

Notice of Annual General Meeting

Dear Shareholder

Notice of Annual General Meeting 2019 (AGM)

You are invited to attend the Company's AGM at the Abbey House Hotel, Abbey Road, Barrow-in-Furness, LA13 0PA on Thursday 2 May 2019 at 11.00am. Refreshments will be available before and after the meeting. The AGM is an important day in our calendar and is the Board's opportunity to present the Company's performance and strategy to shareholders and to listen and respond to your questions. The formal Notice of Meeting is attached to this letter.

If you are unable to attend the AGM, we would encourage you to forward us your comments by e-mailing secretariat@james-fisher.co.uk with 'AGM 2019' in the heading. It is important for us to engage with our shareholders in order to understand the themes of interest and potential issues you may have.

Your vote counts

Your vote is important to us – you can:

- register your proxy vote electronically by logging on to our Registrar's website, www.signalshares.com, or by using the service offered by Euroclear UK & Ireland Limited for members of CREST (as explained in note 5 on page 4); or
- attend and vote at the AGM in person.

To reduce the Company's environmental impact our intention is to remove paper from the voting process as far as possible and so a paper proxy form has not been issued this year. You can request a hard copy form as set out in note 1 on page 4.

Voting

The proxy form invites you to vote in one of three ways for each of the resolutions:

'for', 'against' or 'vote withheld'. The 'vote withheld' option enables you to abstain on any particular resolution, but it is not a vote in law, therefore it will not be counted in the calculation of the proportion of votes for and against a resolution. Please note that all proxy appointments must be received by our Registrar no later than 48 hours before the start of the AGM.

At the AGM itself, the votes will be taken by a show of hands. The final results will be published on the Company's website at <https://www.james-fisher.com/investors/agm-information/> and released to the London Stock Exchange.

In 2018 all resolutions were passed at the meeting with votes ranging from 91 per cent to 100 per cent in favour.

Recommendation

Your Directors believe that all the proposals considered at the AGM are in the best interest of the Company and its shareholders as a whole and recommend that the shareholders vote in favour of the resolutions. The Directors will be voting in favour of the resolutions in respect of their own shareholdings.

Notice is hereby given that the Annual General Meeting (AGM) of James Fisher and Sons plc will be held at the Abbey House Hotel, Abbey Road, Barrow-in-Furness, LA13 0PA on Thursday 2 May 2019 at 11.00am to consider and, if thought fit, to pass Resolutions 1 to 14 (inclusive) as ordinary resolutions and Resolutions 15 to 19 (inclusive) as special resolutions.

Ordinary Resolutions

Resolution 1

To receive the Annual Report and Accounts for the year ended 31 December 2018.

Resolution 2

To approve the Directors' remuneration report (excluding the Directors' remuneration policy on pages 54 to 56 of the report) for the financial year ended 31 December 2018, as set on pages 52 to 66 of the Annual Report and Accounts.

Resolution 3

To declare a final dividend for the financial year ended 31 December 2018 of 21.3p per ordinary share to be paid on 10 May 2019 to ordinary shareholders who are on the register at the close of business on 5 April 2019.

Resolution 4

To re-elect Mr M S Paul as a Director of the Company.

Resolution 5

To re-elect Mr N P Henry as a Director of the Company.

Resolution 6

To re-elect Mr S C Kilpatrick as a Director of the Company.

Resolution 7

To re-elect Mr F H S Graham as a Director of the Company.

Resolution 8

To re-elect Mr J R Atkinson as a Director of the Company.

Resolution 9

To re-elect Ms A I Comiskey as a Director of the Company.

Resolution 10

To re-elect Mr M J L Salter as a Director of the Company.

Resolution 11

To elect Dr I Braunschmidt as a Director of the Company.

Resolution 12

To re-appoint KPMG LLP as auditor of the Company to hold office until the conclusion of the next AGM of the Company.

Resolution 13

To authorise the Audit Committee to determine the auditor's remuneration.

Resolution 14

That the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, and convert any security into, shares in the Company (Rights) up to an aggregate nominal amount of £4,146,772 provided that this authority shall expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2020, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and, that all authorities previously granted to the Directors to allot shares and grant Rights that remain unexercised at the conclusion of this meeting be and are hereby revoked.

Special Resolutions

Resolution 15

That subject to the passing of Resolution 14, the Directors be and are hereby given power to allot equity securities (as defined in section 560 of the Companies Act 2006 (the Act)) of the Company for cash pursuant to the authority conferred by Resolution 15 and/or to sell ordinary shares held by the Company as treasury shares for cash, in either case as if section 561(1) of the Act did not apply to such allotment or sale provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of securities in favour of the holders of ordinary shares on the register of members at such record date as the Directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders and other persons are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held or deemed to be held by them on any such record date, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) to any person or persons of equity securities up to an aggregate nominal amount of £628,298,

and shall expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2020, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Resolution 16

That subject to the passing of Resolution 14, the Directors be and are hereby given power in addition to any authority granted under Resolution 15 to allot equity securities (as defined in section 560 of the Companies Act 2006 (the Act)), for cash under the authority given by Resolution 14 and/or to sell ordinary shares held by the Company as treasury shares for cash, in either case 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 or sale of treasury shares up to a nominal amount of £628,298; 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 Directors of the Company determine 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, and shall expire at the conclusion of the next AGM of the Company or, if earlier, at the close of business on 30 June 2020, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Resolution 17

The Company be and is hereby generally and unconditionally 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) on the London Stock Exchange of up to a maximum aggregate of 2,513,196 ordinary shares of 25p each in the capital of the Company at a price per share (exclusive of expenses) of not less than 25p and not more than an amount equal to the higher of (a) 105% of the average of the middle market quotations for such ordinary share as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day of purchase and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out; unless previously renewed, revoked or varied, such authority will expire at the conclusion of the next AGM of the Company, or, if earlier, at the close of business on 30 June 2020 save that the Company may purchase ordinary shares at any later date where such purchase is pursuant to any contract or contracts made by the Company before the expiry of this authority.

Resolution 18

That any general meeting (other than an AGM) may be called on not less than 14 clear days' notice.

Resolution 19

That, with effect from the conclusion of the AGM, the Articles of Association produced to the meeting and initialled by the

chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Jim Marsh

Group General Counsel and Company Secretary

25 March 2019

Registered office:

Fisher House, PO Box 4, Barrow-in-Furness, Cumbria, LA14 1HR

Registered in England number: 211475

Notes

1. In order to reduce the Company's environmental impact, our intention is to remove paper from the voting process as far as possible. You are therefore asked to vote in one of the following ways:

- Register your vote online through our registrar's portal – www.signalshares.com. You will need your investor code which is printed on your share certificate or may be obtained by calling the Company's registrar, Link, on 0871 664 0300. If you are outside the United Kingdom, please call +44 (0) 371 664 0300 (Calls cost 12p per minute plus your telephone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate).
- CREST members may use the CREST electronic proxy appointment service as detailed in the note below.

You may request a hard copy form from Link using the numbers shown above and return it to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

All proxy appointments, whether electronic or hard copy, must be received by the Company's registrar no later than 11.00am on 30 April 2019 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting).

2. Any member who has not elected to receive a printed copy of the Annual Report and Accounts for 2018 may obtain copies by writing to the Company Secretary, Fisher House, PO Box 4, Barrow-in-Furness, Cumbria, LA14 1HR. Members who wish to receive the printed Annual Report and Accounts, free of charge, in future years should write to the Company's registrars, FREEPOST SAS 34 BECKENHAM ROAD, BR3 9ZA.
3. Any member entitled to vote at the above meeting may appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend the meeting in order to represent a member. A proxy could be the Chairman or another person who has agreed to attend and represent a member. If you wish your proxy to speak on your behalf, you will need to appoint someone other than the Chairman as your proxy. Details of how to appoint the Chairman or another person as a proxy using the proxy form are set out in the notes to the proxy form. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. Completion of the proxy form will not preclude a member from attending and voting in person. Proxy forms, duly executed (including any authority under which it is executed or a copy of the authority certified notarially), should be returned to Link Asset Services, 34 Beckenham Road, BR3 4TU. Alternatively you may submit your proxy form online by accessing the shareholder portal at www.signalshares.com, logging in and selecting the 'proxy voting' link. If you have not previously registered for electronic communications, you will first be asked to register as a new user, for which you will require your investor code (which can be found on your

share certificate or dividend confirmation statement), family name and postcode (if resident in the UK). In each case your proxy instruction must be received no later than 11.00am on 30 April 2019. If you are a CREST member, see note 5 below. The deadline for receipt of proxy appointments also applies in relation to amended instructions, and any attempt to amend a proxy appointment after the relevant deadline will be disregarded. Where two or more valid proxy appointments are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others. You must inform the Company's registrar in writing of any termination of the authority of a proxy.

4. The right to appoint a proxy cannot be exercised by persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (Nominated Person): they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member 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. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
5. 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 (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made 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 – RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
6. A member of the Company 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, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could

exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the general meeting. Please contact our Registrar if you need any further guidance on this.

7. Copies of the Directors' service contracts, the letters of appointment of the Non-Executive Directors, together with a copy of the proposed new Company's Articles of Association and a copy of the current Articles of Association marked to show all the changes proposed by Resolution 19 will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) until the close of the AGM and are available for inspection at the place of the AGM from 10.30am on the date of the meeting until the close of the meeting. In addition, a copy of the proposed new Articles of Association and a copy of the current Articles of Association, marked to show all the changes proposed by resolution 19, will be available for inspection at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD during normal business hours from the date of posting this document until the conclusion of the AGM.
8. Members satisfying the thresholds in section 527 of the Companies Act 2006 (the Act) can require the Company to publish a statement on its website setting out (i) any matter relating to 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 meeting, or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which Annual Accounts and Reports were laid in accordance with section 437 of the Act, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditor no later than the time it is made available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.
9. The Company must cause to be answered any question relating to the business being dealt with at the meeting which is put by a member attending the meeting, except where:
(a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. A copy of this Notice, and other information required by section 311A of the Act, can be found at www.james-fisher.com. A member may not use any electronic address provided by the Company in this document or any related documents (including the proxy form) for communication with the Company for any purpose other than as expressly stated in it.
11. Only persons entered on the register of members of the Company at close of business on 30 April 2019 (or, if the meeting is adjourned, at close of business on the date which is two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting or 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 meeting or adjourned meeting.
12. As at 18 March 2019 (being the latest practical date before the publication of this Notice), the Company's issued share capital consists of 50,263,911 ordinary shares, carrying one vote each, and 100,000 preference shares carrying one vote each. Therefore the total voting rights in the Company are 50,363,911. There are no shares held in treasury.
13. As soon as practicable following the AGM, the results of the voting at the meeting and the number of votes cast for and against and the number of votes withheld in respect of each resolution will be announced via a Regulatory Information Service and also placed on the Company's website at www.james-fisher.com.

Explanatory Notes

Resolution 1 – Annual Report and Accounts

The Companies Act 2006 (CA 2006) requires the Directors of a public company to lay its Annual Report and Accounts before the Company in general meeting, giving shareholders the opportunity to ask questions on the contents. The Company proposes, as an ordinary resolution, a resolution on its Annual Report and Accounts.

Resolution 2 – Directors’ remuneration report

The Company proposes an ordinary resolution to approve Directors’ remuneration report (excluding the Directors’ remuneration policy on pages 54 to 56 of the report) for the financial year ended 31 December 2018, as set out on pages 52 and 66 of the Annual Report and Accounts. The vote on this Resolution 2 is advisory only and the Directors’ entitlement to remuneration is not conditional on its being passed. The Company’s auditor, KPMG LLP, has audited those parts of the Directors’ Remuneration report that are required to be audited.

In accordance with section 439A of CA 2006, a separate resolution on the Directors’ remuneration policy (Policy) part of the Directors’ remuneration report must be approved by shareholders at least every three years, unless during that time it is to be changed. The current Policy was approved by shareholders at the 2018 AGM and the Directors do not propose any changes to the Policy this year. The Policy is therefore not required to be approved at this year’s AGM.

Resolution 3 – Declaration of final dividend

A final dividend can only be paid after it has been approved by the shareholders in general meeting and may not exceed the amount recommended by the Board. The Directors recommend a final dividend of 21.3p per ordinary share in respect of the financial year ended 31 December 2018. If the meeting approves Resolution 3, the final dividend will be paid on 10 May 2019 to shareholders on the register on 5 April 2019.

Resolutions 4 to 10 – Re-election of Directors

The Directors believe that the Board continues to maintain an appropriate balance of knowledge and skills and that all the Non-Executive Directors are independent in character and judgement. This follows a process of formal evaluation which confirms that each Director makes an effective and valuable contribution to the Board and demonstrates commitment to the role (including making sufficient time available for Board and Committee meetings and other duties as required). In accordance with the UK Corporate Governance Code and in line with previous years, all Directors, with the exception of David Moorhouse, will again stand for re-election, as relevant, at the AGM this year. Full biographies are available on pages 36 to 37 of the Annual Report and Accounts and also on our website.

Resolution 11 – Election of Director

Dr Inken Braunschmidt has been appointed to the Board with effect from 1 March 2019 and is seeking election by shareholders for the first time. Inken is Chief Innovation and Digital Officer and member of the Executive Board at Halma plc. Prior to joining

Halma plc in 2017, Inken spent 13 years at RWE AG, the German energy giant, where she held various international roles focusing particularly on strategy, innovation and change management. She brings skills around the development of innovative digital strategies to the Board.

Resolutions 12 and 13 – Re-appointment of auditor/auditor’s remuneration

The Company is required to appoint an auditor at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. These resolutions propose the re-appointment of KPMG LLP as the Company’s auditor to hold office from the conclusion of the AGM until the conclusion of the next general meeting at which accounts are laid before the Company, and authorises the Audit Committee to agree the auditor’s remuneration.

Resolution 14 – Authority to allot shares

Authority is given to the Directors to allot shares in the Company and to grant rights to subscribe for, and convert any security into shares in the Company up to a total nominal amount of £4,146,772 representing approximately 33% of the nominal value of the Company’s total issued ordinary share capital as at 18 March 2019, being the latest practical date before publication of this Notice. The authority will expire at the conclusion of the AGM to be held in 2020, or, if earlier, on 30 June 2020 and replaces an authority granted on 3 May 2018 which expires at the conclusion of the forthcoming AGM.

The Directors have no present intention to exercise this authority. At 18 March 2019, the Company does not hold any treasury shares.

Resolutions 15 and 16 – Limited dis-application of pre-emption rights

Resolution 15, which will be proposed as a special resolution, seeks to renew the authority conferred on the Directors at last year’s AGM to issue equity securities of the Company for cash without first offering them to existing shareholders in proportion to their existing shareholdings. Other than in connection with a rights issue or other pre-emptive offer (where difficulties arise in offering shares to certain overseas shareholders and in relation to fractional entitlements) the authority contained in this resolution will be limited to an aggregate nominal value of £628,298 which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash, and which represents approximately 5% of the Company’s issued ordinary share capital as at 18 March 2019, being the latest practicable date prior to the publication of this Notice.

In line with best practice, the Company has not issued more than 7.5% of its issued share capital on a non pre-emptive basis over the last three years and the Directors confirm their intention to follow the best practice set out in the Pre-Emption Group’s Statement of Principles which provides that companies should not issue shares for cash on a non pre-emptive basis representing more than 7.5% of the Company’s issued share capital in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Pre-Emption Group’s Statement of Principles) without prior

consultation with shareholders. The Directors have no present intention to exercise this authority.

Resolution 16 is in addition to Resolution 15 and is also a special resolution. In line with the Pre-Emption Group's Statement of Principles, as updated in March 2015, Resolution 16 will enable the Directors to allot shares for cash or sell shares out of treasury up to a further nominal amount of £628,298 representing approximately 5% of the Company's issued ordinary share capital as at 18 March 2019, being the latest practicable date before the publication of this Notice, without first having to offer them to existing shareholders in proportion to their existing shareholdings. The authority under Resolution 16 will only be used to allot shares or sell shares out of treasury in connection with an acquisition or specified capital investment of a kind contemplated by the Statement of Principles and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The Directors have no current intention of exercising this authority. If this authority is used, the Company will publish details of the placing in its next Annual Report and Accounts. The Board continues to keep this under review and notes that the level of votes against the equivalent resolution at the 2018 AGM was down 3% from the previous year.

The authorities under Resolutions 15 and 16 will lapse at the conclusion of the AGM to be held in 2020 or on 30 June 2020, whichever is earlier. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £1,256,597, which represents approximately 10% of the Company's issued ordinary share capital as at 18 March 2018.

Resolution 17 – Authority to purchase own shares

This special resolution gives the Company authority to purchase in the market up to 2,513,196 of its ordinary shares of 25p each (representing approximately 5% of the Company's total issued ordinary share capital). The minimum and maximum prices at which such shares can be purchased is as stated in the Resolution. The authority will expire at the conclusion of the AGM to be held in 2020, or on 30 June 2020, whichever is earlier, and replaces a similar authority granted on 3 May 2018 which expires at the conclusion of the forthcoming AGM.

If any ordinary shares purchased pursuant to this authority are not held by the Company as treasury shares then such shares would be immediately cancelled in which event the number of ordinary shares in issue would be reduced. As at 18 March 2019, being the latest practical date before publication of this Notice, there were options over ordinary shares in the capital of the Company representing 1.67% of the Company's total issued ordinary share capital. If the authority to purchase the Company's ordinary shares was exercised in full and those shares were subsequently cancelled, these options would represent 1.76% of the Company's total issued ordinary share capital. The Directors have no present intention to exercise this authority and in reaching their decision to purchase ordinary shares will take into account, amongst other things, the Company's cash resources and capital requirements, the effect of any purchase on earnings per share and whether it is in the best interests of shareholders generally.

Resolution 18 – Authority to hold general meetings (other than an AGM) on 14 clear days' notice

The notice period required by the Companies Act 2006 for general meetings is 21 clear days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days. AGMs must always be held on at least 21 clear days' notice. This special resolution renews an authority given at last year's AGM which enables the Company to call general meetings (other than an AGM) on 14 clear days' notice. In order to preserve this ability, shareholders must have approved the calling of meetings on 14 clear days' notice.

Resolution 18, which is proposed as a special resolution, seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

The shorter notice period would not be used as a matter of routine for general meetings, but only where, taking into account the circumstances, the Directors consider that the flexibility is merited by the business of the meeting and is in the interests of the Company and shareholders as a whole.

Resolution 19 - Amendment of articles

It is proposed to adopt new articles of association (the 'New Articles') in order to update the current articles of association (the 'Current Articles') primarily to take account of changes to the UK Corporate Governance Code and developments in market practice since the articles were last refreshed in 2009. The principal changes introduced in the New Articles are summarised below. Minor, technical and clarifying changes have not been noted. A copy of the New Articles and a copy of the Current Articles, marked to show all the changes proposed, are available for inspection as noted on page 5 of this document.

Retirement of directors

The New Articles update the Current Articles to reflect the Company's established practice, in line with the recommendations of the UK Corporate Governance Code, that all directors be subject to annual re-election by shareholders. The New Articles provide that at each annual general meeting every Director who held office on the date seven days before the date of the notice of annual general meeting shall retire from office, and each Director wishing to serve again shall submit himself for re-election by shareholders.

Untraced members – tracing enquiries and sale of shares

The New Articles, in line with recent market practice, update the process the Company would follow in relation to any exercise of its power to sell the shares of "untraced members". "Untraced members" are shareholders who have not claimed or cashed a dividend payment over a period of at least twelve years provided, during that time, at least three cash dividends have become payable. The New Articles replace the requirement in the Current Articles to place notices in newspapers with a requirement that the Company must send a notice to the last registered address of the shareholder stating that it intends to sell the shares. Before sending such a notice, the Company must have made tracing enquiries for the purpose of contacting the shareholder, which the Directors consider to be reasonable and appropriate in the

circumstances. The New Articles provide that, if no valid claim for the proceeds of a sale has been received by the Company during a period of two years from the date on which the relevant shares are sold, the net proceeds of the sale will be forfeited and will belong to the Company. The Company will be permitted to use the sale proceeds for any purpose the Directors may decide.

Payment of dividends

The New Articles update the provisions of the Current Articles that relate to the way dividends are paid, in line with recent market practice and guidance issued in 2014 by the ICSA Registrars' Group. The New Articles confirm the existing flexibility under the Current Articles to allow the payment of dividends by different methods (including cheque, dividend warrant and bank transfer) and additionally permit the Directors to decide which payment method is to be used on any particular occasion. The Company considers it important to have the flexibility to cater for new developments and changes in practice, including considering the efficiency and cost savings if, in the future, the Company changed to electronic payment only.

Directors' fees

The New Articles provide for Non-Executive Directors' fees up to an aggregate of £1,000,000 per annum (unless there is an ordinary resolution of the Company determining a larger sum), whereas the Current Articles specify a figure per individual Non-Executive Director. The approach taken in the New Articles is in line with market practice and is intended to provide sufficient flexibility in setting the level of Directors' fees and the number of Directors appointed in the future. The current level of fees paid to Non-Executive Directors can be found on page 65 of the 2018 Annual Report and Accounts. Fees are paid in line with the Remuneration policy on approval by Shareholders from time to time.

Vacation of office of director

The New Articles include updated wording, in line with relevant legislation, regarding the circumstances in which a Director must vacate office where the Director has become physically or mentally ill, subject to a resolution of the Board. The updated wording applies a test of whether in the opinion of a medical practitioner the Director is rendered incapable by his illness of acting as a Director for more than three months.

Administration of proxy appointments

In line with market practice, the New Articles allow the Directors some flexibility to treat as valid a proxy appointment that does not comply with all technical requirements of the articles.

Voting by proxies on a show of hands

The Companies Act 2006 provides that, subject to a company's articles, each proxy appointed by a member has one vote on a show of hands, unless the proxy is appointed by more than one member, in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles amend the Current Articles to reflect this, and to clarify the procedure to be followed if a proxy is appointed by more than one member and is given discretion as to how to vote by one or more of those members.

Voting in accordance with instructions

Under the Companies Act 2006, proxies are expressly required to vote in accordance with instructions given to them by members. For the avoidance of doubt, the New Articles contain a provision stating that the Company is not obliged to check whether a proxy or corporate representative has voted in accordance with a member's instructions.

Adjournments for lack of quorum

Under the Companies Act 2006, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles amend the provisions of the Current Articles to reflect this requirement. The New Articles also clarify that if a quorum is not present at a meeting convened on the requisition of members, that meeting shall be dissolved.

Shareholder communications

The New Articles provide, in line with market practice, that a member ceases to be entitled to receive communications from the Company if, on two consecutive occasions, notices, documents or information have been sent or supplied to that member and returned undelivered. A member becomes entitled to receive communications again when he has supplied the Company or its registrar with updated contact details.

The New Articles also update the process to be followed if the Company wishes to provide information on a general meeting at a time when UK postal services are not available. The updated process includes the Company advertising that general meeting on its website and in at least one national newspaper (the Current Articles require an advertisement in two national newspapers).