



# The Gym Group plc (‘the Company’)

(Incorporated and registered in England and Wales  
under number 08528493)

## Notice of Annual General Meeting 2017

Notice is hereby given that the Annual General Meeting of The Gym Group plc will be held at 11.00am on Tuesday 6 June 2017 at Allen & Overy LLP, One Bishops Square, London, E1 6AD to consider and, if thought fit, pass resolutions 1 to 17 overleaf.

**Important information:**

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other independent professional adviser immediately. If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

**A shareholder may appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the meeting, provided that each proxy is appointed to exercise the rights attached to a different Ordinary share or Ordinary shares held by that shareholder. A proxy need not be a member of the Company. To be valid, any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company’s registrar, at the address shown on the form of proxy, through the Company’s electronic proxy appointment service (available via [www.capitashareportal.com](http://www.capitashareportal.com)) or in the case of shares held through CREST, via the CREST system, in each case by no later than 11.00am on Friday 2 June 2017.**

**28 March 2017**

**Dear Shareholder,**

**Notice of Annual General Meeting 2017**

I am pleased to inform you that the Company's Annual General Meeting (the '**AGM**') will be held at Allen & Overy LLP, One Bishops Square, London, E1 6AD on Tuesday 6 June 2017 at 11.00am.

The formal Notice convening the AGM is set out on pages 3 to 5 of this document. An explanation of each of the resolutions to be proposed at the AGM is set out on pages 6 to 8. There will be an opportunity for you to ask questions at the AGM.

**Voting arrangements - Action to be taken**

If you would like to vote on the resolutions but will not be attending the AGM, you may appoint a proxy by completing and returning the enclosed Form of Proxy in accordance with the instructions printed on it. Forms of Proxy should be returned so as to be received by the Company's Registrar, Capita Asset Services, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event no later than 11.00am on Friday 2 June 2017.

Alternatively, you may appoint a proxy electronically via [www.capitashareportal.com](http://www.capitashareportal.com) by following the instructions on that website or, if you hold your shares in CREST, via the CREST system. Please note that all proxy appointment forms should reach the Company's registrar, Capita Asset Services, by no later than 11.00am on Friday 2 June 2017.

If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for giving voting instructions.

**Poll voting**

Each of the resolutions to be considered at the AGM will be voted on by way of a poll. This ensures that shareholders who are not able to attend the AGM, but who have appointed proxies, have their votes fully taken into account. The results of the polls will be announced to the London Stock Exchange and published on the Company's website as soon as possible after the conclusion of the AGM.

**Recommendation**

The Board considers that resolutions 1 to 17 are in the best interests of the Company and its shareholders as a whole and recommends that you vote in favour of such resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Yours faithfully,

**Penny Hughes**  
Chairwoman

The Gym Group plc  
Registered Office: Fifth Floor, No 1 Croydon, 12-16 Addiscombe Road, Croydon, England, CR0 0XT  
Incorporated in England and Wales with company number 08528493

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of The Gym Group plc will take place at 11.00am on Tuesday 6 June 2017 at Allen & Overy LLP, One Bishops Square, London, E1 6AD to transact the business set out in the resolutions below.

Voting on all resolutions will be by way of a poll. Resolutions 1 to 13 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 14 to 17 will be proposed as special resolutions; this means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## Ordinary Resolutions

1. To receive the Annual Report and Accounts for the financial year ended 31 December 2016.
2. To approve the Annual Statement from the Remuneration Committee Chairman and the Annual Report on Remuneration for the financial year ended 31 December 2016 set out on pages 39 to 40 and pages 41 to 51 (inclusive) of the Company's Annual Report and Accounts for the financial year ended 31 December 2016.
3. To declare a final dividend of 0.75 pence per share in respect of the year ended 31 December 2016 to be paid on 16 June 2017 to all Shareholders on the register of members at the close of business on 26 May 2017.
4. To re-elect Penny Hughes as a Director.
5. To re-elect Paul Gilbert as a Director.
6. To re-elect John Treharne as a Director.
7. To re-elect Richard Darwin as a Director.
8. To elect David Kelly as a Director.
9. To elect Emma Woods as a Director.
10. To re-appoint Ernst & Young LLP as auditors until the conclusion of the next Annual General Meeting of the Company at which the accounts are laid.
11. To authorise the Audit and Risk Committee for and on behalf of the Board to determine the remuneration of the auditors.
12. THAT, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at the date on which this resolution is passed or at any time when this resolution has effect are generally and unconditionally authorised to:
  - (a) make political donations to political parties and/or independent election candidates not exceeding £30,000 in total;
  - (b) make political donations to political organisations other than political parties not exceeding £30,000 in total; and
  - (c) incur political expenditure not exceeding £30,000 in total,

provided that the aggregate amount of such donations and expenditure shall not exceed £50,000 during the period beginning with the date of the passing of this resolution and ending on 30 June 2018 or, if sooner, the conclusion of the Annual General Meeting of the Company to be held in 2018.

For the purposes of this authority the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.

13. THAT:
  - (a) the Directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
    - (i) in accordance with article 7 of the Company's Articles of Association, up to a maximum nominal amount of £4,274.25 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Company's Articles of Association) allotted under paragraph (ii) below in excess of £4,274.25); and
    - (ii) comprising equity securities (as defined in article 8 of the Company's Articles of Association) up to a maximum nominal amount of £8,548.51 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Company's Articles of Association);

# Notice of Annual General Meeting continued

- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 30 June 2018; and;
- (c) all previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

## Special Resolutions

14. THAT, if resolution 13 is passed, and in accordance with article 8 of the Company's Articles of Association, the Directors be authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority given by that resolution and/or to sell Ordinary shares held by the Company as treasury shares for cash, in either case as if section 561 of the Companies Act 2006 did not apply under section 551 of the Companies Act 2006 to any such allotment or sale, such authority to be limited to:

- (a) allotments for rights issues (as defined in article 8(b)(ii) of the Company's Articles of Association) or;
- (b) the allotment of equity securities or sale of such treasury shares (otherwise than under paragraph (a) above) having a nominal amount not exceeding in aggregate £641.13 (being not more than 5% of the issued ordinary share capital of the Company as at the latest practicable date before publication of this notice),

such authority to expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 30 June 2018, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

15. THAT, if resolution 13 is passed, and in addition to any authority granted under resolution 14 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority given by that resolution under section 551 of the Companies Act and/or to sell Ordinary shares held by the Company as treasury shares for cash in either case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of such treasury shares having a nominal amount not exceeding in aggregate £641.13 (being not more than 5% of the issued ordinary share capital of the Company as at the latest practicable date prior to publication of the notice of meeting); 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 of the Company 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,

such authority to expire at the end of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 30 June 2018 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

16. THAT the Company is generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of Ordinary shares of £0.0001 each in the capital of the Company ('**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 number of such Ordinary shares that may be purchased by the Company under this authority shall not exceed 12,822,770;
- (b) the minimum price that may be paid by the Company for any Ordinary share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) shall not be less than £0.0001, being the nominal value of each Ordinary share, and the maximum price which may be paid (exclusive of expenses payable by the Company in connection with the purchase) shall not be greater than the higher of an amount equal to:
  - (i) 105% of the average trading price of the Ordinary shares as derived from the middle market quotations for an Ordinary share on the London Stock Exchange Daily Official List for the five trading days immediately preceding the date on which that Ordinary share is purchased; and
  - (ii) the higher of the price of the last independent trade of an Ordinary share and the highest current independent bid for an Ordinary share as on the trading venue where the purchase is carried out;

- (c) this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2018, or, if earlier, on 30 June 2018 unless renewed before that time, provided that the Company may effect purchases following the expiry of such authority if such purchases are made pursuant to contracts for purchases of Ordinary shares which are entered into by the Company on or prior to the expiry of such authority; and
  - (d) all existing authorities for the Company to make market purchases of Ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has not yet been executed.
17. THAT a general meeting (other than an Annual General Meeting) may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.

By order of the Board

**Richard Darwin**  
Company Secretary

28 March 2017

Registered Office: Fifth Floor, No 1 Croydon, 12-16 Addiscombe Road, Croydon, England, CR0 0XT  
Incorporated in England and Wales with company number 08528493

# Explanatory Notes to the Notice of Annual General Meeting

Resolutions 1 to 13 are being proposed as ordinary resolutions. For an ordinary resolution to be passed, a simple majority of the votes cast must be in favour of the resolution.

Resolutions 14 to 17 are being proposed as special resolutions. For a special resolution to be passed, at least 75% of the votes cast must be in favour of the resolution.

## **Resolution 1 - To receive the Annual Report and Accounts**

The Directors are required to present the Company's Annual Report and Accounts (the '2016 Annual Report') to the AGM.

## **Resolution 2 - To approve the Directors' Remuneration Report**

Under section 420 of the Companies Act 2006 (the 'Act'), the Directors must prepare an Annual Report detailing the remuneration of the Directors and a statement by the chairman of the Remuneration Committee (together, the 'Directors' Remuneration Report'). The Act also requires that a resolution be put to shareholders each year for their approval of that report. The Directors' Remuneration Report can be found on pages 39 to 51 of the 2016 Annual Report. Resolution 2 is an advisory vote only and the Directors' entitlement to remuneration is not conditional on it. No changes are proposed to the remuneration policy approved by shareholders at the Annual General Meeting held in 2016.

## **Resolution 3 – Final Dividend**

The Board proposes a final dividend of 0.75 pence per share in respect of the year ended 31 December 2016. If approved, the recommended final dividend will be paid on 16 June 2017 to all ordinary shareholders who are on the register of members on 26 May 2017. The shares will be marked ex-dividend on 25 May 2017.

## **Resolutions 4 to 9 – Election and re-election of Directors**

The Company's Articles of Association require all Directors to retire at each Annual General Meeting and those wishing to serve again to submit themselves for election or re-election. Accordingly, Penny Hughes, Paul Gilbert, John Treharne and Richard Darwin are retiring from office and are submitting themselves for re-election by the shareholders at the 2017 AGM. David Kelly and Emma Woods, who were appointed to the Board during 2016, are submitting themselves for election by the shareholders at the 2017 AGM.

The Board believes that each Director should be elected or re-elected as they have the requisite skills and experience, and demonstrate the necessary commitment, to contribute effectively to the deliberations of the Board. Additionally, the Chairwoman has confirmed that, following the formal performance evaluation, performance of each other Director continues to be effective and demonstrates commitment to the role. Separate resolutions are proposed for each Director in accordance with the Company's Articles of Association. Biographical details of each of the Directors appear on pages 30 and 31 of the 2016 Annual Report and are also available for viewing on the Company's website [www.tggplc.com](http://www.tggplc.com).

## **Resolutions 10 and 11 – Re-appointment and remuneration of auditors**

The Board, on the recommendation of the Audit and Risk Committee, is proposing the re-appointment of Ernst & Young LLP, who were appointed as the Company's auditors by the Board on 28 July 2015. Resolution 11 gives authority to the Audit and Risk Committee to determine the auditor's remuneration.

## **Resolution 12 - To authorise the Company to make political donations and incur political expenditure**

Under the Act, political donations to any political parties, independent election candidates or political organisations other than political parties, or the incurring of political expenditure, are prohibited unless authorised by shareholders in advance. Aggregate donations made by the Group of £5,000 or less in any 12 month period will not be caught.

As the legislation is capable of wide interpretation, the terms 'political donation', a 'political party', a 'political organisation' or 'political expenditure' are not easy to define. For example, sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling public duties, and support for bodies representing the business community in policy review or reform, may fall within the scope of these matters.

Therefore, notwithstanding that the Company has not made a political donation in the past, and has no intention, either now or in the future, of making any political donation or incurring any political expenditure, the Board has decided to propose Resolution 12 in order to allow the Company to continue to support the community and put forward its views to wider business and government interests without running the risk of the Company or its subsidiaries inadvertently breaching the Act through the undertaking of routine activities.

As permitted under the Act, Resolution 12 also covers any political donations made, or political expenditure incurred, by all subsidiaries of the Company at the date on which this resolution is passed or at any time when this resolution has effect. Resolution 12 caps the amount of all forms of political donations and expenditure that the Company and its subsidiaries would be permitted to make at an aggregate of £50,000 and the authority will expire on the earlier of 30 June 2018 and the conclusion of the Annual General Meeting of the Company to be held in 2018.

### **Resolution 13 – To authorise the Directors to allot Ordinary shares**

At the Annual General Meeting held in May 2016, shareholders authorised the Directors, under section 551 of the Companies Act 2006, to allot shares without the prior consent of shareholders for a period expiring at the conclusion of the 2017 Annual General Meeting or, if earlier, at the close of business on 30 June 2017. It is proposed to renew this authority and to give the Directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company without the prior consent of shareholders until the conclusion of the next Annual General Meeting of the Company after the passing of the resolution, or, if earlier, at the close of business on 30 June 2018. Resolution 13 will be proposed as an ordinary resolution.

Paragraph (a)(i) of Resolution 13 will allow the Directors to allot Ordinary shares up to a maximum nominal amount of £4,274.25 representing approximately one third (33.33%) of the Company's existing issued Ordinary share capital and calculated as at 27 March 2017 (being the latest practicable date prior to publication of this document). In accordance with institutional guidelines issued by the Investment Association, paragraph (a)(ii) of Resolution 13 will allow Directors to allot, including the Ordinary shares referred to in paragraph (a)(i) of Resolution 13, further of the Company's Ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £8,548.51, representing approximately two thirds (66.67%) of the Company's existing issued Ordinary share capital and calculated as at 27 March 2017 (being the latest practicable date prior to publication of this document).

The Directors have no present intention of exercising this authority, other than in respect of employee share schemes. If the Directors do exercise the authority, they intend to follow best practice as regards its use, as recommended by the Investment Association.

As at 27 March 2017, the Company held in treasury: (i) no Ordinary shares, and (ii) 48,500 non-voting Deferred Ordinary shares of £1 each.

### **Resolutions 14 and 15 – To authorise the Directors to disapply pre-emption rights**

Also at last year's meeting a special resolution was passed, under sections 570 to 573 of the Companies Act 2006, empowering the Directors to allot equity securities for cash representing up to 10% of the issued Ordinary share capital of the Company without first being required to offer such shares to existing shareholders. It is proposed that this authority also be renewed, but, in line with institutional shareholder guidelines, and as further explained below, it is also proposed that this renewed authority be split into two separate resolutions, as set out in Resolutions 14 and 15.

Resolution 14 gives the Directors the power, in certain limited circumstances, to allot equity securities for cash without first being required to offer such shares to the existing shareholders in proportion to their existing holdings. Apart from in connection with rights issues and other pre-emptive offers, the power will be limited to the allotment of equity securities for cash up to an aggregate nominal value of £641.13 (being 5% of the issued ordinary share capital of the Company as at the latest practicable date before publication of this notice). The Directors will have due regard to the Pre-Emption Group's Statement of Principles published on 12 March 2015 in relation to any exercise of this power, in particular to the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the share capital in any rolling three year period (rather than in connection with an acquisition or specified capital investment as described in the Statement of Principles). The authority will expire at the conclusion of the next Annual General Meeting of the Company or, 30 June 2018, whichever is earlier.

Resolution 15 also gives the Directors the power, in certain limited circumstances, to allot equity securities for cash without first being required to offer such shares to the existing shareholders in proportion to their existing holdings. The disapplication of pre-emption rights in respect of a further 5% of the Company's issued share capital in addition to the authority proposed to be granted pursuant to Resolution 14 reflects the guidance from the Pre-Emption Group's Statement of Principles published in March 2015 and its guidance issued on 5 May 2016. The power will be limited to the allotment of equity securities for cash up to an aggregate nominal value of £641.13 (being 5% of the issued ordinary share capital of the Company as at the latest practicable date before publication of this notice) provided that the authority can only be used in connection with the financing or refinancing of an acquisition or specified capital investment (within the meaning of 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 will have due regard to the Statement of Principles in relation to any exercise of this power. The authority will expire at the conclusion of the next Annual General Meeting of the Company or, 30 June 2018, whichever is earlier.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under resolution 14. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £1,282.27, which represents approximately 10% of the issued ordinary share capital of the Company as at 27 March 2017 (being the latest practicable date prior to publication of this circular).

# Explanatory Notes to the Notice of Annual General Meeting continued

## **Resolution 16 – To approve the market purchase of the Company's own shares**

A special resolution was also passed at last year's meeting empowering the Directors to purchase the Company's shares in the market. It is proposed that this authority also be renewed as Resolution 16. The Directors have no present intention of exercising the authority to purchase the Company's Ordinary shares but will keep the matter under review. The power given by the resolution will only be exercised if the Directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of shareholders. The Directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits.

The Act permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the Company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the Company's employees' share schemes.

Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

If the Directors exercise the authority conferred by Resolution 16, they may consider holding those shares in treasury, rather than cancelling them. The Directors believe that holding shares in treasury would provide the Company with greater flexibility in the management of its share capital. The Directors will also consider using the treasury shares to satisfy share options/awards under the Company's employees' share schemes.

The maximum number of shares which may be purchased under the proposed authority will be 12,822,770 Ordinary shares representing approximately 10% of the issued Ordinary share capital of the Company at 27 March 2017 (being the latest practicable date before the date of this document). The price paid for shares will not be less than the nominal value. The price paid will not be more than the higher of 5% above the average of the middle-market quotation of the Company's Ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the shares are purchased and 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.

As at 27 March 2017 (being the latest practicable date prior to publication of this circular) the total number of warrants over or options to subscribe for Ordinary shares that were outstanding was 1,531,835. The proportion of issued share capital that they represented at that time was 1.19% and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 1.33%. As at 27 March 2017 the Company did not hold any Ordinary shares in treasury.

Resolution 16 will be proposed as a special resolution to provide the Company with the necessary authority. If the resolution is passed, the authority will expire at the conclusion of the 2018 Annual General Meeting, or, if earlier, on 30 June 2018, unless renewed before that time.

## **Resolution 17 – Notice of general meetings other than Annual General Meetings**

Under the Act, the notice period required for all general meetings of the Company is 21 clear days. Annual General Meetings will always be held on at least 21 clear days' notice but shareholders can approve a shorter notice period for other general meetings.

At last year's Annual General Meeting shareholders authorised the calling of general meetings (other than an Annual General Meeting) on not less than 14 clear days notice, and it is proposed that this authority be renewed.

Resolution 17, if passed, authorises the calling of general meetings other than an Annual General Meeting on not less than 14 clear days' notice, and will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The flexibility offered by this resolution will be used where, taking into account the circumstances and noting the recommendations of the UK Corporate Governance Code, the Directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.



# IMPORTANT NOTES

The following notes explain your general rights as a shareholder and your right to attend and vote at this Annual General Meeting or to appoint someone else to vote on your behalf.

## 1. Attending the Annual General Meeting in person

If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity to the Company's registrar, Capita Asset Services (the 'Registrar'), prior to being admitted to the Annual General Meeting.

## 2. Appointment of proxies

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Form of Proxy. If members wish their proxy to speak on their behalf at the meeting, members will need to appoint their own choice of proxy (not the Chair of the Annual General Meeting) and give their instructions directly to them.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Registrar by telephone on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales) or by logging on to [www.capitashareportal.com](http://www.capitashareportal.com).

A member may instruct their proxy to abstain from voting on any resolution to be considered at the Annual General Meeting by marking the 'Vote Withheld' option when appointing their proxy. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' or 'Against' the resolution.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person instead of the proxy if they wish. You must inform the Registrar in writing of any termination of the authority of a proxy.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 10 below.

## 3. Appointment of a proxy online

As an alternative to appointing a proxy using the Form of Proxy or CREST, members can appoint a proxy online at [www.capitashareportal.com](http://www.capitashareportal.com). In order to appoint a proxy using this website, members will need their Investor Code. This information is printed on the Form of Proxy. If for any reason a member does not have this information, they will need to contact the Registrar by telephone on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. If you are outside the

United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales) before the time of the Annual General Meeting or any adjournment of that meeting.

## 4. Appointment of a proxy using a Form of Proxy

A Form of Proxy for use in connection with the Annual General Meeting is enclosed. To be valid, a Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

If you do not have a Form of Proxy and believe that you should have one, or you require additional Forms of Proxy, please contact the Registrar.

## 5. Appointment of a proxy through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: [www.euroclear.com/CREST](http://www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available by logging in at [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA10) no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that 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 Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy instructions.

It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure

# IMPORTANT NOTES continued

that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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 (as amended).

## 6. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

## 7. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

## 8. Entitlement to attend and vote

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at close of business on 2 June 2017 (or, if the Annual General Meeting is adjourned, at close of business on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

## 9. Votes to be taken by a poll

At the Annual General Meeting all votes will be taken by a poll rather than on a show of hands.

It is intended that the results of the poll votes will be announced to the London Stock Exchange and published on the Company's website following the Annual General Meeting. Poll cards will be issued on registration to those attending the Annual General Meeting.

## 10. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.

## 11. Website giving information regarding the Annual General Meeting

Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this notice of Annual General Meeting is available from [www.tggplc.com](http://www.tggplc.com).

## 12. Audit concerns

Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with the auditors 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. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

## 13. Right to require circulation of proposed resolution

Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting. A resolution may properly be moved at the Annual General Meeting unless

- (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise);
- (ii) it is defamatory of any person; or
- (iii) it is frivolous or vexatious.

A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

## 14. Right to require circulation of proposed resolution

Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A matter may properly be included in the business at the Annual General Meeting unless

- (i) it is defamatory of any person or
- (ii) it is frivolous or vexatious.

A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the Annual General Meeting.

### **15. Voting rights**

As at 27 March 2017 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 128,227,704 Ordinary shares, carrying one vote each. No Ordinary shares are held by the Company in treasury. Therefore, the total voting rights in the Company as at 27 March 2017 were 128,227,704 votes.

### **16. Further questions and communication**

Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members who have any queries about the Annual General Meeting should contact the Company's Registrars, Capita Asset Services by email at [Shareholder.Services@capitaregistrars.com](mailto:Shareholder.Services@capitaregistrars.com) or by telephone on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Members may not use any electronic address or fax number provided in this notice or in any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

### **17. Documents available for inspection**

The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at the location of the meeting from 9.00am until the conclusion of the Annual General Meeting:

**17.1.** copies of all contracts of service under which Directors are employed by the Company or any of its subsidiary undertakings; and

**17.2.** copies of the Letters of Appointment of the Non-Executive Directors of the Company.

