member continues to be effective and demonstrates the commitment required to continue in their present roles, and that the contribution of each Director continues to be important to the Company’s long-term sustainable success. This consideration is based on, amongst other things, the business skills and industry experience of each Director, as well as their knowledge and understanding of the Company’s business model. The Board has also considered the other contributions which individuals may make to the work of the Board, including with a view to ensuring that the Board maintains a diverse balance of skills, knowledge, backgrounds and capabilities which will support good decision-making, as well as their ability to commit the appropriate time necessary to their roles. The Board is satisfied that each Director has been, and will continue to be, able to devote sufficient time and focus to their respective roles at FDM. Further details of the review of the Board’s effectiveness are set out on page 88 to 89 of the 2020 Annual Report and Accounts.

Accordingly, the Board recommends the re-appointment of each Director.

Resolutions 16 and 17 – Re-appointment of the Auditors and authority for the Directors to determine their remuneration

On the recommendation of the Audit Committee, the Board proposes at resolution 16 that PricewaterhouseCoopers LLP be re-appointed as auditors of the Company and resolution 17 proposes that the Directors be authorised to determine the level of the auditors’ remuneration.

Resolution 18 – Allotment of securities

This resolution deals with the Directors’ authority to allot Relevant Securities (as defined below) in accordance with section 551 of the CA 2006 in order to replace the authority given at the last Annual General Meeting of the Company held on 16 June 2020. This resolution complies with the Investment Association Share Capital Management Guidelines issued in July 2016 and the Pre-Emption Group’s Statement of Principles issued in March 2015.

If passed, the resolution will authorise the Directors to allot Relevant Securities up to a maximum nominal amount of £363,972 which represents approximately 33.3% of the Company’s issued ordinary shares (excluding treasury shares) as at 19 March 2021 and a further amount of £363,972 which represents approximately 33.3% of the Company’s issued ordinary shares (excluding treasury shares) as at 19 March 2021 in respect of a fully pre-emptive offer. As at close of business on 19 March 2021, the Company did not hold any treasury shares.

The authority granted by this resolution will expire on the conclusion of next year’s Annual General Meeting or, if earlier, on 27 July 2022. The Directors have no present intention to exercise the authority conferred by this resolution (other than for the purposes of issuing shares to satisfy the exercise of options under the Company’s employee share schemes), but consider it desirable to have sufficient authority in place, as permitted by corporate governance guidelines, to respond to market developments and to enable allotments to take place in a timely manner, should such a situation arise.

In this resolution, “**Relevant Securities**” means:

- shares in the Company, other than shares allotted pursuant to:
 - an employee share scheme (as defined in section 1166 of the CA 2006);
 - a right to subscribe for shares in the Company where the grant of the right itself constitutes a Relevant Security; or

- a right to convert securities into shares in the Company where the grant of the right itself constitutes a Relevant Security; and
- any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the CA 2006). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

Resolutions 19 and 20 – Authority to disapply pre-emption rights

If the Directors wish to allot new shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) company law requires that these shares are first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emptive offer to existing shareholders. This cannot be done unless the shareholders have first waived their pre-emption rights.

Resolution 19 will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 18, to allot equity securities (as defined by section 560 of the CA 2006) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings: (a) in relation to pre-emptive offers; and (b) in any other case, up to a maximum nominal amount of £54,595 which represents approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 19 March 2021 (being the latest practicable date prior to the publication of this document).

The power granted by this resolution replaces the authority given at the last Annual General Meeting of the Company held on 16 June 2020 and will expire on the conclusion of next year's annual general meeting or, if earlier, on 27 July 2022.

Resolution 20 will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 18 and in addition to the authority granted pursuant to resolution 19, to allot equity securities (as defined by section 560 of the CA 2006) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings up to a maximum nominal amount of £54,595 which represents approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 19 March 2021 (being the latest practicable date prior to the publication of this document) where such allotment is used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or another capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group (the "**Statement of Principles**") prior to the date of this notice.

The maximum nominal value of equity securities that could be allotted on a non-pre-emptive basis if the authorities in both resolutions 18 and 19 were used would be £109,190, which represents approximately 10% of the issued ordinary share capital of the Company as at the close of business on 19 March 2021.

The Directors do not intend to issue shares for cash on a non-pre-emptive basis representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Statement of Principles) without prior consultation with shareholders.

The Directors have no present intention to exercise the authority conferred by these resolutions.

Resolution 21 – Authority to purchase own shares

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 21 seeks the authority from shareholders to do so. The Directors will continue to exercise this power only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority.

Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly, save that the Company may hold in treasury, or in the Company's Employee Benefit Trust, any of its own shares that it purchases pursuant to the CA 2006 and the authority conferred by this resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares or shares held in the Company's Employee Benefit Trust. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

In accordance with guidance issued by the Investment Association, the resolution specifies the maximum number of ordinary shares that may be acquired (approximately 10% of the Company's issued ordinary share capital as at 19 March 2021 (being the last business day prior to the publication of this Notice)) and the maximum and minimum prices at which they may be bought.

The Company has options outstanding over 2,148,236 ordinary shares, some of which are due to vest in 2022 and 2023, subject to certain conditions being met, representing 1.97% of the Company's ordinary issued share capital (excluding treasury shares) as at 19 March 2021. If the authority now being sought by resolution 21 were to be fully used, these would represent 2.12% of the Company's ordinary issued share capital (excluding treasury shares) at that date.

Resolution 21 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next Annual General Meeting of the Company in 2022 or, if earlier, on 27 July 2022.

The Directors intend to seek renewal of this power at subsequent annual general meetings.

Resolution 22 – Notice of general meetings

The notice period required by the CA 2006 for general meetings (other than an annual general meeting) is 21 clear days unless the Company:

- has gained shareholder approval for the holding of general meetings on 14 clear days' notice by passing a special resolution at the most recent annual general meeting; and
- offers the facility for all shareholders to vote by electronic means.

This resolution seeks such approval and will be proposed as a special resolution. The shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. Should this resolution be approved it will be valid until the end of the next Annual General Meeting of the Company in 2022.

Notes to the Notice of Annual General Meeting

1 Entitlement to appoint a proxy and vote

Only those shareholders registered in the Company's register of members at:

- close of business on Monday 26 April 2021; or,
- if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting,

shall be entitled to appoint a proxy and vote at the meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to appoint a proxy and vote at the meeting.

Please refer to the COVID-19 section in the Chairman's letter on page 2 of this Notice of AGM. As long as the current restrictions on gatherings remain in force, no shareholders or proxies, other than the Chair of the AGM and an additional employee shareholder, will be admitted to the AGM.

2 Website giving information regarding the meeting

A copy of this notice, including the information required by section 311A of the Companies Act 2006 (the "CA 2006"), can be found at www.fdmgroup.com.

3 Appointment of proxies

If you are a shareholder who is entitled to attend and vote at the meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting. You can only appoint a proxy using the procedures set out in these notes.

If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he/she votes.

If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.

A proxy does not need to be a shareholder of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chair of the AGM) and give your instructions directly to them.

Shareholders can:

- Complete the online form of proxy by logging onto your Signal Shares account at www.signalshares.com. If you have not previously registered for a Signal Shares account you can do so by using your investor code (“**IVC**”), which you will find on your share certificate, or you can obtain it from our Registrar, Link Group, using the contact details below.
- Download a form from www.fdmgroup.com/investors/shareholder-information and return the completed form to the address shown on the form.
- Request a hard copy form from Link on the telephone number shown below and return the completed form to the address shown on the form.
- In the case of CREST members, use the CREST electronic proxy services in accordance with the procedures set out in note 5 below.
- In the case of users of the Proximity platform, use the Proximity service in accordance with the procedures set out in note 6 on page 13.

If you need help with voting online, or require a paper proxy form, please contact our Registrars, Link Group, on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. This phone service is available from 0900 to 1730, Monday to Friday excluding public holidays in England and Wales. Alternatively you can email Link at enquiries@linkgroup.co.uk

Appointment of a proxy does not preclude you from attending the meeting and voting in person (although please see the Chairman’s letter accompanying this notice of AGM).

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Please note that as long as the current restrictions on gatherings remain in force, no shareholders or proxies, other than the Chair of the AGM and an additional employee shareholder, will be admitted to the AGM. If you wish to appoint a proxy, you are strongly encouraged to appoint the Chair of the AGM to ensure that your vote is counted. Please refer to the COVID-19 section in the Chairman’s letter on page 2 of this Notice of AGM for further details.

4 Appointment of proxy by post

If you obtain a proxy form using one of the methods referred to in note 3 above, then to appoint a proxy using that proxy form, the form must be:

- completed and signed;
- sent or delivered to Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL; and
- received by Link Group no later than 10.30 am on Monday 26 April 2021.

In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

5 Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com). 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 using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**EUI**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Group ID (RA10) no later than 10.30 am on Monday 26 April 2021, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and

limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

6 Appointment of proxies through Proximity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Company's Registrar, Link Group. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged no later than 10.30 am on Monday 26 April 2021, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

7 Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8 Changing proxy instructions

Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using a hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. This phone service is available from 0900 to 1730, Monday to Friday excluding public holidays in England and Wales.

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

9 Termination of proxy appointments

A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Link Group no later than 10.30 am on Monday 26 April 2021.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

10 Corporate representatives

A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

11 Issued shares and total voting rights

As at 19 March 2021 (being the last practicable day prior to the publication of this Notice), the Company's issued share capital comprised 109,191,669 ordinary shares of £0.01 each. The Company does not hold any shares in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 19 March 2021 (being the last practicable day prior to the publication of this Notice), is 109,191,669.

The website referred to in note 2 will include information on the number of shares and voting rights.

12 Questions

If you would like to ask the Directors a question in connection with the business of the meeting, you can do so by sending a question by email to the Company Secretary (mark.heather@fdmgroup.com). We will endeavour to provide you with a response as soon as possible. The Company has an obligation to cause such questions to be answered unless they fall within any of the statutory exceptions. No answer will therefore be required to be given if: (i) it is undesirable in the interests of the Company or the good order of the AGM; (ii) to do so would unduly

interfere with the preparation for the meeting or involve the disclosure of confidential information; or (iii) the answer has already been given on a website in the form of an answer to a question.

13 Shareholders' right to require circulation of resolution to be proposed at the meeting

Under section 338 and section 338A of the CA 2006, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may be properly moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person or, (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than the date six clear weeks before the AGM; or (ii) if later, the time at which notice is given of the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

14 Website publication of audit concerns

Under section 527 of the CA 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the CA 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the CA 2006. Where the Company is required to place a statement on a website under section 527 of the CA 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website.

The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the CA 2006 to publish on a website.

15 Nominated persons

If you are a person who has been nominated under section 146 of the CA 2006 to enjoy information rights ("**Nominated Person**"):

- You may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights ("**Relevant Shareholder**") to be appointed or to have someone else appointed as a proxy for the meeting.
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights.
- Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

16 Documents on display

Copies of the following documents are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

- service contracts of the Executive Directors;
- the Non-Executive Directors' contracts for service;
- the rules of the FDM 2014 Performance Share Plan marked-up to show the proposed changes as referred to in relation to resolution 5; and
- the rules of the FDM Buy-As-You-Earn Plan.

Copies of these documents will also be made available on the Shareholder Information page in the Investors section of the Company's website at www.fdmgroup.com.

17 Communication

Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

- writing to: Link Group at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL; or
- by phone: Link Group on calling on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. This phone service is available from 0900 to 1730, Monday to Friday excluding public holidays in England and Wales.

You may not use any electronic address provided either: (i) in this notice of AGM; or (ii) any related documents (including the Chairman's letter), to communicate with the Company for any purposes other than those expressly stated.

APPENDIX

The FDM Buy-As-You-Earn Plan (the "**BAYE**") is an employee share purchase plan pursuant to which participants can acquire ordinary shares in the Company ("**Shares**"). The BAYE will be administered by the board of directors or a committee appointed by it (the "**Board**"). Decisions in relation to the BAYE will be taken by the Remuneration Committee in relation to participation by Executive Directors and by any other employees for whom the Remuneration Committee determines remuneration and references in this summary to the "Board" should be read accordingly.

Eligibility

Each time that the Board decides to operate the BAYE, it may invite such employees of the Company and its subsidiaries as it determines to participate, including Executive Directors. However, the intention is that the Board will invite all employees to participate each time the BAYE is operated.

Acquisition and award of Shares

Purchased Shares

The BAYE provides employees with the opportunity to purchase Shares using money contributed from their after-tax remuneration ("**Purchased Shares**"). The maximum value of Purchased Shares that may be acquired in respect of any financial year of the Company ("**Plan Year**") is £12,000.

Matching Shares

The Board may grant "**Matching Share Awards**" to employees who acquire Purchased Shares, which entitle the employees to acquire for free additional "**Matching Shares**". A participant's right to receive Matching Shares is conditional upon them leaving Purchased Shares in the BAYE until the vesting date. The matching ratio and timetable are as follows:

<u>Vesting Date</u>	<u>Number of Matching Shares that vest</u>
Following the end of the first year following the year in respect of which Purchased Shares are acquired	A "1 for 3" match of the Purchased Shares acquired in respect of a year.
Following the end of the third year following the year in respect of which Purchased Shares are acquired	A "1 for 3" match of the Purchased Shares acquired in respect of a year.
Following the end of the fifth year following the year in respect of which Purchased Shares are acquired	A "1 for 3" match of the Purchased Shares acquired in respect of a year.

For example, if a participant acquired 900 Purchased Shares in respect of 2021, they will receive 300 Matching Shares following the end of each of 2022, 2024 and 2026.

Retention and holding of Shares

Purchased Shares acquired under the BAYE are held on behalf of participants under an arrangement determined by the Board. Currently Purchased Shares are held by the trustee of the Company's Employee Benefit Trust.

Purchased Shares are not forfeitable under any circumstances and participants may at any time request that Purchased Shares held on their behalf are transferred or disposed of and that their participation in the BAYE ceases.

Matching Share Awards will normally lapse if the Purchased Shares to which they relate are disposed of before the vesting dates. Matching Shares which have already vested will not be forfeited.

Settlement of Matching Share Awards

Before Matching Shares have been delivered, the Board may decide to pay a cash amount equal to the value of some or all of the Shares the participant would otherwise have received on the vesting of the Matching Share Award. The Board only intends to cash settle awards where the particular circumstances make that appropriate – for example in the event of a regulatory restriction on the delivery of Shares or in respect of the tax arising on the vesting of the Matching Share Award.

Cessation of employment

If a participant ceases to hold office or employment for any reason, any Purchased Shares held on their behalf will be transferred or disposed of as requested by the participant as soon as possible after the cessation of employment.

Matching Share Awards will normally lapse if a participant ceases to hold office or employment other than as a result of: (i) their death; (ii) ill-health or disability; (iii) the sale of the entity that employs the participant out of the Company's group; (iv) for any participant who is a "Mountie", their cessation of employment to commence employment with an organisation which they were placed at as a Mountie immediately before their cessation of employment; or (v) any other reason at the Board's discretion (except where a participant is summarily dismissed).

If a participant ceases to hold office or employment in any circumstance as set out above, any unvested Matching Share Awards in respect of a completed Plan Year will vest at the originally anticipated vesting date, unless the Board determines that they should vest at cessation or another time. Any unvested Matching Share Awards in respect of uncompleted Plan Years will lapse, unless the Board determines otherwise.

Malus and clawback

The following malus and clawback provisions will apply to the Company's Executive Directors and any other employee at the election of the Directors.

At any time prior to the vesting of a Matching Share Award, the Board may cancel the Matching Share Award or impose further conditions on it. These malus provisions may be applied in the event of a material misstatement of the Company's financial results, a material failure of risk management, serious reputational damage or a material corporate failure.

For up to three years after the vesting of a Matching Share Award, the Board may require the participant to make a payment to the Company in respect of some or all of the Shares acquired. These clawback provisions may be applied in the event of fraud on the part of the participant, material misstatement of the Company's financial results as a result of the participant's dishonesty, serious reputational damage or a material corporate failure.

For the avoidance of doubt, no malus or clawback provisions will apply to Purchased Shares, reflecting that they are acquired from earned income.

Corporate events

In the event of a takeover or winding-up of the Company (which is not an internal reorganisation), any unvested Matching Share Awards in respect of a completed Plan Year will vest at the time of the relevant event. Any unvested Matching Share Awards in respect of uncompleted Plan Years will lapse, unless the Board determines otherwise.

Overall limits

The BAYE may operate over newly issued Shares, treasury Shares or Shares purchased in the market. In any ten-year period, the number of Shares which may be issued under the BAYE and under any other employees' share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time.

Treasury Shares will count as newly issued for the purpose of this limit until such time as guidelines published by institutional investor representative bodies determine otherwise.

Adjustment of awards

In the event of any variation of the Company's share capital or a demerger, delisting, special dividend, rights issue or other event, which may, in the Board's opinion, affect the current or future value of Shares, the number of Shares subject to a Matching Share Award may be adjusted.

Amendment, termination and further terms of the BAYE

The Board may amend the BAYE at any time, provided that prior approval of the Company's shareholders in a general meeting will be required for amendments to the advantage of participants relating to eligibility, limits, the basis for determining a participant's entitlement to, and the terms of, the Shares comprised in an award and the impact of any variation of capital.

However, any minor amendment to benefit administration, to take into account legislative changes, or to maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Board without shareholder approval.

The BAYE will usually terminate on the tenth anniversary of its approval by shareholders but the rights of existing participants will not be affected by any termination.

Awards are not transferable (other than on death). Awards will not form part of pensionable earnings.