

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in On the Beach Group plc, please forward this document, together with the accompanying documents, as soon as possible either 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.



ON THE BEACH GROUP PLC

Notice of Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at 11.00 a.m. on 2 February 2017 at Park Square, Bird Hall Lane, Cheadle Heath, Cheshire SK3 0XN as set out at pages 4 to 7 of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by 11.00 a.m. on 31 January 2017. Any proxy form received after this date will be invalid.

LETTER FROM THE CHAIRMAN

5 January 2017

Dear Shareholder

Annual General Meeting

The Annual General Meeting is to take place at 11.00 a.m. on 2 February 2017 at Park Square, Bird Hall Lane, Cheadle Heath, Cheshire SK3 0XN. The formal notice of the Annual General Meeting is set out on pages 4 to 7 and an explanation of the resolutions to be proposed at the Annual General Meeting is set out on pages 8 to 11 of this circular.

Voting

In accordance with best practice for listed companies, it is the current intention that voting on all resolutions will be conducted by way of a poll rather than on a show of hands. This means that shareholders will have one vote for each ordinary share held. The Company believes this will result in a more accurate reflection of the views of ordinary shareholders by ensuring that every vote is recognised, including the votes of all ordinary shareholders who are unable to attend the Meeting but who have appointed a proxy for the Meeting.

Action to be taken

Enclosed with this circular is a Form of Proxy for the resolutions to be proposed at the Annual General Meeting. Please sign and return the Form of Proxy in accordance with the directions on it as soon as possible and, in any event, so that it is received not less than 48 hours before the time appointed for the Annual General Meeting (i.e. by 11.00 a.m. on 31 January 2017).

Completion and return of the Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person should you wish to do so. If you are planning to attend the Annual General Meeting, please bring your attendance card with you. The card is attached to the enclosed Form of Proxy.

The results of the Annual General Meeting will be announced through a Regulatory Information Service and on the Company website, www.onthebeachgroupplc.com as soon as possible once known.

Final Dividend

Shareholders are being asked to approve a final dividend of 2.2 pence per ordinary share of £0.01 each for the year ended 30 September 2016. If you approve the recommended final dividend, this will be paid on 7 February 2017 to all ordinary shareholders who were on the register of members at the close of business on 6 January 2017.

On the Beach Group plc Save As You Earn Plan

Shareholders are also being asked to approve a new share plan, the On the Beach Group plc Save As You Earn Plan (the "SAYE"), the principal features of which are summarised in the Explanatory Note to the Notice of Annual General Meeting.



Park Square, Bird Hall Lane, Cheadle SK3 0XN

On the Beach Group plc, a company registered in England and Wales with company registration number 09736592

The rules of the SAYE are available for inspection during normal business hours at the registered office of the Company and at the offices of Squire Patton Boggs (UK) LLP, corporate solicitors to the Company, at 7 Devonshire Square, London, EC2M 4YH from the date of despatch of this Notice of Meeting until the conclusion of the meeting and will also be available for inspection at the meeting venue immediately prior to and during the meeting itself.

Recommendation

The directors of the Company consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

Explanatory notes on all of the business to be considered at this year's Annual General Meeting appear on pages 8 to 11.

I look forward to seeing you.

Yours sincerely

Richard Segal
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of On the Beach Group plc ("**Company**") will be held at 11.00 a.m. on 2 February 2017 at Park Square, Bird Hall Lane, Cheadle Heath, Cheshire, SK3 0XN.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 and 14 will be proposed as special resolutions.

RESOLUTIONS

ORDINARY RESOLUTIONS

1. To receive the annual accounts of the Company for the year ended 30 September 2016 together with the reports of the directors and auditor thereon.
2. To approve the directors' remuneration report for the year ended 30 September 2016.
3. To declare a final dividend of 2.2 pence per ordinary share in respect of the year ended 30 September 2016.
4. To appoint Paul Meehan as a director of the Company.
5. To reappoint Simon Cooper as a director of the Company.
6. To reappoint Richard Segal as a director of the Company.
7. To reappoint Lee Ginsberg as a director of the Company.
8. To reappoint David Kelly as a director of the Company.
9. To reappoint KPMG LLP as auditor to the Company for the period from the conclusion of this meeting to the conclusion of the next general meeting of the Company at which accounts are laid.
10. To authorise the directors to determine the auditor's remuneration.
11. That:
 - (a) the rules of the On the Beach Group plc Save As You Earn Plan (the "SAYE") (the principal features of which are summarised in the Appendix to this notice of annual general meeting and a copy of which is produced in draft to the meeting, initialled by the Chairman of the meeting for the purposes of identification) be and are hereby approved, and the Directors of the Company be and are hereby authorised to do all such things in accordance with applicable law as may be necessary or desirable to carry the SAYE into effect, including making such modifications as the Directors consider appropriate to take account of the requirements of the Financial Conduct Authority, HM Revenue and Customs and best practice; and
 - (b) the Directors be authorised to adopt further schemes for the benefit of employees outside the UK based on the SAYE but modified to take account of local tax, exchange control or securities law in overseas territories, provided that any shares made available under such further schemes are treated as counting against any limits on individual or overall participation in the SAYE.
12. That the directors be and are hereby generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006, to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to an aggregate nominal value of £434,782.55; and
 - (b) up to a further aggregate nominal amount of £434,782.55 only for the purpose of a rights issue:
 - (i) to ordinary shareholders in proportion (as near as may be practicable) to their existing holdings;
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary; and

- (iii) is subject to such exclusions or other arrangements as they 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.

This authority shall expire at the end of the next AGM of the Company to be held in 2018 or, if earlier at the close of business on 2 February 2018 (unless previously revoked or varied by the Company in general meeting) save that under such authority the Company may, before such expiry, make an offer or agreement which would or might require the shares to be allotted or rights to subscribe for or convert any security into shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for or convert any security into shares in pursuant of such an offer or agreement as if the relevant authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

13. That, subject to resolution 12 being passed, the directors be and are hereby generally and unconditionally authorised to allot equity securities (as defined by the Companies Act 2006), for cash pursuant to the authority conferred on the directors by resolution 12 or by way of sale of treasury shares, as if section 561(1) of the Companies Act 2006 did not apply, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer or issue of equity securities to:
 - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings;
 - (ii) holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary;

but subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and

- (b) the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal amount of £65,217.38.

This authority shall expire at the end of the next AGM of the Company to be held in 2018 or, if earlier at the close of business on 2 February 2018 (unless previously revoked or varied by the Company in general meeting) save that under such authority the Company may, before such expiry, make an offer or agreement which would or might require the shares to be allotted or rights to subscribe for or convert any security into shares to be granted after such expiry and the directors may allot shares or grant rights to subscribe for or convert any security into shares in pursuant of such an offer or agreement as if the relevant authority conferred hereby had not expired.

14. That, the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of its own shares up to an aggregate number of 13,043,476 ordinary shares (representing approximately 10% of the Company's issued ordinary share capital) subject to:

- (a) the minimum price per ordinary share, excluding expenses, being £0.01; and
- (b) the maximum price per ordinary share, excluding expenses, being the higher of:
 - (i) 5% above the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for an ordinary share over five business days before the purchase; and
 - (iii) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out.

This authority shall expire at the end of the next AGM of the Company to be held in 2018 or, if earlier at the close of business on 2 February 2018 (unless previously revoked or varied by the Company in general meeting) save that the Company shall be entitled, before the expiry of this authority, to enter into any contract for the purchase of its own shares which might be executed and completed wholly or partly after such expiry and to make purchases of its own shares in pursuant of any such contract or contracts.

By order of the Board

Kirsteen Vickerstaff

Company Secretary

Dated: 5 January 2017

On the Beach Group plc

Registered in England and Wales No 09736592

Registered Office: Park Square, Bird Hall Lane, Cheadle Heath, Cheshire SK3 0XN

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

1. Only those shareholders included in the register of members of the Company at close of business on 31 January 2017 or, if the meeting is adjourned, in the register of members two working days before the time for holding any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
2. It is intended that each resolution will be voted on by way of a poll rather than on a show of hands. This is considered best practice for listed companies. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of ordinary shares held and all votes tendered are taken into account.
3. A shareholder is entitled to appoint another person as that shareholder's proxy to exercise all or any of that shareholder's rights to attend and to speak and vote at the Annual General Meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy does not need to be a shareholder of the Company. If you are appointing more than one proxy you will need to state clearly on each form of proxy the number of shares in relation to which the proxy is appointed, and ensure that, taken together, the numbers of shares stated on the forms of proxy do not exceed your holding. A proxy is legally required to vote in accordance with any voting instructions given by his appointing shareholder. A shareholder may not appoint more than one proxy to exercise rights attached to any one share. Where a shareholder appoints more than one proxy, on a vote on a show of hands the proxies shall only be entitled to one vote collectively.
4. A personalised form of proxy for use in connection with the Annual General Meeting is enclosed with the document of which this notice forms part. If you do not have a personalised form of proxy and believe that you should, please contact the Company's registrars, Capita Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4ZF. Completion and return of a form of proxy will not prevent a shareholder from attending and voting at the Annual General Meeting. Addresses (including electronic addresses) in this document are included strictly for the purposes specified and not for any other purpose.
5. To appoint a proxy or proxies, shareholders must complete: (a) a form of proxy, sign it and return it, together with the power of attorney or any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars Capita Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or (b) a CREST Proxy Instruction (see note 6 below), in each case so that it is received no later than 11.00 a.m. on 31 January 2017.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via <http://www.euroclear.com/CREST>). CREST Personal Members or other CREST sponsored members and those CREST members who have appointed any 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.
7. 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 Capita Asset Services (ID RA 10) by the latest time for receipt of proxy appointments set out in paragraph 5 above. 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 Company'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.

8. 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 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 any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is 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.
9. 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.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The following notes provide an explanation as to why the resolutions set out in the notice are to be put to shareholders.

Resolutions 1 to 12 are ordinary resolutions. These resolutions will be passed if more than 50% of the votes cast for or against are in favour.

Resolution 1 – Laying of accounts

The directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the directors and auditor, and the audited accounts of the Company, for the year ended 30 September 2016. The reports of the directors and the audited accounts have been approved by the directors, and the report of the auditor has been approved by the auditor, and a copy of each of these documents may be found in the annual accounts and reports.

Resolution 2 – Directors' remuneration report

This resolution seeks shareholders' approval for the directors' remuneration report (excluding the directors' remuneration policy) for the year ended 30 September 2016.

Resolution 2 is proposed as an ordinary resolution. The vote is advisory in nature and the directors' entitlement to remuneration is not conditional on the resolution being passed.

Resolution 3 – Declaration of final dividend

The Board recommends a final dividend of 2.2 pence per ordinary share.

Subject to approval by shareholders, the final dividend will be paid on 7 February 2017 to shareholders on the register at the close of business on 6 January 2017.

Resolution 4 – Appointment of Paul Meehan as a Director

The Board has appointed Paul Meehan as a Director of the Company (and Chief Financial Officer to the Group) with effect from 16 January 2017. Paul succeeds Wendy Parry, who will retire as a Director of the Company and as Chief Financial Officer of the Group with effect from 16 January 2017. A full transition and induction plan is in place and Wendy has agreed to be available for as long as required to ensure a smooth and orderly handover. Wendy's retirement and Paul's appointment are the result of a carefully planned and thorough succession planning and recruitment exercise, overseen by the Nomination Committee in anticipation of Wendy's retirement plans. Further details are provided in the report of the Nomination Committee on pages 34 to 35 of the annual report and accounts.

The Company's articles of association provide that any director who has been appointed by the Board since the last AGM is required to retire and may then be considered for appointment. Paul Meehan is therefore seeking appointment as a Director at the AGM.

Information in relation to Paul Meehan is set out below (which is equivalent to that set out in relation to the other Directors on pages 27 to 28 of the annual report and accounts).

Name: Paul Meehan

Position: Chief Financial Officer (with effect from 16 January 2017)

Biography: Prior to joining the Group, Paul Meehan was a Director at Gala Coral Interactive (Gibraltar) Ltd (now part of the newly merged Ladbrokes Coral Group plc). Paul joined Gala Interactive as Finance Director in April 2012, as part of a new management team, re-launching an online gaming business in Gibraltar. The business successfully launched three new online gaming sites, taking the largest brand to be UK market leader. In November 2014, Gala Coral's two businesses in Gibraltar (Gala Interactive and Coral Interactive) were integrated. Paul became Finance Director of the combined business which continued to deliver market leading growth.

More recently, Paul was the director responsible for the interactive planning and integration aspects of the merger between Gala Coral Group Limited and Ladbrokes plc which was announced in June 2015 and completed in November 2016. Paul previously held CFO/FD positions in a number of businesses in the UK, including online, gaming and technology businesses, a number of which were private equity backed.

Appointed to Board: 16 January 2017

Independent: No (he is an Executive Director)

External appointments: None

Committee memberships: Disclosure Committee

Resolutions 5 to 8 – Reappointment of directors of the Company

In accordance with the provisions of the UK Corporate Governance Code and best practice, all directors wishing to continue their appointments are seeking re-appointment by the Company's shareholders.

Following the recommendation of the Nomination Committee, the Chairman is satisfied that each of the directors standing for re-election continues to be effective and demonstrates a commitment to the role and that each of the directors continues to be able to dedicate sufficient time to their duties. The directors retiring and seeking reappointment are Simon Cooper, Richard Segal, Lee Ginsberg and David Kelly. Information in relation to the directors is shown on pages 27 and 28 of the annual report and accounts.

Resolution 9 – Auditor's appointment

The Companies Act 2006 requires that an auditor be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. The current auditor of the Company is KPMG LLP and this resolution seeks shareholder approval for the re-appointment of KPMG LLP as auditor of the Company.

Resolution 10 – Auditor's remuneration

This resolution gives the directors the authority to determine the remuneration of the auditor for the audit work to be carried out by them in the next financial year.

Resolution 11 – The On the Beach Group plc Save As You Earn Plan

Set out below is a summary of the principal features of the On the Beach Group plc Save As You Earn Plan (the "SAYE").

Overview

The SAYE is an all employee savings related share option plan which has been designed to satisfy the relevant UK tax legislation so that options over ordinary shares in the Company ("SAYE Option") may be provided to UK employees of the Group in a tax-efficient manner. Participants must enter into a linked savings contract with a bank or building society to make contributions from salary on a monthly basis over a three or five year period. At the end of the savings agreement, either the SAYE Option is exercised using the savings contributions (and interest, if any) or the savings and any accrued interest are repaid.

Operation

The SAYE will normally be operated within 42 days after the announcement of the Company's results for any period. Benefits under the SAYE are not pensionable and SAYE Options are not transferable and may only be exercised by the relevant Participant or, in the event of death, their personal representatives. No SAYE Options may be granted more than 10 years from the date when the SAYE is adopted.

Eligibility

Each time that the Board decides to operate the SAYE, all UK resident tax-paying employees of the Company and its subsidiaries participating in the SAYE must be offered the opportunity to participate. Other employees may be permitted to participate (together, the "Participants"). Participants invited to participate may be required to have completed a minimum qualifying period of employment (which may be up to five years) before they can participate, as determined by the Board.

Limit

An SAYE Option may not be granted if it would cause the aggregate number of shares issued or issuable under the SAYE or any employee share scheme operated by the Company in the preceding ten years to exceed ten per cent. of the Company's issued ordinary share capital at that time. Shares transferred out of treasury under the SAYE will count towards these limits for so long as this is required under institutional investor guidelines. In addition, SAYE Options which are renounced or lapse or any shares which the trustees of an employee benefit trust have purchased in order to satisfy an option shall be disregarded for the purposes of these limits.

Employee contributions

Contributions may be made between £5 a month and the maximum permitted under the applicable legislation (currently £500 a month) or up to such lesser sum as the Board may determine. At the end of the three or five year savings contract, Participants may either withdraw their savings on a tax free basis or utilise such sum and any bonus or interest due to acquire ordinary shares under the linked SAYE Option.

SAYE Option price

The exercise price per ordinary share will be the amount determined by the Board which will not be less than 80 per cent. (or such other percentage as is permitted by the applicable legislation) of the market value of an ordinary share on the date specified by the Board for the purposes of the relevant invitation.

Exercise of SAYE Options

SAYE Options may normally only be exercised for a period of six months following the maturity of the related savings contract. If not exercised by the end of this period, the relevant SAYE Options will lapse. SAYE Options may be exercised early in certain specified circumstances including death, injury, disability, redundancy or retirement, or following the sale of his employing company or business.

Corporate events

In the event of a takeover, scheme of arrangement, or winding-up of the Company, SAYE Options may normally be exercised early with the proceeds of savings made under the linked savings contract and any interest due. Alternatively, Participants may be allowed to exchange their SAYE Options for options over shares in the acquiring company.

Variation of capital

If there is a variation of share capital of the Company, the Board may make such adjustments to SAYE Options, including the number of ordinary shares subject to the SAYE Options and the SAYE Option exercise price, as it considers to be fair and reasonable.

Amendments

The Board may amend the provisions of the SAYE in any respect. Shareholder approval must be obtained in the case of any amendment to the advantage of Participants which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an SAYE Option can be granted, the option price, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. The Company may make minor amendments to benefit the administration of the SAYE, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants, the Company and/or its other Group companies. Amendments may not adversely affect the rights of Participants except where Participants are notified of such amendment and the majority of Participants approve such amendment.

Resolution 12 – Authority of the directors to allot shares

This resolution, if passed, gives the directors authority to:

- (a) allot shares up to a nominal value up to £434,782.55 (representing 43,478,255 Ordinary Shares); and
- (b) allot shares up to a further nominal value of £434,782.55 where the allotment is in connection with an offer by way of rights issue.

Each amount is equal to approximately one-third of the Company's issued ordinary share capital as at 4 January 2017, being the last practicable date prior to publication of this notice of AGM (the "**Latest Practicable Date**").

The directors are seeking this resolution to ensure that the Company has maximum flexibility in managing the Company's resources. The directors have no present intention to exercise this authority and would use it only if satisfied at the time that to do so would be in the interests of the Company.

The terms of this resolution comply with The Investment Association Share Capital Management Guidelines issued in July 2016.

The authority granted by this resolution will expire on the date of the next annual general meeting of the Company or, if earlier, at the close of business on 2 February 2018.

The Company does not currently hold any shares in treasury.

Resolutions 13 and 14 are special resolutions. These resolutions will be passed if not less than 75% of the votes cast for and against are in favour.

Resolution 13 – Disapplication of statutory pre-emption rights

This resolution, if passed, gives the directors authority to allot ordinary shares or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings and is limited to allotments or sales in connection with rights issues or other pre-emptive offers or otherwise up to a maximum nominal value of £65,217.38 (representing 5% of the Company's existing issued share capital as at the Latest Practicable Date).

The directors are seeking this resolution to ensure that the Company has maximum flexibility in managing the Company's resources. The directors have no present intention to exercise this authority and would use it only if satisfied at the time that to do so would be in the interests of the Company.

The directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principle 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.

The authority granted by this resolution will expire on the date of the next annual general meeting of the Company or, if earlier, at the close of business on 2 February 2018.

Resolution 14 – Purchase of own shares

This resolution, if passed, gives the Company authority to purchase its own ordinary shares. In accordance with The Investment Association Share Capital Management Guidelines issued in July 2016, it is proposed as a special resolution.

The authority sought covers up to a maximum of 13,043,476 shares, representing approximately 10% of the issued share capital as at the Latest Practicable Date.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

Purchases would only be made after careful consideration, where the directors believe that an increase in earnings or net assets per share would result and where purchases were, in the opinion of the directors, in the interests of the Company. The Company has not purchased any ordinary shares to date and the directors have no current intention to use this authority but consider it prudent to obtain authority so as to preserve flexibility.

The resolution sets out the lowest and highest prices that the Company can pay for the ordinary shares. Any ordinary shares so purchased would be either held as treasury shares or cancelled.

The authority granted by this resolution will expire on the date of the next annual general meeting of the Company or, if earlier, at close of business on 2 February 2018.

