



DeLaRue

Notice of Annual General Meeting to be held on 29 July 2021

Due to the evolving guidance from the UK Government in relation to the COVID-19 pandemic and specifically the potential for restrictions on travel and large gatherings to be imposed at short notice, **we are asking our shareholders not to attend the Annual General Meeting (AGM) in person this year**. Shareholders can instead follow the AGM online via a live webcast. Further details can be found on page 5.

To vote ahead of the AGM, please complete and submit a proxy form in line with the instructions set out in this notice. The Directors strongly recommend appointing the Chairman of the meeting as your proxy or representative rather than a named person.

We are closely monitoring the evolving COVID-19 situation and will continue to have regard to all developments in advance of the meeting. If circumstances should change materially before the date of the meeting, we may adapt our proposed arrangements, working always in accordance with UK Government guidelines and mindful of public health concerns. If the arrangements do change, we will notify any changes as early as possible before the date of the meeting. Shareholders should continue to monitor the De La Rue website (at www.delarue.com) and our announcements for any updates in relation to the AGM.

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, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately. If you have sold or otherwise transferred all of your ordinary shares in De La Rue plc you should pass this document together with the accompanying documents (but not the personalised proxy form) as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.



DeLaRue

De La Rue plc
De La Rue House
Jays Close
Viables
Basingstoke
Hampshire
RG22 4BS
United Kingdom

Letter from the Chairman

10 June 2021

Dear Shareholder

Annual General Meeting

I have pleasure in enclosing this year's notice of the Annual General Meeting (**AGM**) of De La Rue plc (the **Company**) which will be held on Thursday 29 July 2021 at 10:30am. This letter sets out the details of the items of business to be transacted at the meeting.

Important information

In light of the evolving guidance from the UK Government in relation to the COVID-19 pandemic and specifically the potential for restrictions on travel and large gatherings to be imposed at short notice, **we are asking our shareholders not to attend the AGM in person this year.**

However, we value our engagement with all our shareholders and will therefore be providing an audio webcast of the meeting so that shareholders can follow the AGM online. Shareholders will be able to ask questions relating to the business of the meeting via our website in advance of the meeting. Full details of how the webcast will work, how to register to join the webcast and how to participate in the Q&A facility are set out on page 5 of this document and are also available on the Company's website, www.delarue.com.

We have created a dedicated AGM page on the website at www.delarue.com/investors/agm-information-2021. Should it become appropriate to revise the arrangements for the AGM any such changes will be notified through the website and, where appropriate, by an announcement through a Regulatory Information Service.

The AGM is being held at the Company's premises, which will have limited capacity, and we propose to convene the meeting with the minimum quorum of shareholders (facilitated by certain Directors) to conduct the business of the meeting. The safety of our staff and shareholders is of paramount importance to us and to minimise the risk of COVID-19 infection we reserve the right to refuse admittance to anyone who cannot satisfy any arrangements that we may reasonably impose in order to protect the safety of those attending our premises. These arrangements may include (but are not limited to) written evidence of vaccination against COVID-19 and/or a negative COVID-19 test conducted in the previous 24 hours, temperature checks and, potentially, COVID-19 testing at the meeting venue which provides a negative result. To further minimise the risks, face coverings or other appropriate personal protective equipment (PPE) must be brought and worn correctly by the attendee and social distancing must be observed at all times. Guests will not be admitted and we are unable to offer car parking on site. Anyone unable to fulfil these requirements may be refused admittance. To eliminate the risk of contact and transfer of the virus, no refreshments will be available and there will be no copies of the meeting materials or annual report available. As the situation continues to evolve, we may add to or vary these safety arrangements at any time.

Accordingly, given the exceptional circumstances, the Company is asking all shareholders not to attend the AGM in person this year and to submit their proxy form in advance, appointing the Chairman of the meeting as their proxy rather than a named person.

Business of the Annual General Meeting

The Notice of Annual General Meeting on pages 6 to 8 of this document provides formal notice of the meeting and sets out the text of the nineteen resolutions that will be put to shareholders. An explanation of the purpose of each of the resolutions is provided in the explanatory notes on pages 9 to 12. Biographical details of the Directors, each of whom will retire from office at the AGM and will seek election or re-election, are provided on pages 13 and 14.

Recommendations

The Board believes that all the resolutions to be considered at our AGM will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board unanimously recommends shareholders to vote in favour of them. Individual members of the Board intend to vote their own beneficial and non-beneficial holdings, currently amounting to 0.64% of the issued ordinary share capital of the Company, in favour of all resolutions.

What to do next

As I explained above, due to the coronavirus pandemic we aim to run this year's AGM with minimal in-person attendance, but we are providing a live online audio webcast and a facility for shareholders to raise questions.

Given the evolving guidance from the UK Government in relation to the COVID-19 pandemic and specifically the potential for restrictions on travel and large gatherings to be imposed at short notice, the Directors are asking shareholders not to attend the AGM in person this year. Details of how to follow the meeting online can be found on page 5 of this document.

All votes will be taken on a poll at the AGM, meaning that you have one vote for every share held. This also enables us to take into account votes cast by shareholders who are not attending the AGM in person. You will find a proxy form for the AGM with this document, which enables votes to be cast on your behalf. Please fill in the proxy form and return it to the Company's registrar, Computershare Investor Services PLC, as soon as possible and in any case by 10:30am on Tuesday 27 July 2021. Shareholders may, if they wish, submit proxy votes electronically via the registrar's website, www.investorcentre.co.uk/eproxy by 10:30am on Tuesday 27 July 2021.

CREST members who wish to appoint a proxy or give an instruction through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST members wishing to appoint multiple proxies for a holding should contact the Company's registrar. If you vote by means of CREST your vote must also be registered by 10:30am on Tuesday 27 July 2021.

Please refer to the notes to the Notice of Annual General Meeting, which appear on pages 15 to 16 of this document, for further instructions as to how to appoint a proxy by any of the methods described above.

As described above, in light of the current circumstances in respect of the COVID-19 pandemic, the Board is asking shareholders to appoint the chairman of the meeting as their proxy rather than a named person.

The results of the votes on the proposed resolutions will be announced in the normal way, as soon as practicable, after the conclusion of the AGM.

Yours sincerely,



Kevin Loosemore
Chairman

How to follow the AGM online

Shareholders who want to follow the AGM via the live webcast will need a computer, tablet or mobile phone with an internet connection and web browser software installed. We expect our webcast to be compatible with all of the web browsers in common use.

We encourage shareholders to log into the webcast at least 10 minutes before the scheduled start time of 10:30am.

To join the webcast, please log into the meeting at https://brrmedia.news/DLAR_AGM2021.

You will be prompted to enter your surname and your Shareholder Reference Number, sometimes referred to as the SRN – this can be found on the Form of Proxy sent to you with this document or on your De La Rue plc share certificate(s). Without these pieces of information, we will be unable to verify that you are a shareholder and you will not be permitted to join the webcast.

If you have any difficulties accessing the webcast, please contact BRR Media on 020 3435 7010.

How to raise a question at the AGM

We value our engagement with all our shareholders. Given that we are asking our shareholders not to attend the AGM in person this year, we are instead providing a facility for shareholders to ask questions relating to the business of the AGM in advance of the meeting.

We have set up a dedicated webpage for the 2021 AGM, at www.delarue.com/investors/agm-information-2021 through which you can review questions already submitted and the answers given, and which also enables you to raise a new question.

If you do not have internet access but would like to raise a question, you can do so by writing to Rob Bellhouse, Deputy Company Secretary at De La Rue plc, De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS.

We will endeavour to provide personal answers directly to each questioner as they are received. We will also endeavour to publish (on an anonymised basis) all questions received before 4:00pm on Wednesday 28 July 2021, and our responses to those questions, on the rolling Q&A document maintained on the webpage referred to above so that all such questions and answers are published prior to the AGM. However, we reserve the right to edit questions or not to respond where we consider it appropriate, taking account of our legal obligations.

Please note that shareholders may not use any electronic address provided in this document or in any related documents (including the accompanying form of proxy) to communicate with the Company for any purpose other than those expressly stated.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM**) of De La Rue plc (the **Company**) will be held at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire RG22 4BS on Thursday 29 July 2021 at 10:30am to consider and, if thought fit, to pass the following resolutions. Resolutions 1 to 14 (inclusive) will be proposed as ordinary resolutions and resolutions 15 to 19 (inclusive) as special resolutions:

ORDINARY RESOLUTIONS

Reports and Accounts

1. To receive the annual report and accounts (including the strategic report, the directors' report, the auditor's report and the financial statements) of the Company for the period ended 27 March 2021.

Directors' Remuneration Report

2. To approve the directors' remuneration report (other than the part containing the directors' remuneration policy set out on pages 75 and 76) set out on pages 71 to 86 of the annual report and accounts of the Company for the period ended 27 March 2021.

Election of Directors

To elect the following Directors retiring pursuant to Article 81 of the Company's Articles of Association who, being eligible, offer themselves for election:

3. Catherine Ashton
4. Ruth Euling
5. Rob Harding
6. Margaret Rice-Jones

Re-election of Directors

To re-elect the following Directors retiring pursuant to the UK Corporate Governance Code and Article 82 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

7. Nick Bray
8. Maria da Cunha
9. Kevin Loosemore
10. Clive Vacher

Re-appointment of Auditor

11. To re-appoint Ernst & Young LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Auditor's remuneration

12. To authorise the Directors, through the Audit Committee, to determine the auditor's remuneration.

Political donations

13. That in accordance with section 366 and section 367 of the Companies Act 2006 (the **Act**), the Company, and each company which is or becomes its subsidiary during the period to which this resolution relates, be and are hereby authorised to:

- (a) make political donations to political parties and/or independent election candidates not exceeding £100,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £100,000 in total; and
- (c) incur political expenditure not exceeding £100,000 in total,

during the period commencing on the date of the passing of this resolution and ending at the conclusion of the Company's next AGM or, if earlier, at the close of business on 29 October 2022, provided that, in any event, the total aggregate amount of all political donations made or political expenditure incurred by the Company and its subsidiaries in such period shall not exceed £100,000. For the purposes of this resolution, 'political donations', 'political organisations', 'political parties', 'independent election candidates' and 'political expenditure' have the meanings given in sections 363 to 365 of the Act.

Power to allot shares

14. That the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company (**Rights**):

- (a) up to an aggregate nominal amount of £29,174,732 (such amount to be reduced by any allotments or grants made under paragraph (b) below in excess of such amount); and
- (b) comprising equity securities (as defined in the Companies Act 2006 (the **Act**)) up to a nominal amount of £58,349,465 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers

Notice of Annual General Meeting

necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers 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,

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 29 October 2022, but so that, in each case, the Company may before such expiry make offers, and enter into agreements, which would, or might, require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares and grant Rights in pursuance of any such offer or agreement as if this authority had not expired.

SPECIAL RESOLUTIONS

Dis-application of pre-emption rights

15. That, if resolution 14 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006 (the **Act**)) 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 Act did not apply to any such allotment or sale, such authority to be limited:

(a) to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 14, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

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

(b) in the case of the authority granted under paragraph (a) of resolution 14 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £4,376,210,

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 29 October 2022, but so that, in each case, the Company may before such expiry make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Board may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

Additional dis-application of pre-emption rights

16. That if resolution 14 is passed, the Board be authorised in addition to any authority granted under resolution 15 to allot equity securities (as defined in the Companies Act 2006 (the **Act**)) for cash under the authority granted under paragraph (a) of resolution 14, and/or to sell ordinary shares held by the Company as treasury shares for cash, as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities and/or sale of treasury shares up to a nominal amount of £4,376,210; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice of Meeting,

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 29 October 2022, but so that, in each case, the Company may before such expiry make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority expires and the Board may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

Notice of Annual General Meeting

Market purchases of the Company's shares

17. That the Company be and is hereby authorised for the purposes of section 701 of the Companies Act 2006 (the **Act**) to make one or more market purchases (within the meaning of section 693(4) of the Act) of any of the Company's ordinary shares of 44¹⁵²/₁₇₅ pence each (**Ordinary Shares**), on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 19,506,794;
- (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 44¹⁵²/₁₇₅ pence; and
- (c) the maximum price (exclusive of expenses) which may be paid for each 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 purchase bid on the trading venues where the purchase is carried out at the relevant time,

such authority to apply until the end of next year's AGM of the Company or, if earlier, until the close of business on 29 October 2022 but so that during this period the Company may enter into a contract to purchase Ordinary Shares, which would, or might, be completed or executed wholly or partly after the authority ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the authority had not ended.

Articles of Association

18. That, with effect from the conclusion of this AGM, the articles of association produced to the meeting and initialled by the Chairman (for the purposes of identification) be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

Reduced notice of General Meetings

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

By order of the Board

Jane Hyde
Company Secretary

10 June 2021

Registered Office:
De La Rue House
Jays Close
Viables
Basingstoke
Hampshire
RG22 4BS

De La Rue plc
Registered in England & Wales
Company number 3834125

Explanatory notes

There are nineteen resolutions being proposed at the Company's 2021 AGM.

Resolutions 1 to 14 are being proposed as ordinary resolutions, meaning that each requires more than half of the votes cast to be in favour in order to be passed.

Resolutions 15 to 19 are being proposed as special resolutions, meaning that each requires at least three-quarters of the votes cast to be in favour in order to be passed.

ORDINARY RESOLUTIONS

Resolution 1 – Reports and accounts

The Directors are required by law to lay their report and the financial statements before the shareholders in general meeting. The Directors will therefore present the annual report and accounts of the Company (including the strategic report, the directors' report, the auditor's report and the audited financial statements) for the period ended 27 March 2021 (the **Annual Report**) to the AGM.

Resolution 2 – Directors' remuneration report

This resolution seeks shareholder approval for the directors' remuneration report for the period ended 27 March 2021 as set out on pages 71 to 86 (inclusive) (excluding the summary of the directors' remuneration policy as set out on pages 75 and 76) of the Annual Report. This gives details of the directors' remuneration for the period and the Company's auditor, Ernst & Young LLP, has audited those parts of the report required by the Companies Act 2006 (the **Act**). The auditor's report is on pages 98 to 105 (inclusive) of the Annual Report.

No individual Director's remuneration is dependent on the resolution on the remuneration report being passed as it is an 'advisory' resolution. Where a substantial minority of shareholders vote against the director's remuneration report, the Company must respond and say how it will address shareholder concerns.

Resolutions 3 to 10 – election and re-election of Directors

Four Directors have been appointed since the last Annual General Meeting. Article 81 of the Company's Articles of Association requires that Directors retire and stand for election at the next AGM of the Company following their appointment by the Board.

Resolution 3 is to appoint the Rt Hon Baroness Catherine Ashton of Upholland to the Board. She was appointed as a Non-executive Director on 22 September 2020.

Resolution 4 is to appoint Ruth Euling to the Board. She was appointed as an Executive Director on 1 April 2021.

Resolution 5 is to appoint Rob Harding to the Board. He was appointed as an Executive Director and as the Company's Chief Financial Officer on 1 October 2020.

Resolution 6 is to appoint Margaret Rice-Jones to the Board. She was appointed as a Non-executive Director on 22 September 2020.

In addition, the UK Corporate Governance Code provides for all directors of FTSE 350 companies to be subject to re-election by their shareholders annually.

Resolutions 7 to 10 provide for all of the other Directors to retire and offer themselves for re-election by shareholders at this year's AGM.

Biographical details of, and the individual skills, competencies and experience brought by, each of the Directors are provided on pages 13 and 14 of this document and can also be found in the Annual Report and on the Company's website, www.delarue.com.

The Board, having carried out a formal performance evaluation, considers the performance of each of the Directors standing for election and re-election at this year's AGM to be effective and that they demonstrate commitment to their roles and is of the opinion that all Directors continue to provide valuable contributions to the long-term sustainable success of the Company. The Board strongly supports their election and re-election and recommends that shareholders vote in favour of the resolutions at the AGM.

Resolutions 11 & 12 – re-appointment of auditor and auditor's remuneration

Resolution 11 seeks shareholder approval of the re-appointment of Ernst & Young LLP as auditor of the Company until the conclusion of the AGM in 2022.

Resolution 12 authorises the Directors, through the Audit Committee, to set the amount to be paid to Ernst & Young LLP for their role as auditor.

Resolution 13 – political donations

Under the Act, political donations exceeding £5,000 in aggregate in any 12-month period to any political parties, independent election candidates or political organisations or the incurring of political expenditure are prohibited unless authorised by shareholders in advance.

Shareholders will be aware that it is the Company's policy not to make political donations. This policy will remain unchanged whether or not resolution 13 is

Explanatory notes

passed. However, it is possible that certain routine activities undertaken by the Company and its subsidiaries may fall within the broad scope of the provisions controlling political donations and expenditure contained in the Act.

Accordingly, as a precaution and in order to avoid any possibility of inadvertently contravening the Act, the Board considers that it would be prudent to follow the procedure specified in the Act to obtain shareholder approval for the Company and its subsidiaries to make political donations or incur political expenditure until the conclusion of the next AGM of the Company or, if earlier, at the close of business on 29 October 2022.

Resolution 14 – power to allot shares

At the last AGM of the Company, held on 6 August 2020, authority was given to the Directors to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company. This authority expires at the end of this year's AGM.

There is no limit under the Act on the maximum nominal amount of the allotment authority that may be granted but, under the Investment Association's guidelines, Investment Association members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to two thirds of the Company's existing issued share capital, providing any amount in excess of one third of existing issued shares should be applied to fully pre-emptive rights issues only.

Paragraph (a) of this resolution would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £29,174,732 (representing 65,022,646 ordinary shares of 44¹⁵²/₁₇₅ pence each). This amount represents approximately one third of the issued ordinary share capital of the Company as at 9 June 2021, being the latest practicable date prior to publication of this Notice of AGM (the **Latest Practicable Date**).

In line with the aforementioned Investment Association guidance, paragraph (b) of this resolution would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £58,349,465 (representing 130,045,292 ordinary shares of 44¹⁵²/₁₇₅ pence each), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two thirds of the issued ordinary share

capital of the Company as at the Latest Practicable Date.

The authority sought under this resolution will last until the end of the next AGM of the Company or, if earlier, 29 October 2022.

The Directors do not currently intend to exercise this authority except in respect of exercises of share options and the release of shares awarded under the Company's share plans. However, the Directors consider it appropriate to maintain the flexibility that this authority provides. If they do exercise the authority, the Directors intend to follow Investment Association recommendations concerning its use.

As at the date of this Notice of AGM the Company does not hold any ordinary shares in the capital of the Company in treasury.

SPECIAL RESOLUTIONS

Resolutions 15 & 16 – dis-application of pre-emption rights

These resolutions are conditional on shareholders approving resolution 14, to grant the Directors the power to allot additional shares.

Resolutions 15 and 16 would give the Board authority to allot ordinary shares for cash, without first offering them to existing shareholders, in proportion to their existing shareholdings.

The authority set out in resolution 15 will be limited to allotments or sales in connection with pre-emptive offers or otherwise of shares up to a maximum nominal value of £4,376,210 (representing 9,753,397 ordinary shares of 44¹⁵²/₁₇₅ pence each) being approximately 5% of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

This disapplication authority is in line with guidance issued by the Investment Association (as updated in July 2016), the Pre-emption Group's Statement of Principles (the "Principles") and the template resolutions published by the Pre-Emption Group in May 2016.

In respect of the power under resolution 15(b), the Board intends to adhere to the Principles and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in resolution 14:

- (a) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company (excluding any treasury shares); or
- (b) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company

Explanatory notes

(excluding any treasury shares) within a rolling three year period,

unless shareholders are consulted.

This year, in line with the Principles, we are also asking, in resolution 16, for authority to disapply pre-emption rights over further shares of up to a maximum nominal value of £4,376,210 (representing 9,753,397 ordinary shares of 44^{152/175} pence each) being approximately 5% of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

This authority can only be exercised for acquisitions or capital investments that the Directors determine fall within the Principles. At present, the Directors have no intention of exercising this authority and resolution 16 is intended to give the Company flexibility.

The combined authority under resolutions 15 and 16 is limited to a maximum aggregate nominal value of £8,752,420 (representing 19,506,794 ordinary shares of 44^{152/175} pence each), being approximately 10% of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

The authorities contained in resolutions 15 and 16 will expire at the end of the next AGM of the Company or, if earlier, at the close of business on 29 October 2022.

Resolution 17 – market purchases of the Company's shares

This resolution seeks to renew the authority granted to the Directors at the AGM on 6 August 2020, which will expire at the conclusion of this year's AGM. No shares have been acquired pursuant to that authority.

The Directors consider that there may be circumstances in which it would be desirable for the Company to purchase its own shares in the market. They would like to be able to act quickly if circumstances arose in which they considered such a purchase to be advantageous or desirable, for example when, in the Board's opinion, market prices do not reflect the Company's worth. The Directors will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. Purchases would only be made if their effect would be expected to increase earnings per share and would be expected to benefit shareholders generally.

The authority sought by resolution 17 is to give the Directors power to make market purchases of the Company's own shares up to a maximum of 19,506,794 ordinary shares, having an aggregate nominal value of £8,752,420, being approximately 10% of the total issued ordinary share capital of the Company as at the

Latest Practicable Date. The minimum price (exclusive of expenses) which may be paid is 44^{152/175} pence per share and the maximum price (exclusive of expenses) 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 purchase bid on the trading venues where the purchase is carried out at the relevant time.

The authority sought under resolution 17 will, unless previously renewed, varied or revoked, expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 29 October 2022.

Listed companies purchasing their own shares are allowed to hold them in treasury as an alternative to cancelling them. No dividends are paid on shares while held in treasury and no voting rights attach to treasury shares. Shares purchased under this authority would be cancelled or held in treasury if considered appropriate. In order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to assess at the time of any and each actual purchase whether to hold the shares in treasury or cancel them.

As at the Latest Practicable Date, no ordinary shares are held in treasury.

The total number of ordinary shares over which awards and options were outstanding as at the Latest Practicable Date was 5,403,460 being 2.77% of the current issued share capital. If the authority to purchase the Company's ordinary shares (existing and proposed) was exercised in full, the number of shares under these options would represent 3.46% of the Company's issued ordinary share capital.

Resolution 18 – Articles of Association

The Directors propose the adoption of new articles of association (the **New Articles**) in substitution for the Company's current articles of association (the **Current Articles**).

The principal changes introduced by the New Articles are summarised in the Appendix to this Notice.

A copy of the New Articles is available on the Company's website, www.delarue.com, and also available for inspection at the Company's registered office, De La Rue House, Jays Close, Viables, Basingstoke, Hampshire RG22 4BS and at the offices of Slaughter and May, One Bunhill Row, London, EC1Y 8YY, in each case during normal business hours

Explanatory notes

on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the close of the AGM.

Resolution 19 – notice of general meetings

This resolution is intended to allow the Company to hold general meetings (other than AGMs) on 14 clear days' notice.

The minimum notice period permitted by the Act for general meetings is 21 days. However, the Act enables companies to reduce this period to 14 clear days (other than for AGMs) provided that:

- i. the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website; and
- ii. there is an annual special resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

The Board is therefore proposing resolution 19 as a special resolution to approve 14 clear days as the minimum period of notice for all general meetings of the Company other than AGMs. The approval will, if granted, be effective until the end of the Company's next AGM.

The Board will consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time-sensitive. An example would be where shareholder approval was needed to complete an acquisition and the ability to convene a general meeting at shorter notice would help to accelerate the closing of the transaction and reduce 'deal risk'.

Latest Practicable Date

As at 9 June 2021, (being the latest practicable date prior to the publication of the Notice of AGM), the Company's issued share capital consisted of 195,067,940 ordinary shares of 44¹⁵²/₁₇₅ pence each, carrying one vote each and 111,673,300 deferred shares with a nominal value of 1 penny which do not carry any voting rights.

The total number of shares over which voting rights in the Company are held is therefore 195,067,940.

Biographies of the directors seeking election or re-election to the Board

<p>Kevin Loosemore Chairman</p> <p>Appointment to the Board Appointed to the Board on 2 September 2019 and became Chairman on 1 October 2019</p> <p>Current directorships and business interests</p> <ul style="list-style-type: none"> Iris Group, Non-Executive Director <p>Career, skills and experience Kevin has served on the boards of a broad spectrum of businesses, including as Chairman of both Morse plc, Micro Focus International plc and as a Non-Executive Director of Big Food Group plc and Nationwide Building Society. He has also held senior executive positions, including as Chief Operating Officer of Cable & Wireless plc and senior positions in Motorola and IBM. He was Managing Director of one of De La Rue's businesses between 1997 and 1999.</p>	<p>Clive Vacher Chief Executive Officer</p> <p>Appointment to the Board Appointed to the Board on 7 October 2019</p> <p>Current directorships and business interests None outside the De La Rue Group</p> <p>Career, skills and experience Clive has extensive experience in running complex P&Ls for global industrial companies in both the commercial and government/defence sectors. He has a track record of turnarounds, international business transformation and strategic development, including leading divisions of international corporations and stand-alone listed companies.</p> <p>Clive was a Director, President and Chief Executive Officer of Canadian-listed Dynex Power, leading its privatisation sale to the Chinese Rail and Rolling Stock Company in March 2019. Previously, he held senior leadership positions with Pratt and Whitney, Rolls-Royce, General Dynamics Corporation and B/E Aerospace.</p> <p>Clive is an alumnus of MIT, Stanford, Columbia and the LSE and currently sits on the Advisory Board of the Lincoln International Business School at the University of Lincoln, UK.</p>
<p>Rob Harding Chief Financial Officer</p> <p>Appointment to the Board Appointed to the Board on 1 October 2020</p> <p>Current directorships and business interests None outside the De La Rue Group</p> <p>Career, skills and experience Rob has more than 10 years' experience of managing finance functions in complex organisations. Throughout this time, he has also held additional responsibilities for strategic development, risk, debt and capital raising.</p> <p>Rob joined De La Rue as Interim Chief Financial Officer in March 2020 and played a key role as the business successfully raised £100m equity capital, refinanced its debt, and delivered its cost reduction programme.</p> <p>In October 2020, Rob took on the permanent role and was appointed to the Board.</p> <p>Prior to joining De La Rue, Rob was Interim Chief Financial Officer of Co-Op Insurance, where he supported the refinancing and sale of the business. Before this, Rob served as Chief Financial Officer and Strategy and Risk Director at Swinton Insurance, where he transformed its cost base and played a key role in its successful sale of the business back in 2018.</p> <p>Rob has also held senior roles with Aviva, Standard Life and Ageas. He is a qualified Chartered Accountant with Arthur Andersen.</p>	<p>Margaret Rice-Jones Senior Independent Director</p> <p>Appointment to the Board Appointed to the Board on 22 September 2020</p> <p>Current directorships and business interests</p> <ul style="list-style-type: none"> Origami Energy Limited, (Chair) Holiday Extras Limited, Non-Executive Director <p>Career, skills and experience Margaret has extensive experience within innovative technology businesses, bringing particular expertise in software and digital platforms. She has an engineering background and has operated at Board level in a number of executive and non-executive roles. Margaret was chair of Skyscanner Limited from 2013 to 2016, when it was sold to CTrip for £1.4 billion, and a Director of Xaar plc from 2015 to 2020, where she was the Senior Independent Director and Chair of the Remuneration Committee. Margaret was previously CEO of Aircom International Limited, a global software and services company and held senior executive positions at Motorola Inc. and Psion UK plc.</p>

Biographies of the directors seeking election or re-election to the Board

<p>The Rt Hon Baroness Catherine Ashton of Upholland GCMG, PC Independent Non-Executive Director</p> <p>Appointment to the Board Appointed to the Board on 22 September 2020</p> <p>Current directorships and business interests</p> <ul style="list-style-type: none"> • GardaWorld Corp, member of the Global Advisory board • Project Associates Limited, member of the Global Advisory board • Chancellor of Warwick University • Non-affiliated Peer, House of Lords (on leave of absence) <p>Career, skills and experience Catherine is a former British European Union (“EU”) Trade Commissioner, representing the EU in global trade negotiations. As EU High Representative she created the European External Action Service overseeing its 140 Diplomatic Missions and 8 military operations and she chaired the EU Foreign Affairs, Defence and Development Councils and was responsible for high profile negotiations on behalf of the UN Security Council. Catherine also held a non-executive position at AS Citadel Banka between 2016 and 2018..</p>	<p>Nick Bray Independent Non-Executive Director</p> <p>Appointment to the Board Appointed to the Board on 21 July 2016</p> <p>Current directorships and business interests</p> <ul style="list-style-type: none"> • Travelport Worldwide Ltd, CFO and EVP <p>Career, skills and experience Nick has extensive international experience in the technology and information security industries. In 2019, he was appointed as Chief Financial Officer of travel technology company, Travelport. Before joining Travelport, he served as Chief Financial Officer of security software firm, Sophos Group plc, for over nine years. Nick was also Chief Financial Officer at Micro Focus International plc, having previously held CFO roles at Fibernet Group plc and Gentia Software plc. Prior to that, he held various senior financial positions at Comshare Inc. and Lotus Software.</p>
<p>Maria da Cunha Independent Non-Executive Director</p> <p>Appointment to the Board Appointed to the Board on 23 July 2015</p> <p>Current directorships and business interests</p> <ul style="list-style-type: none"> • Royal Mail plc, Non-Executive Director • Competition and Markets Authority, Panel Member • London & Quadrant Housing Trust, Non-executive Director <p>Career, skills and experience Maria is a former senior executive of British Airways where she worked for 18 years until 2018. She was BA’s General Counsel and Head of Government and Industry Affairs for four years before becoming Director of People in 2011, responsible for human resources, legal, risk and compliance. Prior to joining BA, Maria held various positions at Lloyd’s of London, Lovells LLP and the College of Europe. Maria has extensive experience in working with international regulators and governments, transformation programmes, post-merger integration, employee experience, industrial relations, compliance and operational risk.</p>	<p>Ruth Euling Executive Director and MD, Currency</p> <p>Appointment to the Board Appointed to the Board on 1 April 2021</p> <p>Current directorships and business interests None outside the De La Rue Group</p> <p>Career, skills and experience Ruth has spent over 30 years working in the international government sector, living and working in Mexico, Colombia, Spain and Malaysia. She speaks Spanish, Portuguese and French and has visited over 100 countries in the world.</p> <p>During her career at De La Rue Ruth has managed complex international manufacturing businesses and change initiatives, with experience across multiple disciplines and functions including Sales, HR, Marketing, Manufacturing and General Management.</p> <p>Ruth sits on the Advisory Board of the International Currency Association, helping lead the currency industry in creating a single, cohesive voice. She also sits on the Advisory Council for Commonwealth Enterprise and Investment Council.</p>

Technical notes

1. A shareholder entitled to attend and vote at the 2021 Annual General Meeting (**AGM**) is entitled to appoint a proxy to exercise all or any of his rights to attend, speak and vote in his place. A member may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by him. Where more than one valid appointment of proxy is received in respect of the same share, the one which is last sent will be treated as replacing and revoking the other(s). If the Company is unable to determine which is last sent, the one which is last received shall be so treated. Your proxy must vote as you instruct and must attend the AGM for your vote to be counted. **In light of the current circumstances in respect of the COVID-19 pandemic, the Board strongly recommends that shareholders appoint the Chairman of the meeting as their proxy rather than any other named person.**
2. A proxy form accompanies this Notice of AGM and should be completed and returned to the Company's registrar: Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Details of how to appoint a proxy are set out in the notes to the proxy form. Alternatively, you may register your vote electronically by accessing the registrar's website, www.investorcentre.co.uk/eproxy. Proxy forms must be deposited at the office of Computershare Investor Services PLC no later than 48 hours before the time for holding the AGM (or, in the event of an adjournment of the AGM, not later than 48 hours before the stated time of the adjourned meeting (excluding any part of a day that is not a working day)). Electronic votes must also be registered no later than 48 hours before the time for holding the AGM (or, in the event of an adjournment of the AGM, not later than 48 hours before the stated time of the adjourned meeting (excluding any part of a day that is not a working day)).
3. A shareholder may change proxy instructions by returning a new proxy appointment using the methods set out above. A shareholder who has appointed a proxy using the hard copy form of proxy but would like to change the instructions using another hard copy proxy form, should contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Any attempt to terminate or amend a proxy appointment after the relevant deadline will be disregarded. Where two or more valid, separate appointments of proxy are received in respect of the same share relating to the same meeting, the one which is sent last shall be treated as replacing and revoking the other or others.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9) will not prevent a member attending the AGM and voting in person if he/she wishes to do so.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding.
6. A shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act 2006 (the **Act**), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
7. A copy of this Notice of AGM has been sent, for information only, to persons who have been nominated by a shareholder to hold information rights under section 146 of the Act (a **Nominated Person**). The rights to appoint a proxy cannot be exercised by a Nominated Person; they can only be exercised by the shareholder. However, a Nominated Person may have a right under an agreement between him and the shareholder by whom he was nominated to be appointed as a proxy for the meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
8. To be entitled to attend and vote at the AGM, shareholders must be registered in the register of members of the Company at 6:00pm on Tuesday 27 July 2021 (or, if the AGM is adjourned, provided that the adjourned meeting takes place no later than 6:00pm, at 6:00pm on the date which is two days prior to the adjourned meeting). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the AGM or adjourned meeting.
9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST manual on the Euroclear website, www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 number – 3RA50) by the latest time(s) for receipt of proxy appointments specified 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by 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.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular 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

Technical notes

- voting service provider, to procure that his CREST sponsor or voting service provider takes) 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.
11. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged no later than 48 hours before the time of the holding of the AGM in order to be considered valid (or, in the event of an adjournment of the AGM, no later than 48 hours before the stated time of the adjourned meeting (excluding any part of a day that is not a working day)). Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
 12. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
 13. Voting on all resolutions will be conducted by way of a poll rather than a show of hands. This reflects best practice and ensures that shareholders who are not able to attend the AGM but who have appointed the Chairman of the meeting as their proxy have their votes fully taken into account. When appointed as proxy, the Chairman of the meeting will cast shareholder votes as directed by the relevant shareholder(s). As soon as practicable following the AGM, the results of the voting at the AGM will be announced via a regulatory information service and will also be made available on the Group's website, www.delarue.com.
 14. Shareholders who meet the threshold requirements set out in section 527 of the Act can instruct the Company to publish on its website, at the Company's own expense, a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the last AGM, that the shareholders propose to raise at the meeting. If the Company is required to place a statement on the website under section 527 of the Act, the statement must be forwarded to the Company's auditors no later than the time when it is made 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 its website.
 15. Any member attending the AGM in person or by proxy or corporate representative has the right to ask questions relating to the business being dealt with at the meeting. However, as described above, in light of prevailing UK Government guidance in response to the COVID-19 pandemic, we are attempting to minimise physical attendance at the AGM as far as possible. There will be a facility for questions to be lodged in advance of the meeting through the Company's website, www.delarue.com.
 16. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any question relating to the business to be dealt with at the AGM put by a member attending the AGM. However, members should note that no answer need be given in the following circumstances:
 - a. if to do so would interfere unduly with the preparation of the Meeting or would involve a disclosure of confidential information; and/or
 - b. if the answer has already been given on a website in the form of an answer to a question; and/or
 - c. if it is undesirable, in the interests of the Company or the good order of the Meeting that the question be answered.
 17. A copy of this Notice of AGM and other information required by section 311A of the Act can be found on the Company's website, www.delarue.com.
 18. 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.
 19. The New Articles of Association are available on the Company's website, www.delarue.com. Copies of the contracts of service of the Executive Directors, the Non-executive Directors' letters of appointment and the New Articles of Association will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and, in the case of the New Articles of Association, also at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY, in each case from the date of this Notice of AGM until the date of the AGM and will also be available for inspection at the place of the AGM from 10:15am on the day of the AGM until the conclusion of the AGM. Please note that in light of the prevailing guidance from the UK Government in relation to the COVID-19 pandemic, access to each of these offices may be subject to certain restrictions and/or conditions.
 20. The AGM may involve the processing of members' personal data by the Company, including but not limited to the filming, sound recording or other electronic recording of the meeting. Any such processing will be carried out in accordance with all relevant law and regulation, and where applicable in accordance with the Company's privacy policy, which is available on the Company's website at www.delarue.com/privacy.

Appendix: Summary of principal changes to the Company's Articles of Association

The principal differences between the Company's Current Articles and the New Articles that are to be put to shareholders for approval at the AGM are summarised below:

1. **Matters not constituting a variation of rights:** The New Articles introduce a provision confirming that the creation or issue of further shares ranking *pari passu* with other shares, or the redemption by the Company of any of its own shares, will not constitute a variation of the rights of other shares unless otherwise expressly provided in the rights attached to those other shares.
2. **Uncertificated shares:** The New Articles provide the Board with powers, in specified circumstances, to require shareholders who hold their shares through CREST to take certain actions in respect of their holdings (including, among other things, converting such shares to certificated form).
3. **Share certificates:** The Current Articles specify that a shareholder requesting a replacement share certificate must comply with the payment of a reasonable fee as the Board may determine. The New Articles provide that the Board may require the payment of any exceptional out-of-pocket expenses incurred connection with the issue of any replacement share certificate. The New Articles also specify that (a) any one of two or more joint holders may request replacement certificates and (b) any share certificate is sent at the risk of the holder.
4. **Interest due on non-payment:** The New Articles state that the rate of interest must not exceed the Bank of England base rate by more than five percentage points, and require that the person from whom payment is due pays all expenses that have been incurred by the Company by reason of non-payment. The Current Articles provide for an interest rate fixed by the terms of allotment of the shares or in the notice of the call or (if no rate is fixed) at the appropriate rate as defined in the Companies Acts.
5. **Payment of calls in advance:** The New Articles state that the rate of interest must not exceed the Bank of England base rate by more than five percentage points (unless the Company otherwise decides by ordinary resolution), while the Current Articles provide that the Company may pay interest at such rate as the member and directors agree.
6. **Arrears to be paid notwithstanding forfeiture:** The New Articles state that the rate of interest on the moneys payable by a member in respect of the member's forfeited shares must not exceed the Bank of England base rate by more than five percentage points, in line with the Model Articles. The Current Articles provide for interest at the rate that was payable before the forfeiture or at the appropriate rate as defined in the Companies Acts.
7. **Rights to decline registration of partly paid shares:** The New Articles no longer include the proviso that directors may, subject to certain conditions, place restrictions on the transferability of partly-paid shares. This is because the transferability of securities is a continuing obligation of listing.
8. **Untraced shareholders:** The New Articles amend the position in relation to untraced shareholders. Rather than requiring the Company to take out two newspaper advertisements, the New Articles require the Company to use reasonable efforts to trace the shareholder. 'Reasonable efforts' to trace a shareholder may include, if considered appropriate, the Company engaging a professional asset reunification company or other tracing agent to search for a shareholder who has not kept their shareholder details up to date.

In addition, the New Articles provide that money from the sale of the shares of an untraced shareholder will be forfeited if not claimed after two years, as is market practice.

These changes reflect best practice and provide the Company with appropriate flexibility in connection with locating untraced shareholders.
9. **Entry of transmission in register:** The New Articles require the Board to enter a person entitled to shares by transmission in the register of members within two months after such entitlement has been proved to the satisfaction of the Board. The Current Articles do not specify any such time limit.
10. **Sub-division:** The New Articles clarify that any shares resulting from a sub-division of the Company's existing shares may, in addition to having any preference or advantage as compared with the Company's other shares, also have deferred or other rights. This change makes administering any sub-division of shares more straightforward.
11. **Fractions:** The New Articles remove the requirement under the Current Articles to pay the net proceeds of sale to members in the relevant proportions.
12. **Hybrid meetings and changes to arrangements for general meetings:** The New Articles contain specific provisions to clarify that the Company can hold "hybrid" general meetings (including Annual General Meetings) and to set out how such meetings are to be conducted. Under the New Articles, the Company may hold "hybrid" general meetings in such a way that enables members to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic facility. Voting at hybrid meetings will, by default, be decided on a poll. Hybrid meetings may be adjourned in the event of a technological failure.

The New Articles allow the Company, where appropriate, to make changes to the arrangements for general meetings (including the introduction, change or cancellation of electronic facilities) after notice of the meeting has been issued. The Company may give notice of any such changes in any manner considered appropriate. The New Articles also explicitly allow the Company to introduce restrictions related to health at its meetings.

Appendix: Summary of principal changes to the Company's Articles of Association

These changes were introduced to provide the Board greater flexibility to align with technological advances, changes in investor sentiment and evolving best practice, particularly in light of the COVID-19 situation and the uncertain duration of social distancing measures and restrictions on gatherings. Hybrid meetings will allow for greater shareholder and stakeholder engagement over the coming years in a way that is more convenient for all parties. In line with the views expressed by the Investment Association and ISS, the changes will not permit meetings to be held exclusively on an electronic basis, so a physical meeting will still be required.

These changes are primarily contained in Articles 48, 49, 51 and 54 in the New Articles. A number of other consequential amendments have been made to the New Articles.

13. **Notice of adjournment:** In the Current Articles, different notice requirements apply based on if the meeting is adjourned for: (a) 60 days or more; (b) more than 30 days but fewer than 60 days; or (c) 30 days or less. The New Articles provide greater flexibility by enabling the business of the adjourned meeting to be amended, provided the Company sends an amended notice of meeting to shareholders and, if the business of the meeting is to stay the same, only requiring that the Company give further notice of the adjourned meeting when it is to take place more than three months after the initial meeting.
14. **Amendments to resolutions:** In line with market practice, the New Articles state that any amendments to proposed ordinary resolutions may only be considered and voted upon if notice of the proposed amendment has been received by the Company at least two working days (rather than three clear business days) prior to the date of the meeting at which the resolutions are to be proposed, or if the Chairman decides that such amendment may be considered or voted upon.
15. **Receipt of proxies:** The Current Articles state that in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, an appointment of proxy may be received not less than 24 hours (or such shorter time as the Board may determine) before the time appointed for the taking of the poll. The New Articles state that this is the case for polls taken more than 48 hours after they are demanded (though the Board can determine a shorter time in such cases) but for polls taken not more than 48 hours after they are demanded, proxies must be received before the end of the meeting at which the poll was demanded (or at such later time as the Board may determine). The ability for the Board to determine a short time in the cause of an appointment of proxy in hard copy form or electronic form is also included in the New Articles.
16. **Number of directors:** The New Articles specify a maximum of 15 directors.
17. **Annual retirement of directors:** In line with the requirements of the UK Corporate Governance Code, the New Articles require directors to retire (and should they wish to remain in office, seek re-election) at each Annual General Meeting. This requirement does not apply to directors in their first year of appointment who were appointed in the period between the AGM notice being issued and the AGM itself.
18. **Persons eligible as directors:** Notice from a member proposing a director for appointment or re-appointment must be received not less than 7 days nor more than 42 days before the day appointed for the general meeting. The position under the Current Articles is not less than 14 days nor more than 42 days before such date.
19. **Vacation of office by directors:** The New Articles state that the office of a director shall be vacated if they are or have been suffering from mental or physical ill health and the Board resolves that their office be vacated, but (in line with the Mental Health (Discrimination) Act 2013) do not include the making of a mental health court order in the list of events that trigger the removal of a director.
20. **Expenses:** The New Articles permit the Company to fund a former director's expenditure, as well as that of a current director.
21. **Pensions and gratuities for directors:** The New Articles introduce a new requirement whereby no benefits may be granted to or in respect of a former director who has not been employed by, or held an executive office or place of profit under, the Company or any associated Company without the approval of an ordinary resolution of the Company. This reflects good corporate governance practice on the basis that payment of benefits to non-executive directors could prejudice their independent position. The New Articles also provide that no director or former director shall be accountable to the Company or the members for any benefit provided pursuant to Article 92 and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.
22. **Borrowing powers:** Article 99 of the New Articles limits the Company's borrowing to three times its adjusted capital and reserves. Associated changes have been made to this article.
23. **Quorum:** The New Articles clarify that any director who ceases to be a director at a Board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the Board meeting if no other director objects and if otherwise a quorum of directors would not be present.
24. **Directors below minimum through vacancies:** The Current Articles provide that where the number of continuing directors falls below the minimum number or the number required for quorum of the Board, they may only act either to appoint further directors themselves or summon general meetings. The New Articles provide greater flexibility as they allow continuing directors or a sole continuing director to act notwithstanding any vacancy (including to fill vacancies and summon general meetings for the purpose of appointing further directors). Where there are no directors or director able or willing to act, the New Articles permit any two members (excluding any member holding treasury shares) to summon a general meeting for the purpose of appointing directors. It is prudent to provide the directors with increased flexibility to ensure that the Company has a functioning board at all times.

Appendix: Summary of principal changes to the Company's Articles of Association

25. **Dividends – calculation, currency and payment procedure:** The New Articles clarify that dividends may be declared or paid in any currency. Further, the New Articles give the Board greater flexibility to determine the appropriate method(s) it pays dividends (and other sums) to shareholders, including any default method. This flexibility will help the Board take account of developments in market practice and keep down the administrative cost of making payments. The New Articles also provide that where a payment cannot be made because a shareholder has not provided valid account details to the Company, that amount will be treated as unclaimed until the shareholder provides those details.
26. **Forfeiture of unclaimed dividends:** The Current Articles provide that if a dividend or other payment due to members has not been claimed for 12 years after being declared or becoming due, it will be forfeited to the Company. Article 123 of the New Articles reduces this period from twelve to six years, in accordance with prevailing market practice.
27. **Scrip dividends:** In line with Investment Association guidance, the New Articles set out a detailed procedure for the declaration of scrip dividends, including a three-year time limit, rather than five-year time limit, on the power conferred on directors to issue scrip dividends by way of ordinary resolution.
- The New Articles also make clear that the Board may, amongst other things, deduct the cost to the Company of making the scrip available from the shareholders' entitlement and decide not to allot scrip dividends at any time before they are allotted, whether or not any election has been made by shareholders.
28. **Record date of service:** The New Articles update the record date for service such that the Company may serve a document or other information by reference to the shareholder register at any time not more than 15 days before the date of service.
29. **Strategic reports with supplementary material:** The Companies Act 2006 and the Companies (Receipt of Accounts and Reports) Regulations 2013 allow the Company to send a copy of its strategic report with supplementary material instead of its full accounts to a member who has elected or tacitly agreed to receive these documents, provided that the Company is not prohibited from doing so in its articles. Article 130 is intended to make it clear there is no such prohibition. Shareholders should note that they can always view the full annual report on the Company's website or request a hard copy from the Company's registrar.
30. **Method of service:** Changes are proposed to clarify the articles relating to service of notices or documents by the Company, and in particular, that the Company may choose not to serve a notice or other document to a member where it considers it necessary or appropriate to deal with legal, regulatory or practical problems in a particular territory. Further, the New Articles allow the Company to cease sending notices and documentation to shareholders when such documentation is returned undelivered on two consecutive occasions.
31. **Members on branch registers:** The New Articles provide that for shareholders registered on a branch register, notices or other documents can be posted or despatched in the United Kingdom or in the country where the branch register is kept.
32. **General:** As the Company is proposing to make the changes described above, the opportunity has been taken generally to incorporate amendments of a more minor, technical or clarifying nature to reflect changes in applicable law or current market best practice, to remove provisions in the Current Articles which duplicate English company law, and to include some clearer language in other parts of the New Articles.