

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to any aspect of the proposals referred to in this document, or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.

## **HSS HIRE GROUP PLC**

(incorporated and registered in England and Wales under number 09378067)

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice of the annual general meeting (**AGM**) of HSS Hire Group plc (the **Company**) to be held at 11.00 a.m. on 20 June 2019 at Hilton Garden Inn Heathrow, Pavilion Centre, Eastern Perimeter Road, Hatton Cross, Heathrow, TW6 2SQ is set out at the end of this circular.

Whether or not you propose to attend the AGM, please complete and submit the enclosed proxy form in accordance with the instructions printed on it. The proxy form must be received by the Company's registrars, Equiniti, by no later than 11.00 a.m. on 18 June 2019. The proxy form can be delivered by post or by hand to Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA.

## PART I – CHAIRMAN’S LETTER

### HSS Hire Group plc

(incorporated and registered in England and Wales under number 09378067)

#### Registered Office:

Oakland House  
76 Talbot Road  
Manchester  
M16 0PQ

30 April 2019

To the holders of ordinary shares of £0.01 each in the capital of the Company (**Ordinary Shares**).

### Notice of Annual General Meeting

Dear Shareholder,

I am pleased to be writing to you with details of our AGM, which we are holding at 11.00 a.m. on 20 June 2019 at Hilton Garden Inn Heathrow, Pavilion Centre, Eastern Perimeter Road, Hatton Cross, Heathrow, TW6 2SQ. The formal notice of the AGM is set out on pages 3 to 9 of this document.

#### Final dividend

As announced on 4 April 2019, due to the Board’s focus on its strategic priorities, which includes reducing net debt, it is not recommending a final dividend and therefore no resolution is being proposed to shareholders in that regard.

#### Remuneration policy

The remuneration policy is a forward looking policy describing the Company’s approach to all aspects of the directors’ remuneration. The Company is required to seek shareholder approval for its remuneration policy at least every three years and was last approved by shareholders in June 2016. The Company is proposing to change its remuneration policy this year and the new policy is set out on pages 55 to 61 of the annual report and accounts for the financial year ended 29 December 2018.

#### Notice of general meetings

The Shareholders’ Rights Directive requires that all general meetings must be held on 21 days’ notice unless shareholders agree to a shorter notice period. We are proposing a resolution at the AGM so that we can give you 14 days’ or more notice of a general meeting. It will only be effective until our next AGM, when we may propose a similar resolution. It is intended that the shorter notice period would not be used as a matter of routine for such meetings 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.

#### Explanatory notes

Explanatory notes on all the business to be considered at this year’s AGM appear on pages 7 to 9 of this document.

#### Recommendation

The directors consider that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole and will promote the success of the Company for their benefit. Your board will be voting in favour of them and unanimously recommends that you do so as well.

#### Action to be taken

If you would like to vote on the resolutions but cannot attend the AGM in person, please fill in the proxy form sent to you with this notice and return it to the Company’s registrars, Equiniti, as soon as possible and in any event so as to reach Equiniti **by no later than 11.00 a.m. on 18 June 2019**. Alternatively, you may appoint a proxy electronically. Information about how you may vote electronically is given in the notes on page 5 of this document.

#### Attendance of the AGM

If you will be attending this year’s AGM, please email our Company Secretarial team to advise of your attendance (email: legalcosec@hss.com).

Yours faithfully,

**Alan Peterson**

Chairman

# HSS HIRE GROUP PLC

## NOTICE OF ANNUAL GENERAL MEETING

This year's AGM will be held at 11.00 a.m. on 20 June 2019 at Hilton Garden Inn Heathrow, Pavilion Centre, Eastern Perimeter Road, Hatton Cross, Heathrow, TW6 2SQ. You will be asked to consider and pass the resolutions below. Resolutions 15 to 18 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### Ordinary resolutions

1. To receive the accounts of the Company for the year ended 29 December 2018 and the report of the directors and auditors thereon.
2. To receive and approve the directors' remuneration report contained within the annual report and accounts for the financial year ended 29 December 2018.
3. To receive and approve the directors' remuneration policy set out on pages 55 to 61 of the directors' remuneration report contained within the annual report and accounts for the financial year ended 29 December 2018, such directors' remuneration policy to take effect immediately.
4. That the amendments to the HSS 2015 Long Term Incentive Plan (the **HSS LTIP**) and the HSS 2015 Deferred Bonus Plan (the **HSS DBP**) as shown in the marked up rules of the HSS LTIP and HSS DBP, copies of which were produced to the Meeting and initialled by the Chairman for identification, be and are hereby approved.
5. To re-elect Alan Peterson as a director of the Company who retires in accordance with article 111 of the Company's articles of association (the **Articles**) with effect from the end of the AGM.
6. To re-elect Amanda Burton as a director of the Company who retires in accordance with article 111 of the Articles with effect from the end of the AGM.
7. To re-elect Douglas Robertson as a director of the Company who retires in accordance with article 111 of the Articles with effect from the end of the AGM.
8. To re-elect Thomas Sweet-Escott as a director of the Company who retires in accordance with article 111 of the Articles with effect from the end of the AGM.
9. To re-elect Steve Ashmore as a director of the Company who retires in accordance with article 111 of the Articles with effect from the end of the AGM.
10. To re-elect Paul Qusted as a director of the Company who retires in accordance with article 111 of the Articles with effect from the end of the AGM.
11. To re-appoint BDO LLP as the Company's auditors until the conclusion of the next general meeting of the Company at which accounts are laid.
12. To authorise the directors to agree the auditors' remuneration.
13. THAT:
  - (a) the directors of the Company be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the **Act**) to:
    - (i) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:
      - (A) up to an aggregate nominal amount of £567,357; and
      - (B) comprising equity securities (as defined in the Act) up to an aggregate nominal amount of £1,134,714 (including within such limit any shares issued or rights granted under paragraph (a)(i)(A) above) in connection with or pursuant to an offer or invitation by way of a rights issue:
    - (ii) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
    - (iii) to people who are holders of other equity 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;

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 which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever;

for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next AGM of the Company after the date on which this resolution is passed (or, if earlier, at the close of business on the date that is 15 months after the date this resolution is passed); and
  - (b) subject to paragraph (c) below, all existing authorities given to the directors pursuant to section 551 of the Act be revoked by this resolution; and
  - (c) paragraph (b) above shall be without prejudice to the continuing authority of the directors to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.
14. That the Company and any company which is or becomes a subsidiary of the Company at any time during the period to which this resolution relates, be authorised to:
  - (a) make political donations to political parties and/or independent election candidates;
  - (b) make political donations to political organisations other than political parties; and
  - (c) incur political expenditure,

during the period commencing on the date of this resolution and ending on the expiry of the Company's next AGM (or, if earlier, at the close of business on the date that is 15 months after the date this resolution is passed), provided that in each case any such donation and expenditure made by the Company or by any such subsidiary shall not exceed £100,000 per company and together those made by any subsidiary and the Company shall not exceed in aggregate £100,000.

For the purposes of this authority the terms "political donation", "political parties", "independent election candidates", "political organisation" and "political expenditure" have the meanings given by sections 363 to 365 of the Act.

# NOTICE OF ANNUAL GENERAL MEETING

## CONTINUED

### Special resolutions

15. That, in place of all existing powers, the directors of the Company be generally empowered, pursuant to sections 570 and 573 of the Act, to allot equity securities (as defined in the Act) in the Company for cash pursuant to the authority conferred by Resolution 13 as if section 561(1) of the Act did not apply to such allotment. This power:

- (a) expires (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next AGM of the Company after the date on which this resolution is passed (or, if earlier, at the close of business on the date that is 15 months after the date this resolution is passed), but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and
- (b) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under Resolution 13(a)(i)(B), by way of a rights issue only):
  - (i) to the holders of Ordinary Shares in proportion (or as nearly as may be practicable) to their existing holdings; and
  - (ii) to people who hold other equity 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,

except that the directors may impose any limits or restrictions and make arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems which may arise under the laws of or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever; and

- (c) in the case of the authority granted under Resolution 13(a)(i)(A), shall be limited to the allotment of equity securities for cash (otherwise than pursuant to paragraph (b) above) up to an aggregate nominal amount of £85,103.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if, in the first paragraph of this resolution, the words "pursuant to the authority conferred by Resolution 13" were omitted.

16. That, in addition to any power given to them pursuant to Resolution 15, the directors be generally empowered pursuant to section 570 and section 573 of the Act to allot equity securities (as defined in the Act) for cash, pursuant to the authority conferred by Resolution 13 in the notice of the meeting as if section 561(1) of the Act did not apply to the allotment. This power:

- (a) expires (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next AGM of the Company after the date on which this resolution is passed (or, if earlier, at the close of business on the date that is 15 months after the date this resolution is passed), but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and

- (b) in the case of the authority granted under Resolution 13(a)(i)(A) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £85,103 and provided that the allotment is for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights published in March 2015.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred by Resolution 13 in the notice of the meeting" were omitted.

17. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares, subject to the following conditions:

- (a) the maximum number of Ordinary Shares authorised to be purchased is 17,020,714;
- (b) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is £0.01 (being the nominal value of an Ordinary Share);
- (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of:
  - (i) an amount equal to 105% of the average of the middle market quotations of 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 Ordinary Share is contracted to be purchased; and
  - (ii) an 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 System (SETS);
- (d) this authority shall expire at the close of the AGM of the Company held in 2020 (or, if earlier, at the close of business on the date that is 18 months after the date this resolution is passed); and
- (e) a contract to purchase shares under this authority may be made before the expiry of this authority, and concluded in whole or in part after the expiry of this authority.

18. That a general meeting of the Company, other than an AGM, may be called on not less than 14 clear days' notice.

30 April 2019

By order of the Board

**Daniel Joll**  
Company Secretary

**Registered Office:**  
Oakland House  
76 Talbot Road  
Manchester  
M16 0PQ

Registered in England and Wales No. 09378067

## NOTES

### Entitlement to attend and vote

1. The right to attend and vote at the AGM is determined by reference to the Company's register of members. Only a member entered in the register of members at 6.30 p.m. on 18 June 2019 (or, if the AGM is adjourned, in the register of members at 6.30 p.m. two business days before any adjourned AGM) is entitled to attend and vote at the AGM and a member may vote in respect of the number of Ordinary Shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.

### Proxies

2. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Equiniti on 0371 384 2030\* (or +44 (0) 121 415 7047 from outside the United Kingdom).

\* Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday.

A shareholder may only appoint a proxy or proxies by:

- completing and returning the proxy form enclosed in this pack to the Company's registrars, Equiniti;
- going to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided; or
- if they are a user of the CREST system (including CREST personal members), having an appropriate CREST message transmitted.

### Sharevote

3. You may, if you wish, register the appointment of a proxy or proxies, or voting instructions for the AGM, electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need to use a 25-digit number made up of your Voting ID, Task ID and Shareholder Reference Number printed on your proxy form. Full details of the procedure are given on the website, [www.sharevote.co.uk](http://www.sharevote.co.uk). The proxy appointment and/or voting instructions must be received by Equiniti by 11.00 a.m. on 18 June 2019. Please note that any electronic communication sent to the Company or Equiniti that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the AGM is governed by Equiniti's conditions of use set out on the website, [www.sharevote.co.uk](http://www.sharevote.co.uk), which may be read by logging on to that site.

### CREST

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 20 June 2019 and any adjournment(s) thereof by using the procedures described in the CREST manual (available at [www.euroclear.com](http://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 or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST proxy instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Equiniti (ID RA19) by 11.00 a.m. on 18 June 2019. 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 Equiniti 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 Euroclear 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. CREST personal members, sponsored members and CREST members who have appointed a voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST.

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.

Further details of the appointment of proxies are given in the notes to the proxy form enclosed with this pack.

You may not use any electronic address provided in this notice of AGM (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated. To appoint more than one proxy, please print out and fill in a separate copy of the proxy form.

**IMPORTANT: In any case your proxy form must be received by the Company's registrars, Equiniti, by no later than 11.00 a.m. on 18 June 2019.**

### Corporate representatives

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares:
  - if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
  - in other cases, the power is treated as not exercised.

## NOTES

### CONTINUED

#### Nominated persons

6. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

#### Issued share capital and total voting rights

8. As at 30 April 2019 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 170,207,142 Ordinary Shares, carrying one vote each. Therefore, the total number of voting rights in the Company as at 30 April 2019 is 170,207,142.

#### Members' requests under section 527 of the Act

9. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish a statement on a website setting out any matter relating to:
  - the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or
  - 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.

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 Act. Where the Company is required to place a statement on a website under section 527 of the Act, 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 Act to publish on a website.

#### Members' rights to ask questions

10. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if:
  - to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

#### Members' resolutions and matters under sections 338 and 338A of the Act

11. Under sections 338 and 338A of the Act, 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 to be moved at the AGM; 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 unless: (a) (in the case of a resolution only) it would, if passed, be ineffective; (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 8 May 2019, being the date six clear weeks before 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.

#### Inspection of documents

12. The following documents will be available for inspection at Hilton Garden Inn Heathrow, Pavilion Centre, Eastern Perimeter Road, Hatton Cross, Heathrow, TW6 2SQ from 15 minutes before the AGM until the end of the AGM:
  - copies of the executive directors' service contracts;
  - copies of the letters of appointment of the non-executive directors; and
  - copies of the amended HSS LTIP Rules and HSS DBP Rules (see also explanatory note to Resolution 4 on page 7)

#### Website

13. A copy of this notice, and other information required by s311A of the Act, can be found at [www.hsshiregroup.com](http://www.hsshiregroup.com)

#### Voting results

14. The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website [www.hsshiregroup.com](http://www.hsshiregroup.com) as soon as practicable after the AGM.

## EXPLANATORY NOTES TO THE NOTICE OF AGM

The notes on the following pages explain the proposed resolutions.

Resolutions 1 to 14 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 15 to 18 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

### Resolution 1: Adoption of report and accounts

The directors must present the report of the directors and the accounts of the Company for the year ended 29 December 2018 to shareholders at the AGM. The report of the directors, the accounts, and the report of the Company's auditors on the accounts and on those parts of the directors' remuneration report that are capable of being audited are contained within the annual report and accounts.

### Resolutions 2 and 3: Approval of directors' remuneration report and policy

The directors' remuneration report, which may be found on pages 52 to 67 of the annual report and accounts, gives details of your directors' remuneration for the year ended 29 December 2018 and sets out the way in which the Company will implement its policy on directors' remuneration. The Company's auditors, BDO LLP, have audited those parts of the directors' remuneration report capable of being audited and their report may be found on page 72 of the annual report and accounts.

The board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, and in compliance with the legislation, shareholders will be invited to approve the directors' remuneration report.

The vote on the directors' remuneration report is advisory in nature in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed. In contrast, the vote on the directors' remuneration policy 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 3 is passed, the directors' remuneration policy will take effect immediately. A remuneration policy will be put to shareholders again no later than the Company's AGM in 2022. If Resolution 3 in respect of the directors' remuneration report is not passed, the policy approved at the 2016 AGM will continue in effect until the next AGM.

### Resolution 4: Amendments to the rules of the HSS LTIP and the HSS DBP

The rules of each of the HSS LTIP and HSS DBP includes limits on the number of new issue shares and treasury shares that may be used to satisfy awards granted under those plans. These limits include a "5% in ten years" limit for awards granted under "discretionary" plans, and a "10% in 10 years" limit for awards under all employee share plans, although shares delivered under the arrangements approved at the general meetings in August 2017 and August 2018 are excluded from these limits, as approved by shareholders at those meetings.

Because of the Company's size and due to the Company having been in a 'turnaround' position in recent years, the board is seeking shareholder approval to remove from each of the HSS LTIP and the HSS DBP the "5% in ten years" limit in order to continue to incentivise colleagues as appropriate to drive improved performance for the benefit of the Company and its shareholders. If approved by shareholders, the effect of the amendments will be

to permit the grant of awards under the HSS LTIP and HSS DBP without regard to the "5% in ten years" limit.

The rules of the HSS LTIP and HSS DBP marked-up to show the proposed changes will be available for inspection during normal business hours at Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS from 7 May 2019 until the beginning of the AGM and at Hilton Garden Inn Heathrow, Pavilion Centre, Eastern Perimeter Road, Hatton Cross, Heathrow, TW6 2SQ from 15 minutes before the AGM until the end of the AGM.

### Resolutions 5 to 10: Re-election of directors who are retiring under the Articles

Resolutions 5 to 10 propose the re-election of all directors in accordance with the Articles. The re-election of directors will take effect at the conclusion of the AGM.

Biographical details for each of these directors are set out on pages 40 to 41 of the annual report and accounts. Following the annual evaluation exercise conducted during the year, the board considers that each of the directors proposed for re-election continues to make an effective and valuable contribution and demonstrates commitment to the role. The board is content that, with the exception of Alan Peterson and Thomas Sweet-Escott, each non-executive director offering himself for re-election is independent in character and there are no relationships or circumstances likely to affect his character or judgement. Independence is determined by ensuring that, apart from receiving their fees for acting as directors, non-executive directors do not have any other material relationships or transactions with the Company's group, its promoters, its management or its subsidiaries which, in the judgement of the board, may affect their independence of judgement. Accordingly, the board unanimously recommends the re-election of these directors.

Pursuant to the Financial Conduct Authority (**FCA**) rules which provide protections for the minority shareholders of a premium listed company in which there is a 'controlling shareholder' (defined by the FCA as 'any person whom exercises or controls, on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the company'), the election or re-election by the shareholders of an independent non-executive director must be approved by an ordinary resolution of the shareholders and separately approved by those shareholders who are not controlling shareholders (the **Independent Shareholders**). If the ordinary resolution to approve the election or re-election of an existing independent non-executive director is passed, but separate approval by the Independent Shareholders is not given, the Listing Rules permit an existing independent non-executive director to remain in office pending a further ordinary resolution of all the shareholders to approve the election or re-election of that director. Such a resolution may only be voted on within the period of between 90 days and 120 days following the date of the original vote.

The Company intends to seek the separate approval of its Independent Shareholders for each of Resolutions 6 and 7 proposing the appointment of an independent non-executive director. Such approval will be sought following the vote on each of those resolutions by the Company's shareholders and will be sought by discounting from the result of the vote on each such resolution the votes of those shareholders who are identified as controlling shareholders of the Company as at 19 June 2019. As at 30 April 2019 (being the latest practicable date prior to publication of this notice), Exponent Private Equity Partners GP II, LP, Exponent Private Equity Founder Partner GP II Limited and Exponent Havana Co-Investment Partners GP Limited (together the Company's controlling shareholder) held in aggregate

## EXPLANATORY NOTES TO THE NOTICE OF AGM CONTINUED

85,681,709 Ordinary Shares, representing 50.34% of the Company's issued share capital.

Separate approval will be given by the Independent Shareholders if it is given by Independent Shareholders representing a simple majority of the total voting rights of Independent Shareholders who vote. The Company will, on announcing the result of the AGM, announce, in respect of Resolutions 6 and 7, the result of both the vote of the Company's shareholders and the vote of the Independent Shareholders.

If separate Independent Shareholder approval is not given for any relevant resolution, the Company intends that the relevant appointment will continue for 120 days from the date of the original vote, unless a further ordinary resolution for re-election is passed. If a further ordinary resolution to approve the re-election of the relevant director is defeated, his or her appointment will cease on that resolution being defeated.

### Resolutions 11 and 12: Re-appointment of auditors and auditors' remuneration

The auditors of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 11 proposes the re-appointment of the Company's existing auditors, BDO LLP, until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 12 gives authority to the directors to determine the auditors' remuneration.

### Resolution 13: Authority to allot shares

The Company's directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The authority conferred on the directors at last year's AGM under section 551 of the Act to allot shares expires on the date of the forthcoming AGM. Accordingly, this resolution seeks to grant a new authority under section 551 of the Act to authorise the directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company and will expire at the conclusion of the next AGM of the Company in 2020 (or, if earlier, at the close of business on the date that is 15 months after the date this resolution is passed). Paragraph (a)(i)(A) of Resolution 13 will, if passed, authorise the directors to allot shares or grant rights to subscribe for, or to convert any security into, such shares in the Company up to a maximum nominal amount of £567,357. This amount represents approximately one-third of the Company's existing issued Ordinary Share capital (excluding treasury shares) as at 30 April 2019 (being the latest practicable date prior to publication of this notice).

Paragraph (a)(i)(B) of Resolution 13 authorises the directors to allot, including the shares referred to in (a)(i)(A), further of the Company's unissued shares up to an aggregate nominal amount of £1,134,714 in connection with a pre-emptive offer to existing shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems). This amount represents approximately two-thirds of the Company's existing issued Ordinary Share capital (excluding treasury shares) as at 30 April 2019 (being the latest practicable date prior to publication of this notice). This is in accordance with the latest guidelines published by the Investment Association.

This authority will expire at the conclusion of the AGM of the Company next year (or, if earlier, at the close of business on the date that is 15 months after the date this resolution is passed). The board considers it is prudent to maintain the flexibility that this authority provides and intends to renew the authority annually

The Company holds no treasury shares as at 30 April 2019 (being the latest practicable date prior to the publication of this notice). The Company has no present intention of exercising this authority; however, if they do so, the Directors intend to follow emerging best

practices as regards its use as recommended by the Investment Association.

### Resolution 14: Authority to make political donations

It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of that expression. However, it may be that some of the Company's activities may fall within the potentially wide definition of a political donation in the Act and, without the necessary authorisation, the Company's ability to communicate its views effectively to political audiences and to relevant interest groups could be inhibited. Such activities may include briefings at receptions or conferences – where the Company seeks to communicate its views on issues vital to its business interests – including, for example, conferences of a party political nature or of special interest groups in areas relevant to the Company's business.

Accordingly, the Company believes that the authority contained in Resolution 14 is necessary to allow it and its subsidiaries to fund activities which it is in the interests of shareholders that the Company should support. Such authority will enable the Company and its subsidiaries to be sure that they do not, because of any uncertainty as to the bodies or the activities covered by the Act, unintentionally commit a technical breach of the Act. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's annual report.

### Resolutions 15 and 16: Disapplication of pre-emption rights

Under section 561(1) of the Act, if the directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must first offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the directors need the flexibility to issue shares for cash without a pre-emptive offer to existing shareholders, which can be done under the Act if the shareholders have first waived their pre-emption rights by special resolution. Resolution 15 and Resolution 16 ask shareholders to grant this limited waiver. The resolutions will be proposed as special resolutions.

Resolution 15 contains a two-part waiver. The first is limited to the allotment of shares for cash up to an aggregate nominal value of £85,103 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the Company's issued Ordinary Share capital as at 30 April 2019 (being the latest practicable date prior to the publication of this notice). The second is limited to the allotment of shares for cash in connection with a rights issue to allow the directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders.

The board intends to adhere to the provisions in 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 15:

- (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company excluding treasury shares in any one year; or
- (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company, excluding 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.

## EXPLANATORY NOTES TO THE NOTICE OF AGM CONTINUED

The waiver granted by Resolution 16 is in addition to the waiver granted by Resolution 15. It is limited to the allotment of shares for cash up to an aggregate nominal value of £85,103 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents a further 5% (approximately) of the Company's issued Ordinary Share capital as at 30 April 2019 (being the latest practicable date prior to the publication of this notice). This further waiver may only be used for an allotment of shares for cash for the purposes of financing (or refinancing, if the waiver is used within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Pre-emption Group's Statement of Principles.

The Directors have no present intention to avail of this authority, however the board considers that it is in the best interests of the company and its shareholders generally that the company should seek the maximum authorities permitted by the Pre-emption Principles and have the flexibility to raise capital quickly and easily in order to finance business opportunities when they arise in line with the Company's strategy.

Shareholders should note that these resolutions also relate to treasury shares.

If the resolutions are passed, the waivers will expire at the conclusion of the AGM of the Company to be held in 2020 or, if earlier, the close of business on the date that is 15 months after the date the resolution is passed. The Company's directors intend to renew this authority annually.

### **Resolution 17: Authority to purchase own shares**

This resolution, which will be proposed as a special resolution, renews the authority granted at last year's AGM which expires on the date of the forthcoming AGM. The resolution authorises the Company to make market purchases of its own Ordinary Shares as permitted by the Act. The authority limits the number of shares that could be purchased to a maximum of 17,020,714 (representing approximately 10% of the issued share capital (excluding treasury shares)) of the Company as at 30 April 2019 (being the latest practicable date prior to the publication of this notice) and sets minimum and maximum prices.

This authority will expire at the conclusion of the next AGM in 2020 (or, if earlier, at the close of business on the date that is 18 months after the date this resolution is passed).

The directors have no present intention of exercising the authority to purchase the Company's Ordinary Shares but will keep the matter under review, taking into account market conditions, the cash reserves of the Company, the Company's share price and the overall financial position of the Company, among other factors. The authority will be exercised only if the directors believe that to do so would be likely to promote the success of the Company for the benefit of its shareholders as a whole and, where required by the Company's controlling shareholder, if The Panel on Takeovers and Mergers first provides a waiver from Rule 9 of The City Code on Takeover and Mergers.

Any purchases of Ordinary Shares would be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employees' share schemes.

As at 30 April 2019 (being the latest practicable date prior to the publication of this notice), there were options over 21,465,016 Ordinary Shares which represent 12.6% of the Company's issued Ordinary Share capital (excluding treasury shares) at that date. In addition, as at 30 April 2019 there are warrants over 8,510,300 Ordinary Shares which represent 5% of the Company's issued Ordinary Share capital (excluding treasury shares) at that date. If the authority to purchase the Company's Ordinary Shares was exercised in full, these options and warrants (aggregated) would represent 17.6% of the Company's issued Ordinary Share capital (excluding treasury shares).

The authority will be valid only until the conclusion of the next AGM in 2020 (or, if earlier, at the close of business on the date that is 18 months after the date this resolution is passed).

### **Resolution 18: Notice of general meetings**

The Act sets the notice period required for general meetings of the Company at 21 clear days unless shareholders approve a shorter notice period, which cannot in any event be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice). Resolution 18 seeks such approval. It is intended that the shorter notice period would not be used as a matter of routine for such meetings, 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. The Company undertakes to meet the requirements for electronic voting in the Act before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.