

This document is important and requires your IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are advised to consult your stockbroker, solicitor, accountant or other professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately. If you have sold or transferred all of your ordinary shares in Bunzl plc you should pass this document to the purchaser or transferee or to the person through whom the sale was effected for transmission to the purchaser or transferee.



Bunzl plc  
Registered Office:  
York House  
45 Seymour Street  
London  
W1H 7JT

Registered in England  
No. 358948

14 March 2016

To the holders of ordinary shares

Dear Sir or Madam

### **ANNUAL GENERAL MEETING ('AGM')**

The 2016 AGM of Bunzl plc (the 'Company') is to be held at 11.00 am on Wednesday 20 April 2016 in The Park Suite at The Dorchester, Park Lane, London W1K 1QA. You will see from the Notice of Meeting in Appendix 1 to this letter that, in addition to the routine business to be dealt with at the meeting, there is one item of other business contained in Resolution 18. An explanation of Resolutions 3 to 18 inclusive is set out below and certain further information is given in Appendix 2 to this letter.

#### **Ordinary Resolutions 3 to 11 (Re-appointment of directors)**

Under the Company's articles of association, at any AGM, any director who has been appointed by the Board of directors since the last AGM, any director who has held office at the time of the preceding two AGMs and who did not retire at either of them or any director who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the AGM, in each case, shall retire from office and may offer himself or herself for re-appointment. However, in accordance with the UK Corporate Governance Code (the 'Code') and in order to increase accountability, each of the directors will once again retire at this year's AGM and will stand for re-appointment by the shareholders, other than Michael Roney who will be retiring from the Board of directors at the end of this year's AGM.

#### **Ordinary Resolutions 12 and 13 (Re-appointment and remuneration of auditors)**

PricewaterhouseCoopers LLP ('PwC') were first appointed as the Company's auditors in May 2014 following a competitive tender process and were re-appointed last year. Following a review by the Audit Committee of PwC's independence and objectivity and of the effectiveness of the audit process, the Audit Committee recommended to the Board that PwC be re-appointed as the Company's auditors and, subject thereto, that such recommendation be put to shareholders for approval at this year's AGM. Resolution 12 therefore seeks approval for the re-appointment of PwC as the Company's auditors until the conclusion of the next general meeting at which accounts are laid before the Company. Resolution 13 seeks authorisation for the directors to set the auditors' remuneration.

#### **Ordinary Resolution 14 (Approval of directors' remuneration report)**

Resolution 14 seeks shareholder approval for the directors' remuneration report as set out on pages 60 to 81 (inclusive) of the Annual Report for the year ended 31 December 2015, excluding the part of the report which sets out the directors' remuneration policy. As in previous years, this resolution is advisory in nature and, as such, it does not affect the actual remuneration paid to any individual director. At our 2014 AGM, the directors' remuneration policy was approved by shareholders. The directors' remuneration policy is set out on pages 61 to 69 (inclusive) of the Annual Report for the year ended 31 December 2015 for reference purposes only. There are no proposed changes to the directors' remuneration policy which require shareholder approval to be sought at this year's AGM.

The Company's external auditors, PwC, have audited those parts of the directors' remuneration report that are required to be audited and their report is set out on pages 134 to 139 (inclusive) of the Annual Report for the year ended 31 December 2015.

#### **Ordinary Resolution 15 (Authority to allot ordinary shares)**

Shareholders' authority is required before the directors may allot ordinary shares in the Company. Resolution 15 replaces the authority granted at last year's AGM. Accordingly, the directors seek the authority to allot and to grant rights to subscribe for or to convert any securities into ordinary shares in the Company up to a maximum aggregate nominal amount equal to £35,917,000 which represents approximately one third of the Company's issued share capital.

The directors do not, however, have any present intention to issue new ordinary shares except under the Company's share option schemes and, if necessary, to satisfy the consideration payable for businesses to be acquired. This authority supersedes all previous authorities and will expire at the earlier of the conclusion of the next year's AGM and the close of business on 20 July 2017 and the directors intend to seek to renew this authority at next year's AGM.

#### **Special Resolution 16 (Allotment of ordinary shares for cash)**

Shareholders' authority is required before the directors may allot ordinary shares in the Company (including any ordinary shares which the Company has purchased and has elected to hold as treasury shares) for cash (unless the issue or sale takes place pro rata to existing ordinary shareholders). Such an authority has been sought annually by the Company. The existing authority will expire at this year's AGM. By proposing Resolution 16, the directors seek a renewal of such authority although, at present, there is no intention to exercise such authority.

Under the renewed authority, the directors may at any time, should appropriate circumstances arise, allot ordinary shares for cash in connection with pre-emptive offers or otherwise up to a maximum amount of 16,760,000 ordinary shares, being 5% of the Company's issued share capital. In respect of this maximum amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles (the 'Principles') regarding cumulative usage of authorities within a rolling three year period, where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders. This authority will expire at the earlier of the conclusion of the next year's AGM and the close of business on 20 July 2017.

#### **Special Resolution 17 (Purchase of own ordinary shares)**

Resolution 17 replaces a similar authority granted to the directors at last year's AGM which is valid until the conclusion of this year's AGM. No ordinary shares have been purchased under the current authority. The proposed authority will be exercised in the future only if the directors consider it to be in the best interests of the Company and its shareholders, given the market conditions and price prevailing at the time. For a further explanation of this proposal and a brief summary of its taxation consequences, please see Appendix 2 to this letter.

### **Special Resolution 18** (Notice of general meetings)

Resolution 18 also replaces a similar authority granted to the directors at last year's AGM to allow the Company to hold general meetings (other than AGMs) on 14 clear days' notice as required by the Companies (Shareholders' Rights) Regulations 2009 (the 'Shareholders' Rights Regulations'). 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 to the advantage of shareholders as a whole. The Company will also need to meet certain requirements for electronic voting under the Shareholders' Rights Regulations before it can call a general meeting on 14 clear days' notice. The authority will be effective until next year's AGM, when it is intended that a similar resolution will be proposed.

### **Poll voting**

The directors have again decided that voting on each of the Resolutions to be put to this year's AGM will be taken on a poll rather than on a show of hands. The directors believe a poll is more representative of the shareholders' voting intentions because shareholders' votes are counted according to the number of ordinary shares held and all votes tendered are taken into account. The results of the poll will be announced through a Regulatory Information Service and made available on the Company's website as soon as practicable following the closing of this year's AGM.

### **Issued share capital**

Unless otherwise stated, all references to the Company's issued share capital in this letter are to the Company's issued ordinary share capital as at 14 March 2016, which was 335,229,561 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at 14 March 2016 are 335,229,561. The Company does not currently hold any shares in treasury.

### **Action to be taken**

Shareholders are asked to complete the enclosed Form of Proxy and to post it to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible, but in any event so as to arrive by no later than 11.00 am on Monday 18 April 2016. Completion and posting of the Form of Proxy will not preclude shareholders from attending and voting in person at this year's AGM, should they wish to do so. A user of the CREST system (including a CREST Personal Member) may appoint a proxy by having an appropriate CREST message transmitted so as to be received by no later than 11.00 am on Monday 18 April 2016. Alternatively, proxy votes can be submitted via the internet to be received by no later than 11.00 am on Monday 18 April 2016. Details of how to do this are set out on the enclosed Form of Proxy.

### **Documents available for inspection**

Copies of the directors' service agreements and letters of appointment will be available for inspection at any time during normal business hours on normal working days from and including the date of this notice up to and including 20 April 2016 at the Company's registered office, as will a copy of the Annual Report for the year ended 31 December 2015. All such documents will be available for inspection in The Park Suite at The Dorchester, Park Lane, London W1K 1QA from 10.45 am on 20 April 2016 until the conclusion of this year's AGM.

### **Recommendation**

The directors are unanimously of the opinion that the proposals described in this letter are in the best interests of the Company and its shareholders as a whole. Accordingly, they recommend shareholders vote in favour of the Resolutions set out in the Notice of Meeting in Appendix 1 to this letter, including those referred to above, as they intend to do in respect of their own beneficial holdings.

### **DIVIDEND REINVESTMENT PLAN ('DRP')**

The directors are proposing a final dividend of 26.25p per ordinary share in the Company for the year ended 31 December 2015 (the 'Final Dividend') for approval at this year's AGM. Pursuant to the DRP, shareholders will again be offered the opportunity to receive ordinary shares in the Company instead of any cash dividend to which they would otherwise have been entitled.

The DRP allows shareholders to increase their shareholdings in the Company in a simple and cost-effective way. Once a shareholder has elected to participate in the DRP, any cash dividend will be reinvested in ordinary shares in the Company bought on the London Stock Exchange through a specially arranged share dealing service. As the DRP does not require the creation of any new ordinary shares in the Company and therefore does not lead to dilution of the value of the existing ordinary shares in the Company, the directors believe that the DRP is beneficial to the shareholders as a whole.

If you have already joined, or choose to join the DRP, the Final Dividend will be used to buy ordinary shares in the Company. A dealing commission of 0.75% of the value of the ordinary shares purchased will be charged (subject to a minimum of £2.50) and deducted from the amount of the Final Dividend. Stamp duty reserve tax will also be charged at the prevailing rate (currently 0.5% of the value of the ordinary shares purchased) and deducted from the amount of the Final Dividend. If you have not already joined the DRP and wish to do so, you should either apply online at [www.investorcentre.co.uk](http://www.investorcentre.co.uk) or, alternatively, contact the Company's registrar on 0370 889 3257 to request the terms and conditions of the DRP and a printed mandate form, which must be returned to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, so as to arrive no later than 4.00 pm on 10 June 2016. If you have already joined the DRP and wish to continue receiving dividends in shares, or if you have not already joined the DRP and wish to continue receiving dividends in cash, you need take no further action.

Information about the timetable in relation to the Final Dividend, the terms and conditions of the DRP (which are incorporated by reference into this letter) and how to join the DRP can also be found in the Dividend information section of the Company's website at [www.bunzl.com](http://www.bunzl.com).

The timetable relating to the payment of the Final Dividend is as follows:

Ordinary shares quoted ex-dividend	19 May 2016
Record date	20 May 2016
Payment date	1 July 2016

Further copies of this letter may be obtained from the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, from the date of this letter until 18 April 2016.

Yours faithfully



**Philip Rogerson**  
Chairman

**Appendix 1**  
**Notice of Meeting**

**NOTICE IS HEREBY GIVEN that the seventy sixth Annual General Meeting ('AGM') of Bunzl plc (the 'Company') will be held in The Park Suite at The Dorchester, Park Lane, London W1K 1QA on Wednesday 20 April 2016 at 11.00 am for the following purposes:**

1. To receive and consider the accounts for the year ended 31 December 2015 together with the reports of the directors and auditors.
2. To declare a final dividend.
3. To re-appoint Philip Rogerson as a director.
4. To re-appoint Frank van Zanten as a director.
5. To re-appoint Patrick Larmon as a director.
6. To re-appoint Brian May as a director.
7. To re-appoint David Sleath as a director.
8. To re-appoint Eugenia Ulasewicz as a director.
9. To re-appoint Jean-Charles Pauze as a director.
10. To re-appoint Meinie Oldersma as a director.
11. To re-appoint Vanda Murray as a director.
12. To re-appoint PricewaterhouseCoopers LLP as auditors to hold office from the conclusion of this year's AGM until the conclusion of the next general meeting at which accounts are laid before the Company.
13. To authorise the directors to determine the remuneration of the auditors.
14. To approve the directors' remuneration report as set out on pages 60 to 81 (inclusive) (excluding the directors' remuneration policy as set out on pages 61 to 69 (inclusive)) of the Annual Report for the year ended 31 December 2015.

To consider and, if thought fit, pass the following Resolutions:

**15. Ordinary Resolution** (Authority to allot ordinary shares)

THAT the directors of the Company be authorised to allot ordinary shares in the Company and to grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of £35,917,000, being approximately one third of the nominal value of the Company's issued share capital as at 14 March 2016, such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 July 2017) but so that during this period the Company may make offers and enter into agreements which would, or might, require ordinary shares to be allotted or rights to subscribe for or to convert securities into ordinary shares to be granted after the authority ends and the directors may allot ordinary shares or grant rights to subscribe for or convert securities into ordinary shares under any such offer or agreement as if the authority had not ended.

**16. Special Resolution** (Allotment of ordinary shares for cash)

THAT if Resolution 15 is passed, the directors of the Company be given power to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by that Resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

- (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings 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; and
- (b) to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £5,387,167 being 5% of the nominal value of the Company's issued share capital as at 14 March 2016,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 20 July 2017), but, in each case, during this period the Company may make any offers, and enter into any agreements, which would, or might, require any equity securities to be allotted (and any treasury shares to be sold) after the power ends and the directors may allot any equity securities (and/or sell any treasury shares) under any such offer or agreement as if the power had not ended.

**17. Special Resolution** (Purchase of own ordinary shares)

THAT the Company be authorised, for the purposes of section 701 of the Companies Act 2006, to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 32 $\frac{1}{2}$ p each ('Ordinary Shares'), such power to be limited:

- (a) to a maximum number of 33,520,000 Ordinary Shares; and
- (b) by the condition that the minimum price which may be paid for an Ordinary Share is 32 $\frac{1}{2}$ p and the maximum price which may be paid for an Ordinary Share is the highest of:
  - (i) an amount equal to 5% above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time,

in each case, exclusive of expenses,

such power to apply until the end of next year's AGM (or, if earlier, the close of business on 20 July 2017) but so that during this period the Company may enter into any contracts to purchase any Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase any Ordinary Shares pursuant to any such contract as if the power had not ended.

**18. Special Resolution** (Notice of general meetings)

THAT a general meeting other than an AGM may be called on not less than 14 clear days' notice.

By Order of the Board

**Paul Hussey**  
Secretary

14 March 2016

## Notes:

1. Resolutions 3 to 11 inclusive relate to the re-appointment of directors. Biographical information relating to each of the directors appears on pages 48 and 49 of the Company's Annual Report for the year ended 31 December 2015. Frank van Zanten was appointed to the Board by the directors on 13 January 2016, such appointment to take effect from 1 February 2016. In accordance with the Code and, in respect of Frank van Zanten, the Company's articles of association, each of the directors is standing for re-appointment at the AGM other than Michael Roney who will be retiring from the Board of directors at the end of the AGM. In relation to the re-appointment of Frank van Zanten, the Company considers that his extensive knowledge and experience of the Company's business gained over many years and his successful track record of implementing the Company's long-standing strategy for developing and expanding the Group both organically and by acquisition will continue to be of great value to the Company going forward. In relation to the re-appointment of the other non-executive directors, following a formal evaluation process, the Company believes that the performance of Philip Rogerson, David Sleath, Eugenia Ulasewicz, Jean-Charles Pauze, Meinie Oldersma and Vanda Murray as non-executive directors continues to be effective and they continue to demonstrate commitment to their roles.
2. Every holder of ordinary shares is entitled to attend, speak and vote at this year's AGM. A shareholder entitled to attend, speak and vote may appoint a proxy (who need not be a member of the Company) to attend, speak and vote on their behalf. A shareholder may appoint more than one proxy in relation to this year's AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. A Form of Proxy is enclosed with this letter for use in connection with this year's AGM. If you do not have a Form of Proxy and believe that you should have one, or if you require additional Forms of Proxy, please contact the Company's registrar, Computershare Investor Services PLC. To be valid, any Form of Proxy together with the power of attorney or other authority (if any) under which it is signed or sealed or a duly certified copy thereof, must reach the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.00 am on Monday 18 April 2016. Completion and return of any Form of Proxy will not preclude a member from attending and voting at this year's AGM. A user of the CREST system (including a CREST Personal Member) may appoint a proxy or proxies by having an appropriate CREST message transmitted to be received by no later than 11.00 am on Monday 18 April 2016. Alternatively, proxy votes can be submitted via the internet to be received by no later than 11.00 am on Monday 18 April 2016. Details of how to do this are shown on the enclosed Form of Proxy. In the case of joint holdings, any one holder may sign the Form of Proxy but the names of all joint holders must be stated. The vote of the senior joint holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
4. 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 instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 the issuer's agent (ID 3RA50) by 11.00 am on Monday 18 April 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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.
5. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited 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 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 system provider(s), are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. 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.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
8. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for this year's AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
9. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 2 of the Notes to this Notice of Meeting above does not apply to Nominated Persons. The rights described in such paragraph can only be exercised by shareholders.
10. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 311 of the Companies Act 2006, the Company specifies that only those shareholders registered in the Register of Members of the Company at 6.00 pm on 18 April 2016 shall be entitled to attend, speak or vote in respect of the number of ordinary shares registered in their name at that time at this year's AGM. If this year's AGM is adjourned, the Company specifies that only shareholders entered on the Company's Register of Members not later than 48 hours before the time fixed for the adjourned AGM shall be entitled to attend, speak or vote at the adjourned AGM.

11. Under section 527 of the Companies Act 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 auditors' report and the conduct of the audit) that are to be laid before this year's 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 Companies Act 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 Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at this year's AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
12. Information regarding this year's AGM, including information required by section 311A of the Companies Act 2006, can be found in the AGM information section of the Company's website at [www.bunzl.com](http://www.bunzl.com).
13. Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting unless: (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Chairman's letter and Form of Proxy) to communicate for any purposes other than those expressly stated.

## **Appendix 2**

### **Authority for Bunzl plc (the 'Company') to purchase its own ordinary shares**

#### **Details of proposals**

Authority is sought for the Company to purchase up to 10% of its issued ordinary shares, renewing the authority granted by shareholders at last year's Annual General Meeting ('AGM').

The directors have no present intention of exercising the authority to make market purchases. However the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The directors will consider holding any ordinary shares the Company may purchase as treasury shares. The Company does not currently hold any shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is 32½p. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of: (i) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the date of the purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time.

The number of options to subscribe for ordinary shares outstanding at 14 March 2016 was 1,485,643, representing 0.4% of the Company's issued share capital as at that date. If the existing authority given at last year's AGM and the authority now being sought by Resolution 17 were to be fully used, these outstanding options would represent 0.6% of the Company's issued share capital.

The authority will expire at the earlier of the conclusion of next year's AGM and the close of business on 20 July 2017.

#### **Taxation consequences**

The main taxation consequences under current UK legislation in force on 14 March 2016 of a purchase of ordinary shares taking place on or after 6 April 2016 pursuant to the proposed authority would be broadly as follows:

- (a) for the Company: the Company would be treated as having made a distribution broadly to the extent that the amount paid for the ordinary shares purchased exceeds the price received by the Company when such shares were originally issued. The Company will generally be obliged to pay stamp duty at the rate of 0.5% (rounded up to the nearest £5) of the price paid by it for the ordinary shares; and
- (b) for a shareholder selling in the market: on the basis that all purchases by the Company will be made through the London Stock Exchange Electronic Trading System and that a dealer will therefore act as principal in the sale to the Company, the sale into the market of all or part of a shareholder's holding of ordinary shares ultimately acquired by the Company should generally be treated as a normal market sale. If the ordinary shares are held by the shareholder as a capital asset, the sale to the dealer by the shareholder will generally constitute a disposal for the purposes of tax on capital or chargeable gains (and will not constitute an income distribution) and a chargeable gain or an allowable loss may arise in the hands of the shareholder.