

FIRESTONE DIAMONDS PLC

(INCORPORATED AND REGISTERED IN ENGLAND AND WALES WITH COMPANY NUMBER 03589905)



CHAIRMAN'S LETTER AND NOTICE OF ANNUAL GENERAL MEETING

To be held on Thursday, 8 December 2016 at 10:30 a.m.

**at the offices of Tavistock Communications
131 Finsbury Pavement
London EC2A 1NT**

This document is important and requires your immediate attention

If you are in any doubt about the contents of this document or as to what action you should take, you should seek advice from your stockbroker, solicitor, accountant or other appropriate professional adviser.

If you have sold or otherwise transferred all of your shares in Firestone Diamonds plc, 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.

FIRESTONE DIAMONDS PLC

COMPANY NUMBER 03589905 | REGISTERED IN ENGLAND AND WALES

Registered Office:
The Triangle
5-17 Hammersmith Grove
London W6 0LG

1 November 2016

Dear Shareholder

Notice of Annual General Meeting 2016

On behalf of the Board of Directors (the "Board" or the "Directors") of Firestone Diamonds plc (the "Company"), I am delighted to invite you to attend our 2016 Annual General Meeting (the "AGM") which will be held at the offices of Tavistock Communications, 131 Finsbury Pavement, London EC2A 1NT at 10:30 a.m. on Thursday, 8 December 2016. The formal notice of AGM is set out on pages 3 and 4 of this document.

An explanation of the business to be conducted at the AGM is included on pages 5 and 6. On pages 7 to 9 you will find additional important information in relation to shareholder services.

Voting at the AGM

If you are unable to attend the AGM in person, your vote is still important and I would encourage you to complete, sign and return the enclosed form of proxy ("Form of Proxy") to register your vote. To be valid, the Form of Proxy needs to have been received by the Company's registrars, Capita Asset Services by 10:30 a.m. on 6 December 2016. Any proxy you appoint may attend, speak and vote at the AGM on your behalf. If you are a CREST member, you may appoint a proxy through the CREST electronic appointment service and your instruction must be received by Capita Asset Services by 10:30 a.m. on 6 December 2016.

Shareholders attending the meeting in person or by proxy will have the opportunity to ask questions on the AGM resolutions and any other topic of relevance to our business. We hope that you will make use of the opportunity to raise questions on the topics to be discussed. You are, of course, invited to write to me at any time if you have any questions.

Action to be taken

Please complete the Form of Proxy whether or not you intend to be present at the AGM in accordance with the instructions printed on the form. Please return the Form of Proxy to the Company's registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to reach Capita Asset Services no later than 10:30 a.m. on 6 December 2016. Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the meeting, should you wish to do so.

Recommendation

The Directors consider that the resolutions to be voted on at the AGM are in the best interests of the Company and of its shareholders as a whole. The Directors unanimously recommend shareholders to vote in favour of these resolutions at the AGM, as the Directors themselves intend to do in respect of their own beneficial shareholdings.

I look forward to meeting as many of you as possible at the AGM.

Yours sincerely



Lucio Genovese
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Firestone Diamonds plc (the "Company") will be held at the offices of Tavistock Communications, 131 Finsbury Pavement, London, EC2A 1NT at 10:30 a.m. on Thursday, 8 December 2016 for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company's annual accounts for the financial year ended 30 June 2016, together with the Directors' report and the Auditor's report on those accounts.
2. To re-appoint BDO LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which the Company's accounts are laid.
3. To authorise the directors of the Company (the "Directors") to determine the auditor's remuneration.
4. To re-appoint Mr Lucio Genovese as a Director.
5. To re-appoint Mr Stuart Brown as a Director.
6. To appoint Mrs Deborah Thomas as a Director.
7. To re-appoint Mr Keith Johnson as a Director.
8. To re-appoint Mr Ken Owen as a Director.
9. To re-appoint Mr Paul Sobie as a Director.
10. To re-appoint Mr Mike Wittet as a Director.
11. To re-appoint Mr Niall Young as a Director.

Special Business

To consider and, if thought fit, pass the following resolutions of which resolutions 12 and 15 will be proposed as ordinary resolution and resolutions 13 and 14 will be proposed as special resolutions:

12. THAT the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") (and in substitution for any existing authority granted to them) to exercise all of the powers of the Company to allot ordinary shares in the Company or grant rights to subscribe for or convert any security into ordinary shares in the Company ("Rights") up to an aggregate nominal amount equal to £1,049,827, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the earlier of the next Annual General Meeting of the Company or 31 December 2017 save that the Company may, before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted or Rights to be granted after the expiry of such period and the Directors may allot shares or grant Rights pursuant to such an offer or agreement as if the authority conferred hereby had not expired.
13. THAT, subject to the passing of resolution 12, the Directors be empowered to allot equity securities (as defined in section 570 of the Act) for cash under the authority given by that resolution (set out in this AGM notice) as if section 561 of the Act did not apply to any such allotment, provided that such power to be limited to the allotment of equity securities for cash in connection with an offer of, or invitation to apply for, equity securities:
 - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; or
 - ii. to holders of other equity securities as required by the rights of those securities or, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter; or
 - iii. up to a nominal amount of £157,474 (being not more than 5 per cent of the Company's issued share capital, as at 31 October 2016,

such power to expire at the end of the next Annual General Meeting of the Company or, if earlier, 31 December 2017 (unless previously revoked or varied by the Company in a general meeting), save that the Company may, before such expiry, make an offer or an agreement, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

NOTICE OF ANNUAL GENERAL MEETING continued

14. THAT subject to the passing of resolution 12, the Directors be empowered in addition to any authority granted under resolution 13 above, to allot equity securities (as defined in the Act) for cash under the authority given by that resolution (set out in this Notice of Meeting) as if section 561 of the Act did not apply to any such allotment, provided that such power be:
- a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £157,474 being not more than 5 per cent of the issued ordinary share capital (excluding treasury shares) of the Company as at 31 October 2016 being 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 Directors 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.
- The power conferred under this resolution 14 shall expire at the end of the next Annual General Meeting of the Company or, if earlier, 31 December 2017 (unless previously revoked or varied by the Company in a general meeting), save that the Company may, before such expiry, make an offer or an agreement, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.
15. That the Directors are hereby authorised:
- a. to approve the Firestone Diamonds plc Restricted Share Plan ("RSP"), the principal terms of which are summarised in Appendix 1 to this notice; and
 - b. to establish further plans based on the RSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the RSP.

By Order of the Board

Prism Cosec Limited
Company Secretary
31 October 2016

Registered office:
The Triangle
5-17 Hammersmith Grove
London W6 0LG

EXPLANATORY NOTES TO THE RESOLUTIONS

Resolutions 1 to 12 and 15 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 and 14 are proposed as special resolutions. This means that for each of these resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Receipt of the audited financial statements and the Directors' Report

The Company is required to present the audited accounts for the financial year ended 30 June 2016 and the Directors' report and the Auditor's report thereon to the meeting. These are contained in the Company's Annual Report and Accounts 2016.

Resolutions 2 and 3: Auditor's Re-appointment and Remuneration

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the end of the next such meeting. This resolution proposes the re-appointment of BDO LLP as the Company's auditor. Shareholders will also be asked to grant authority to the Directors to determine the auditor's remuneration.

Resolutions 4 to 11 (inclusive): Appointment and Re-appointment of Directors

The Company's articles provide that one third of the directors who are subject to retirement by rotation shall retire from office. Notwithstanding this provision in the articles, all of the continuing directors of the Company shall stand for re-election at the meeting. This accords with the UK Corporate Governance Code which provides that all directors of companies who form part of the FTSE 350 should be subject to annual re-election.

Mrs Deborah Thomas joined the Board on 1 November 2016 and, in accordance with the articles is, therefore, offering herself for election by Shareholders at this meeting. Her biography is set out below:

Deborah Thomas

Debbie has been at Deloitte for over 20 years, during which time she has gained extensive experience advising some of the world's leading mining companies. Her experience includes working in the UK and African practices at Deloitte where she was until recently an audit partner and Head of the Metals & Mining Team. Debbie is currently Head of Deloitte's Africa Services Group and she is also on the Board of the Deloitte UK Global Markets group.

In addition, Debbie was Deloitte's lead client service partner for De Beers UK and De Beers Diamond Jewellers (a UK private JV between De Beers and LVMH) for 10 years. She was also the founder of the Diamond Assurances team at Deloitte in response to the diamond industry Kimberley Process Initiative. Debbie has also been involved with many other metals and mining companies in a delivery and advisory role at Deloitte, including but not limited to Anglo American, BHP Billiton, De Beers and Rio Tinto.

She holds a number of Board positions including Chair of the South African Institute of Chartered Accountants (SAICA) UK Board, as well as the International representative on the SAICA full board and a member of the Advisory Board to the South African Chamber of Commerce and Education Africa. She was a member of the UKTI Sub-Saharan African Taskforce and the Africa Advisory Board of CityUK. Debbie has been voted one of the top 100 women in mining globally and is currently the Chair of Women in Mining (UK).

The biographies of the other Directors may be found on pages 22 and 23 of the Company's Annual Report and Accounts 2016.

Resolution 12: Authority to Allot Shares

Resolution 12 asks shareholders to grant the Directors authority under section 551 of the Companies Act 2006 (the "Act") to allot ordinary shares in the Company and to grant rights to subscribe for or convert a security into ordinary shares in the Company up to a maximum aggregate nominal value of £1,049,827 being approximately one-third of the nominal value of the issued ordinary share capital of the Company as at 31 October 2016. This resolution replaces the same resolution passed at the Annual General Meeting of the Company held on 2 December 2015.

EXPLANATORY NOTES TO THE RESOLUTIONS continued

Resolution 13 and 14: Disapplication of Pre-emption Rights

Resolution 13 renews the Directors' power to allot equity securities and sell treasury shares in exchange for cash without first offering them to existing shareholders. Apart from rights issues or any other pre-emptive offer concerning equity securities, the authority contained in this resolution will be limited to the issue of shares for cash up to an aggregate nominal value of £157,474 (which includes the sale on a non-pre-emptive basis of any shares held in treasury). This number represents approximately 5 per cent of the Company's issued share capital as at 31 October 2016, being the last practicable date prior to publication of this Notice.

Resolution 13 also seeks a disapplication of pre-emption rights on a rights issue, so as to allow the Directors to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise.

The authority set out in this resolution will expire at the end of the next Annual General Meeting of the Company or at close of business on 31 December 2017, whichever is sooner.

On 12 March 2015, the Pre-Emption Group ("PEG") issued a revised Statement of Principles ("2015 Statement of Principles"). This stated that, in addition to previous standard annual disapplication of pre-emption rights up to a maximum equal to 5 per cent, the PEG was also supportive of extending the general disapplication authority by an additional 5 per cent for certain purposes.

Resolution 14 seeks a separate and additional authority to dis-apply pre-emption rights in respect of the issue of new ordinary shares with an aggregate nominal value of £157,474 (representing an additional 5 per cent of the issued ordinary share capital of the Company as at 31 October 2016, being the last practicable date prior to publication of this Notice, provided that those ordinary shares are issued in pursuance of a specified purpose. The Directors confirm, in accordance with the 2015 Statement of Principles, that they will only allot shares pursuant to the authority referred to in Resolution 14, where the allotment is in connection with an acquisition or specified capital investment, which is announced contemporaneously with the allotment. Where the authority granted under Resolution 14 is used, the circumstances that have led to its use and the consultation process undertaken will be disclosed by the Company in its next Annual Report.

In addition the Board will not (save under its authority conferred by Resolution 14) allot shares for cash on a non-pre-emptive basis pursuant to the authority in Resolution 12 in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company, excluding treasury shares, within a rolling three-year period, without prior consultation with the Company's shareholders.

The Directors have no present intention of issuing new shares other than (a) pursuant to employee share plans and (b) under its existing obligations to issue and allot ordinary shares under the Lihobong Diamond Mine financing arrangements previously disclosed to shareholders, but the Directors consider that the authority sought is appropriate as it provides the Company with the necessary flexibility to take advantage of business opportunities as they arise.

At the date of this Notice the Company does not hold any treasury shares.

Resolution 15: Approval of the Restricted Share Plan ("RSP")

One of the major risks identified by the Company is the attraction and long-term retention of key managers and other employees who perform well within the Company. The Directors propose the adoption of the Restricted Share Plan which will assist the Company in addressing this risk by attracting and retaining key skills.

The Plan is a discretionary benefit offered by the Company to incentivise its senior employees and key managers. Its main purpose is to align the interest of the employees, through share ownership, to the Company's long-term business goals. The Plan is intended to act as a retention and reward mechanism for key individuals within the Group. Share awards will be capped at a maximum of 4 per cent of the issued share capital of the Company and will vest in equal tranches over a three-year period. The recipients of the awards will be required to maintain above average performance, meeting all of their individual targets to ensure that awards vest during the three-year period.

INFORMATION FOR SHAREHOLDERS

Appointment of proxies

1. A shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak and vote instead of him or her. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the enclosed Form of Proxy are set out in the notes to the Form of Proxy. A proxy need not be a shareholder of the Company but must attend the meeting in person.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please refer to Capita Asset Services 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 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
3. To be effective, the Form of Proxy, together with the original of any power of attorney or other written authority under which it is signed, must be completed, signed and deposited with Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10:30 a.m. on 6 December 2016 (or if the meeting is adjourned, not less than 48 hours before the time of any adjourned meeting (excluding non-working days)). In the case of a company, the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the company.
4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution. However it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
7. To change your proxy instructions simply submit a new proxy appointment using the methods set out in this Notice. Note that the cut-off time for receipt of proxy appointments (see above at paragraph 3) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services 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 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

In order to revoke a proxy instruction, a member will need to inform the Company by sending a notice in writing to the address set out at note 3 or, where the appointment of proxy was contained in an electronic communication, in accordance with note 11, as applicable, clearly stating the member's intention to revoke his or her proxy appointment. In the case of a member that is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company, together with the authority (if any) under which it is signed or a notarially certified copy of such authority.

The revocation notice must be received by Capita Asset Services or, where the appointment of proxy was contained in an electronic communication, in accordance with note 11, as applicable, no later than 10:30 a.m. on 6 December 2016, or by no later than 48 hours prior to the time appointed for the holding of any adjourned Annual General Meeting. If a member attempts to revoke a proxy appointment but the revocation is received after the time specified, then, unless the member attends the Annual General Meeting in person (or in the case of a corporation that is a member, by the corporate representative) in respect of shares for which a proxy has been appointed, the proxy appointment will remain valid.

INFORMATION FOR SHAREHOLDERS continued

Entitlement to attend and vote

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered on the register of members of the Company as at close of business on 6 December 2016 or, if the Annual General Meeting is adjourned, on the register of members not less than 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that relevant time. Changes to entries on the register of members after close of business on 6 December 2016 or, if the Annual General Meeting is adjourned, on the register of members not more than 48 hours before the time of any adjourned meeting, will be disregarded in determining the right of any person to attend and vote at the meeting.
9. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Electronic Proxy appointment through CREST

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and 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 for them.
12. To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted and received by Capita Asset Services (Participant ID "RA10") by 10:30 a.m. on 6 December 2016 (or if the meeting is adjourned, not less than 48 hours before the time of any adjourned meeting (excluding non-working days)). The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Asset Services 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.
13. CREST members and, where applicable, CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply 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 ensure that his CREST sponsor or voting service provider(s) take(s)) the necessary action to ensure that a message is transmitted by means of the CREST system by a particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
15. As at 31 October 2016 (being the last business day prior to the publication of this Notice) the Company's issued share capital comprised 314,948,244 ordinary shares of 1p each carrying one vote each, 7,079,649,109 deferred shares of 1p each and 308,992,814 B deferred shares of 9p each which do not carry voting rights. Therefore, the total voting rights in the Company as at 31 October 2016 are 314,948,244.

Communication

16. Shareholders (and any proxies or representatives they appoint) agree, by attending the meeting, that they are expressly requesting and that they are willing to receive any communications (including communications relating to the Company's securities) made at the meeting.
17. Except as provided above, shareholders who have general queries about the meeting should contact Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. You may not use any electronic address provided either in this Notice of Annual General Meeting or any related document (including the Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.
18. Copies of the service contracts of the executive directors and the letters of appointment of the non-executive directors are available for inspection at the Company's registered office during normal business hours from the date of dispatch of this notice until the end of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will also be available at the place of the Annual General Meeting for at least 15 minutes before and during the meeting.

APPENDIX TO NOTICE OF AGM

Summary of the Principal Terms of the Firestone Diamonds plc Restricted Share Plan ("RSP")

Operation

The Remuneration Committee of the Board of directors of the Company (the "Committee") will supervise the operation of the RSP.

Eligibility

Any employee (including an executive director) of the Company and any of its subsidiaries will be eligible to participate in the RSP at the discretion of the Committee.

Grant of awards

The Committee may grant an award in one of two forms:

- (i) conditional allocation, where a participant will receive free ordinary shares in the Company ("Shares") on the vesting of his/her award; or
- (ii) nil or nominal cost options, where a participant can decide when to exercise his/her award over Shares during a limited period of time after it has vested.

The Committee may choose to partially settle awards in cash if this facilitates the easier collection of applicable taxes or is otherwise administratively simpler.

The Committee may normally grant awards within the period of 42 days following the Company's announcement of its results for any period. The Committee may also grant awards within six weeks of the approval of the RSP by shareholders or when there are exceptional circumstances which the Committee considers justifies the granting of awards.

No awards will be granted after 7 December 2026, being ten years after the 2016 Annual General Meeting.

No payment will be required for the grant of an award. Awards are not transferable (other than to the participant's personal representatives in the event of death). Awards are not pensionable.

Overall RSP limits

The RSP may operate over newly issued Shares, treasury Shares or Shares purchased in the market.

The Company may not issue (or have the possibility to issue) more than 10% of the issued ordinary share capital of the Company in respect of awards made in any period of 10 years under the RSP and any other employee share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of this limit but they will also cease to count towards this limit if institutional investor bodies decide that they need not count.

Vesting of awards

Vesting for any award (or tranche of an award) will normally be dependent upon the participant's continued employment as a director or employee in the Company's group.

No part of any award will vest for a participant if his performance is not regarded as satisfactory by the Company's Board.

Leaving employment

The Committee may, at its discretion, permit or require awards to vest at the time of cessation of employment.

In either case, vesting will be subject to confirmation of continued satisfactory performance by an individual participant and there will also be a pro-rata reduction in the size of the award for the time that has elapsed up to the date of cessation compared to the original vesting period of the Award (or the relevant tranche) unless the Committee determines that it would be inappropriate to apply a pro-rata reduction.

Corporate events

In the event of a change of control of the Company, all unvested RSP awards will vest at the time of the event. Vesting will be subject to confirmation of continued satisfactory performance by an individual participant.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on the same basis as described above.

Awards may also vest on the same basis if a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of the Shares to a material extent.

Participants' rights

Awards will not confer any shareholder rights on participants until the awards have vested and the participants have received their Shares.

When awards vest, Participants will receive a payment of a number of additional Shares which are equivalent to any dividends that would have been paid on the Shares vesting under the awards, and assuming reinvestment of these dividends in Shares on the relevant dividend payment dates between the time when the awards were granted and the time when the awards vest.

Rights attaching to Shares

Any Shares allotted when an award vests will rank equally with all other Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, payment of a special dividend or other similar event which materially affects the market price of the Shares, the Committee may make certain adjustments to the number of Shares subject to an award.

Malus and Clawback

The Committee retains the power to reduce the potential vesting of unvested awards (including to zero) (often referred to as malus) or to recoup the value of previously vested awards from an individual within 3 years of vesting if it considers it appropriate to do so (often referred to as clawback). The Committee may choose to exercise this power in circumstances which the Committee considers to be:

- a material misstatement of financial results for any period;
- individual misconduct; or
- any other circumstances having a sufficiently significant impact on the reputation of the Company or of any Group Member to justify the operation of malus and/or clawback.

Alterations to the RSP

The Committee may, at any time, amend the provisions of the RSP in any respect, provided that the prior approval of shareholders must be obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, the overall limits on the issue of Shares or the transfer of Shares held in treasury, the basis for determining a participant's entitlement to an award and the rights attaching to an award, the adjustment of awards on a variation of capital or similar event or the rule relating to alterations to the RSP rules.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the RSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

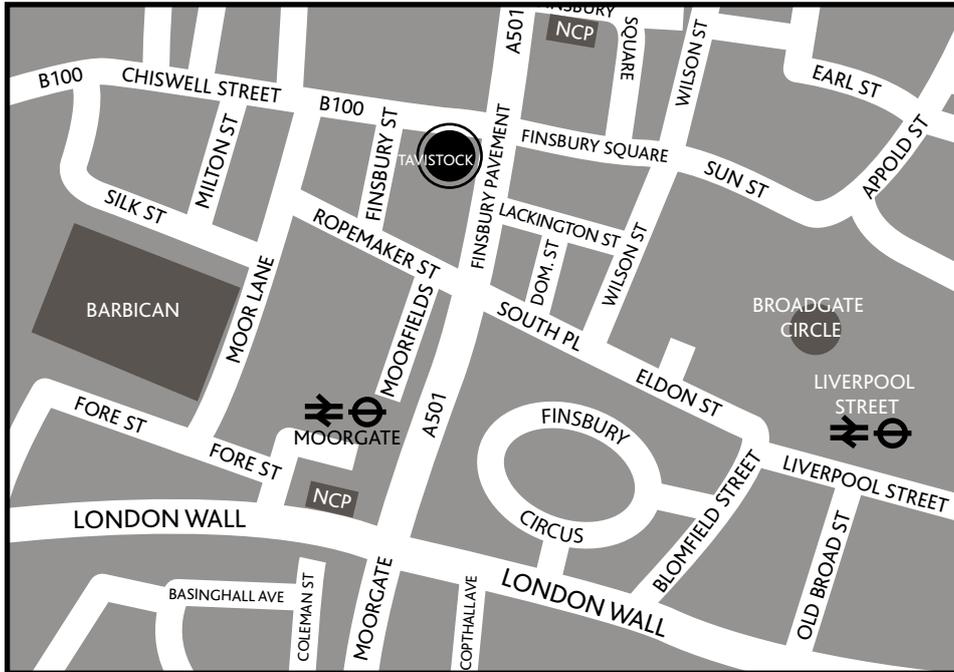
Overseas plans

The Board may at any time without further shareholder approval establish further plans in overseas territories, any such plan to be similar to the RSP, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the RSP.

INFORMATION ABOUT ATTENDING THE ANNUAL GENERAL MEETING

The 2016 Annual General Meeting is being held on Thursday, 8 December 2016 at 10:30 a.m. at the offices of Tavistock Communications, 131 Finsbury Pavement, London EC2A 1NT.

How to get there



Directions

The offices of Tavistock Communications are a short walk from Moorgate or Barbican tube stations. The nearest National Rail station is Liverpool Street. There is also an NCP Car Park in nearby Finsbury Square.

Security

Please note that for security reasons, all hand luggage may be subject to examination prior to entry to the Annual General Meeting. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with the potential to cause disorder and such other items as the Chairman may specify.

Persons who are not shareholders of the Company will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company. Investors holding shares through nominees are welcome to attend provided that they bring proof of their holding with them to the Annual General Meeting.