

# Shanks Group plc

(incorporated and registered in Scotland under  
the Companies Act 1985 with registered number SC077438)

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## Notice of Annual General Meeting

23 July 2015

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to any matter referred to in this document or as to the action you should take, you should seek your own personal financial advice from a stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not resident in the United Kingdom, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your shares in Shanks Group plc, please pass this document, but not the accompanying personalised proxy form, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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## AGM Venue – Broadwalk House, 5 Appold Street, London EC2A 2HA



## Directions

### London Underground

The nearest underground is Liverpool Street Station, served by the Circle, Central, Metropolitan and Hammersmith & City lines. Moorgate Station, west of Liverpool Street, is served by the Northern Line

### Liverpool Street mainline

Liverpool Street Station is served by stations to the north and north east of London.

Leave Liverpool Street station (mainline and underground), making your way to Bishopsgate. Turn left when you reach Bishopsgate, and walk for about 200 metres, turn left onto Primrose Street and continue until you arrive at Appold Street. Turn right onto Appold Street. Broadwalk House is a six-storey terracotta coloured building immediately on the right-hand side. The entrance is on the corner of Primrose and Appold Street.



Dear Shareholder,

**Notice of Annual General Meeting**

I am pleased to be writing to you with details of our AGM, which we are holding at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on Thursday, 23 July 2015 at 11.00am. The notice of the AGM is set out on pages 2 and 3 of this document.

At the AGM all votes will be taken by way of a poll rather than on a show of hands. This means that the votes of all shareholders count, whether they attend the meeting or not. It is intended that the results of the poll will be announced to the London Stock Exchange and published on the Company's website by 6.00pm on 23 July 2015. Polling cards will be issued on registration to those attending the meeting.

If you would like to vote on the resolutions to be considered at the AGM, but cannot attend the meeting, then you can appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting by completing the proxy form sent to you with this circular and returning it to our Registrar by post at the address stated on the form. They must receive it by 11.00am on Tuesday, 21 July 2015 in order for it to be valid. Alternatively, you may vote or appoint a proxy electronically at the Registrar's website, [www.eproxyappointment.com](http://www.eproxyappointment.com), provided that they receive your voting or proxy instructions by 11.00am on Tuesday, 21 July 2015. Shareholders holding shares in CREST may appoint a proxy through the CREST system in accordance with the instructions set out in note 5 on page 9 of this document.

The Shanks Group plc Annual Report and Accounts for the year ended 31 March 2015 and a copy of this circular have been published on the Company's website at [www.shankspc.com/agm2015](http://www.shankspc.com/agm2015). To access these documents you will need to have Adobe Acrobat Reader installed. If you have elected to receive shareholder correspondence in hard copy form then you will have received a copy of the Annual Report and Accounts with this circular. Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual Report and Accounts or notice of AGM, you can do so by contacting our Registrar, Computershare, on Tel: 0870 707 1290 or by writing to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY.

Resolutions 1 to 14 and 18 will be 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 15 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.

Shareholders are being asked to approve the introduction of the Shanks Group plc 2015 Sharesave Scheme at Resolution 18. Subject to shareholder approval, this scheme will replace the Shanks Group plc Savings-Related Share Option Scheme 2005 which will expire on 28 July 2015. The Scheme is an all-employee share plan which enables employees of the Group to acquire shares in the Company using monies saved from salary over a three or five year period. The Board believes that the Scheme will have the effect of aligning the interests of employees and shareholders in the long-term growth and development of the Company.

The notes starting on page 5 provide an explanation of all the resolutions to be considered at the AGM.

**Recommendation**

The Board considers that all the resolutions to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and recommend you give them your support by voting in favour of the resolutions as the directors intend to do themselves in respect of their own holdings.

Yours faithfully

**Adrian Auer**  
Group Chairman  
12 June 2015

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# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shanks Group plc (the 'Company') will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on Thursday, 23 July 2015 at 11.00am to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 14 and 18 will be proposed as ordinary resolutions and resolutions 15 to 17 will be proposed as special resolutions. Voting on each resolution will be by way of a poll.

## ORDINARY RESOLUTIONS

### Resolution 1

To receive and adopt the Company's audited accounts for the year ended 31 March 2015 together with the Strategic, Directors' and Auditors' reports therein.

### Resolution 2

To approve the Annual Report on Directors' Remuneration for the year ended 31 March 2015, other than the part containing the Directors' Remuneration Policy.

### Resolution 3

To declare a final dividend of 2.35 pence per ordinary share for the year ended 31 March 2015.

### Resolution 4

To re-elect Mr Adrian Auer as a director of the Company.

### Resolution 5

To re-elect Mr Eric van Amerongen as a director of the Company.

### Resolution 6

To re-elect Mr Jacques Petry as a director of the Company.

### Resolution 7

To re-elect Dr Stephen Riley as a director of the Company.

### Resolution 8

To re-elect Ms Marina Wyatt as a director of the Company.

### Resolution 9

To re-elect Mr Peter Dilnot as a director of the Company.

### Resolution 10

To re-elect Mr Toby Woolrych as a director of the Company.

### Resolution 11

To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid.

### Resolution 12

To authorise the Audit Committee to determine the remuneration of the Company's auditors.

### Resolution 13

THAT in accordance with section 366 of the Companies Act 2006 (the 'Act') the Company and its subsidiaries be and are hereby authorised:

- (a) to make political donations to political parties, political organisations and/or independent election candidates, not exceeding £25,000 in total; and
- (b) to incur political expenditure, not exceeding £25,000 in total, during the period beginning on the date of the passing of this resolution and ending on the earlier of 18 months from the date of this resolution or the conclusion of the Company's Annual General Meeting to be held in 2016. For the purpose of this resolution 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 Act.

### Resolution 14

THAT:

- (a) the Board of directors of the Company (the 'Board') be and it is hereby generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £13,261,980 provided that this authority shall expire on the earlier of 30 September 2016 or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Board may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired; and further
- (b) the Board be and it is hereby generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of ordinary shareholders on the register of members on such record dates as the Board may determine where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record dates (subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or the requirements of any regulatory body or stock exchange in any territory or by virtue of shares being represented by depositary receipts or any other matter whatsoever),

up to an aggregate nominal amount of £13,261,980 provided that this authority shall expire on the earlier of 30 September 2016 or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

## SPECIAL RESOLUTIONS

### Resolution 15

THAT, subject to the passing of Resolution 14 set out in the notice of the Annual General Meeting of the Company convened for 23 July 2015, the Board of Directors of the Company (the 'Board') be and is hereby generally empowered, pursuant to sections 570(1) and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred on the Board by such Resolution 14 or by way of a sale of treasury shares (within the meaning of section 560(3) of the Act), as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:

(a) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authority granted under Resolution 14(b), by way of rights issue only) in favour of holders of ordinary shares (excluding any holder holding shares as treasury shares) on the register of members of the Company on a date fixed by the Board where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as practicable) to the respective numbers of ordinary shares held by them on that date (and holders of any other class of equity securities entitled to participate therein or if the Board of Directors consider it necessary, as permitted by the rights of those securities) subject to such exclusions or other arrangements as the Board deem necessary or expedient:

- (i) to deal with equity securities representing fractional entitlements;
- (ii) to deal with treasury shares; and/or
- (iii) to deal with legal, regulatory or practical problems arising under the laws or the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever; and

(b) in the case of the authority granted under Resolution 14(a) above (or in the case of any sale of treasury shares) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £3,978,594; but so that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the earlier of 30 September 2016 or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this authority and the Board may allot equity securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

### Resolution 16

THAT 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) of ordinary shares of 10 pence each in the capital of the Company ('ordinary shares') on such terms as the directors of the Company may determine provided that:

- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased shall be 39,785,941 ordinary shares;
- (b) the maximum price that may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased, and the minimum price that may be paid for an ordinary share is an amount equal to the nominal value of the share (in each case exclusive of associated expenses); and
- (c) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of 30 September 2016 or at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, but a contract of purchase may be made before such expiry which will or may be completed wholly or partly thereafter, and a purchase of ordinary shares may be made in pursuance of any such contract.

### Resolution 17

THAT a general meeting of the Company (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 after the passing of this resolution.

## ORDINARY RESOLUTION

### Resolution 18

THAT the Shanks Group plc 2015 Sharesave Scheme (the "Scheme"), the principal features of which are summarised in the Appendix to this notice, be approved and established and the directors of the Company be authorised to do all acts and things which they may consider necessary or desirable to bring the Scheme into effect and to adopt the Scheme with such modifications as they may consider necessary or desirable to bring it into effect, to enable the Company to self-certify the Scheme as a scheme meeting the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 and/or to take account of the requirements of the UK Listing Authority and best practice.

By order of the Board

**Philip Griffin-Smith**  
Company Secretary  
12 June 2015

Registered Office:  
16 Charlotte Square  
Edinburgh  
EH2 4DF

Registered in Scotland No. SC077438

## Biographies of those Directors Standing for Re-election

### **Adrian Auer**, BA, MBA, ACT Group Chairman

**Appointed:** May 2005 and appointed Chairman in July 2006. Chairman of the Nomination Committee and member of the Remuneration Committee.

**Skills and Experience:** Adrian has held the position of Finance Director in a number of major companies, notably in the building materials and construction sectors, as well as senior finance positions with BP and ICI. He is Chairman of Addaction, Britain's largest specialist drug and alcohol treatment charity.

Adrian is considered by the Board to be independent.

### **Eric van Amerongen** Senior Independent Director

**Appointed:** February 2007 and appointed as Senior Independent Director in July 2007. Chairman of the Remuneration Committee and member of the Audit and Nomination Committees.

**Skills and Experience:** Eric has wide ranging European business experience, including in the telecoms, defence and publishing sectors. He holds a number of non-executive and advisory positions. Until January 2008 Eric was a non-executive director of Corus Group plc, a position he held for seven years.

Eric is considered by the Board to be independent.

**Other Appointments:** Vice Chairman of the Supervisory Boards of BT Nederland BV and Thales Nederlands BV and also Supervisory Board Member of ANWB BV, Royal Wegener NV and Essent NV.

### **Jacques Petry**, MBA Non-executive Director

**Appointed:** September 2010. Member of the Audit, Remuneration and Nomination Committees.

**Skills and Experience:** Jacques is currently Chairman and CEO of energy provider, Albioma. He was Chairman and Chief Executive of SITA and its parent company Suez Environnement. In 2005 he was appointed Chief Executive of Sodexo Continental Europe and South America. Since 2007 he has advised corporate and financial sponsors, specialising in Infrastructure and Environmental Services investments worldwide. He has extensive international non-executive and executive experience.

Jacques is considered by the Board to be independent.

### **Stephen Riley**, B Eng, PhD Non-executive Director

**Appointed:** March 2007. Member of the Audit, Remuneration and Nomination Committees.

**Skills and Experience:** Stephen is currently the CEO and President, GDF SUEZ Energy UK-Turkey. He has responsibility for European plant operations, finance, energy trading and business development. He is a chartered engineer and joined International Power in 1985, holding senior positions in two UK power stations before being appointed Managing Director of their Australian operations in 2000. From January 2004 to February 2011 he was a director of International

Power plc, resigning from that Board following the amalgamation of International Power and GDF SUEZ Energy International.

Stephen is considered by the Board to be independent.

### **Marina Wyatt**, MA, FCA Non-executive Director

**Appointed:** April 2013. Chair of the Audit Committee and member of the Remuneration and Nomination Committees.

**Skills and Experience:** Marina is a Fellow of the Institute of Chartered Accountants and is currently the Chief Financial Officer and a Member of the Management Board at TomTom NV. Following nine years with Arthur Andersen in London and the US she then joined Psion Plc as its Group Controller and became Group Finance Director in 1996. In 2002 Marina was appointed Chief Financial Officer of Colt Telecom Plc and joined TomTom as its Chief Financial Officer in 2005. Marina will be leaving TomTom at the end of July 2015 to take up the position of Chief Financial Officer and Executive Director of UBM plc, a global events and communications company, in September 2015.

Marina is considered by the Board to be independent.

**Other Appointments:** Supervisory Board member of Lucas Bols NV

### **Peter Dilnot**, B.Eng Group Chief Executive

**Appointed:** February 2012.

**Skills and Experience:** Prior to joining Shanks, Peter was a senior executive at Danaher Corporation, a leading global industrial business listed on the NYSE. He held a number of progressive general management roles including President Danaher Middle East, Group President Emerging Markets, and President EMEA and Asia of its Gilbarco Veeder-Root subsidiary. Before Danaher, Peter spent seven years at the Boston Consulting Group (BCG) in London and Chicago, working with industrial and pharmaceutical clients and was a leader in BCG's global Sales & Marketing Practice. Peter's earlier career after graduating from RMA Sandhurst was spent as an officer in the British Armed Forces. He originally trained as an Army helicopter pilot and saw active service with both NATO and the UN.

### **Toby Woolrych**, MA, ACA Group Finance Director

**Appointed:** August 2012.

**Skills and Experience:** Toby began his career at Arthur Andersen where he qualified as a Chartered Accountant before becoming Finance Director of Medicom International Ltd, a medical publishing company, in 1992. He joined Johnson Matthey plc as Corporate Development Manager in 1997, going on to become Divisional Finance Director and then Managing Director of one of Johnson Matthey's global specialty chemicals business units. From 2005 to 2008 he was the Chief Financial Officer and Chief Operating Officer at Acta SpA, a renewable energy company, before joining Consort Medical plc as Finance Director.

# Explanatory Notes on the Resolutions

## Reports and Accounts (Resolution 1)

Shareholders are being asked to receive the audited accounts of the Group for the year ended 31 March 2015 together with the associated Strategic, Directors' and Auditors' Reports.

## Directors' Remuneration Report (Resolution 2)

This resolution seeks shareholder approval for the Annual Statement by the Chairman of the Remuneration Committee and the Annual Report on Remuneration which can be found on pages 77 to 91 of the Annual Report and Accounts 2015. The Annual Report on Remuneration on page 84 gives details of the implementation of the Company's current Remuneration Policy in terms of payments and share awards made to directors in connection with their performance and that of the Company during the year ended 31 March 2015. This vote is advisory and directors' entitlement to receive remuneration for the period to 31 March 2015 is not conditional upon it. The Company's Remuneration Policy was approved by shareholders at the AGM in 2014 and will next be submitted for approval at the AGM to be held in 2017, at the latest.

The Company's auditors during the year, PricewaterhouseCoopers LLP, have audited those parts of the Directors' Remuneration Report that are required to be audited and their report may be found on pages 96 to 101 of the Annual Report and Accounts 2015.

## Final dividend (Resolution 3)

Shareholders are being asked to approve a final dividend of 2.35 pence per ordinary share for the year ended 31 March 2015. If so approved, the final dividend will be paid on 31 July 2015 to all shareholders who were on the register of members on 3 July 2015.

## Re-election of directors (Resolutions 4 to 10)

All non-executive directors of the Company are required under the Company's Articles of Association to seek annual re-election at each AGM. Any director appointed during the year is also required to stand for election at their first AGM. However, in accordance with best corporate governance practice, the full Board, including the executive directors, will retire at the AGM and offer themselves for re-election. Biographical details of each director are set out in the Annual Report and Accounts 2015 and on page 4 of this document. Following performance evaluation, the Board recommends to shareholders the re-election of these directors, all of whom continue to demonstrate commitment to their respective roles and all of whose individual performance continues to be effective. The Board also considers each of the non-executive directors to be independent.

## Re-appointment of Auditors and Auditors' remuneration (Resolutions 11 and 12)

The Company is required to appoint auditors at each general meeting at which accounts are presented to shareholders and PricewaterhouseCoopers LLP have indicated their willingness to continue in office. Accordingly, shareholders are being asked to re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the

Company. Shareholders are also being asked to authorise the Audit Committee to determine the remuneration of the Company's auditors.

## Political donations (Resolution 13)

In accordance with the Companies Act 2006 (the 'Act'), a company may not make a political donation or incur political expenditure unless it has been authorised by ordinary resolution or the political donation does not exceed £5,000 when aggregated with all Group political donations in the past 12 months. Whilst it remains the Company's policy not to make political donations or to incur political expenditure, the terms 'political donation', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' are widely defined in the Act, and it is possible that the definitions may include activities that the Company might carry on in the ordinary course of its business, such as participation in functions attended by politicians or participation in review of Governmental policy or law reform. Therefore, in common with other companies, the Company is seeking shareholder approval, on a precautionary basis and to avoid unwitting contravention of the Act, to incur a level of expenditure to cover these activities. Any donations made, or expenditure incurred, under the authority will be disclosed in the Company's next Annual Report and Accounts.

## Authority to allot shares (Resolution 14)

The directors may not allot new shares in the Company unless authorised by shareholders in a general meeting. Paragraph (a) of Resolution 14 will authorise the directors to allot up to 132,619,805 ordinary shares having an aggregate nominal value equal to £13,261,980 representing approximately 33.33% of the Company's issued ordinary share capital as at 10 June 2015 (being the latest practicable date prior to the publication of this circular).

In line with guidance issued by the Investment Association, paragraph (b) of Resolution 14 will authorise the directors to allot up to a further 132,619,805 ordinary shares in connection with a rights issue having an aggregate nominal value equal to £13,261,980 representing approximately 33.33% of the Company's issued ordinary share capital as at 10 June 2015 (being the latest practicable date prior to the publication of this circular).

The authorities sought under Resolution 14 will expire on the earlier of 30 September 2016 (being the latest date by which the Company must hold its AGM in 2016) or the conclusion of the AGM held in 2016. The directors do not have any plans at present to issue new shares other than in satisfaction of the exercise of options or awards granted under the Company's employee share schemes.

## Disapplication of statutory pre-emption rights (Special Resolution 15)

If the directors wish to allot new shares for cash, the Act states that the new shares must be offered first to existing shareholders in proportion to their existing shareholdings. An offer of this type is called a 'pre-emptive offer' and a shareholder's entitlement to be offered the new shares is known as a 'pre-emption right'. For legal, regulatory

and practical reasons, however, it might not be possible or desirable for new shares allotted by means of a rights issue or other pre-emptive offer to be offered to certain shareholders, particularly those resident overseas.

Furthermore, it might in some circumstances be in the Company's interests for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders. To enable this to be done, shareholders' statutory pre-emption rights must be disapplied. Accordingly Resolution 15 will empower the directors to allot a limited number of new equity securities without shareholders' statutory pre-emption rights applying to such allotment.

Paragraph (a) of Resolution 15 will confer authority on the directors to make any arrangements that may be necessary to deal with any legal, regulatory or practical problems arising on a rights issue, an open offer or any other pre-emptive offer in favour of ordinary shareholders, for example, by excluding certain overseas shareholders from such issue or offer.

Paragraph (b) of Resolution 15 will disapply shareholders' statutory pre-emption rights by empowering the directors to allot shares for cash on a non pre-emptive basis but only new shares having a maximum aggregate nominal value of £3,978,594, representing approximately 10% of the Company's issued ordinary share capital as at 10 June 2015 (being the latest practicable date prior to the publication of this notice). The authority under Resolution 15 would also cover the sale of treasury shares for cash.

Resolution 15 is in line with institutional shareholder guidance. The figure of ten per cent (increased from five per cent last year) reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the "Statement of Principles"). The directors will have due regard to the Statement of Principles in relation to any exercise of this power, in particular they do not intend to allot shares for cash on a non pre-emptive basis pursuant to this power, in excess of an amount equal to 5 per cent of the total issued ordinary share capital of the Company excluding treasury shares; other than in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles from time to time) which is announced contemporaneously with the allotment, or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

The authorities sought under Resolution 15 will expire on the earlier of 30 September 2016 (being the latest date by which the Company must hold its AGM in 2016) or the conclusion of the AGM held in 2016.

#### **Purchase of own shares (Special Resolution 16)**

The Act permits a company to purchase its own shares provided the purchase has been authorised by shareholders in a general meeting. Resolution 16, if passed, would give the Company the authority to purchase any of its own issued ordinary shares at a price of not less than 10 pence per share and not more than 5% above the average of the middle market quotations of the Company's ordinary shares as shown on the London Stock Exchange Daily Official List for the five dealing days before any purchase is made. The authority will enable the purchase of up to a maximum of approximately 10% of the Company's ordinary share capital in issue at the date of the AGM, and will expire at the conclusion of the next AGM or on 30 September 2016, whichever is the earlier. The directors' present intentions

are that, in certain circumstances, it may be advantageous for such purchases to be made if they believe that they are generally in the best interests of shareholders and (except in the case of purchases intended to satisfy obligations under share schemes) the expected effect of any purchase would be to increase earnings per share of the remaining ordinary shares.

The directors would only exercise this buy back authority after careful consideration, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels, the expected effect on the return on embedded value and the overall financial position of the Company. Purchases would be financed out of distributable profits and shares purchased would either be cancelled (and the number of shares in issue reduced accordingly) or held as treasury shares. As at 10 June 2015 there were options and LTIP awards over 12,993,741 ordinary shares in the capital of the Company which represented approximately 3.27% of the Company's issued ordinary share capital at that date.

If the authority to purchase the Company's ordinary shares were exercised in full, those options and awards would represent approximately 3.63% of the Company's issued ordinary share capital as at 10 June 2015. As at 12 June 2015, the Company did not hold any treasury shares and there were no warrants over ordinary shares in the capital of the Company.

#### **Notice of general meetings (Special Resolution 17)**

Under the Act all general meetings of the Company must be held on 21 clear days' notice unless shareholders agree to a shorter notice period on an annual basis and certain other conditions are met. The Company is currently able to call general meetings (other than AGMs) on 14 clear days' notice. The Board is proposing Resolution 17 as a special resolution at the AGM so that the Company can continue to be able to convene general meetings other than AGMs on 14 clear days' notice. The Board intends that this shorter notice period would not be used as a matter of routine, but would only be used where the flexibility was justified by the business of the meeting and it would be to the advantage of shareholders as a whole. If Resolution 17 is passed, the authority to convene general meetings on 14 clear days' notice will remain effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The notice period for AGMs will remain 21 clear days.

#### **Shanks Group plc 2015 Sharesave Scheme (the 'Scheme') (Resolution 18)**

Shareholders are being asked to approve the introduction of a new scheme in replacement of the existing one which reaches its tenth anniversary expiry date this year. A summary of the principal terms of the Scheme is provided in the Appendix on the following pages.



# APPENDIX

## Summary of the Shanks Group plc 2015 Sharesave Scheme (the “Scheme”)

This summary does not form part of the Scheme and should not be taken as affecting the interpretation of its rules.

### General

The Scheme is a savings-related share option scheme which will replace the existing savings-related share option scheme which expires on 28 July 2015. The Scheme will be notified to HMRC under Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 in order to provide UK tax-advantaged benefits to UK employees. The Scheme will be administered by the Board.

### Eligibility

Any employee (including an executive director) of the Company or any participating member of the Group who is a UK taxpayer is eligible to participate in the Scheme. Participation may be subject to the Board requiring eligible employees to have completed a qualifying period of employment of up to 5 years.

### The savings contract

To participate in the Scheme, an employee must enter into a savings contract with an appropriate savings carrier under which they agree to make aggregate monthly savings between (and including) the statutory minimum and maximum (£5 and £500 per month respectively or such other amounts as may from time to time be permitted under the savings contract), or any other lesser maximum specified by the Board, for a specified savings period of three or five years. The Board has discretion to determine which savings contract will be available in respect of any invitation to apply for the grant of options. A bonus determined by HMRC may be payable after the expiration of the savings period.

### Timing of invitations

Invitations to participate in the Scheme will only be issued within 42 days after (i) the date on which the Scheme is approved by shareholders, (ii) the announcement of the Company's results for any period, (iii) the date on which any change to the legislation affecting savings-related option schemes takes effect, or (iv) the date on which a new savings contract prospectus is announced or takes effect. Invitations may also be issued at any other time at which the Board determines that there are exceptional circumstances which justify the grant of options.

### Grant of options

Options can only be granted under the Scheme to employees who have entered into a savings contract which is an HMRC-approved savings contract.

Options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set.

The number of shares under option is equal to that number of shares which may be acquired at the option price with the proceeds of the savings contract (including any bonus) at maturity. The Board may impose a limit on the number of shares over which options may be granted in which case applications from employees may be scaled down.

### Exercise price

The option exercise price per share will be the market value of a share when invitations to participate in the Scheme are issued less a discount of up to 20 per cent (or, in the case of an option to subscribe, the nominal value of a share if higher). Market value is determined as the middle market quotation of a Share as derived from the Daily Official List of the London Stock Exchange on the last dealing day before invitations to participate in the Scheme are sent out or, if the Board so decides, the average of the middle market quotations over the three dealing days preceding that date.

### Exercise and lapse of options

In normal circumstances, an option may be exercised within six months following the date on which a bonus is payable under the savings contract (the “Maturity Date”) and any option not exercised within that period will lapse.

An option may be exercised earlier than the Maturity Date, for a limited period, on the death of a participant or on his ceasing to hold office or employment with the Group by reason of injury, disability, redundancy, retirement, the sale or transfer out of the Group of his employing company or business or provided the option was granted more than three years previously, for any other reason.

Except where stated above, options will lapse on cessation of employment.

Options may be satisfied by the issue of new shares or by the transfer of existing shares, either from treasury or otherwise.

### Limit on issue of new shares

The Scheme may operate over new issue shares, treasury shares or shares purchased in the market. However, no option may be granted under the Scheme if, as a result, the aggregate number of shares issued or committed to be issued pursuant to grants made under the Scheme and during the previous ten years under all other employee share schemes established by the Company would exceed ten per cent. of the issued ordinary share capital of the Company on that date.

Treasury shares will count as shares issued or committed to be issued while institutional investor guidelines require this.

### Alterations of share capital

In the event of any variation in the share capital of the Company, adjustments to the number of shares subject to options and the exercise price may be made by the Board in such manner and with effect from such date as the Board may determine to be appropriate, provided always that any such adjustment complies with the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003.

### Takeovers, reconstructions and liquidations

Rights to exercise options early for a limited period also arise if another company acquires control of the Company as a result of a takeover, compromise or scheme of arrangement. An option may be exchanged for an option

over shares in the acquiring company if the participant so wishes and the acquiring company agrees.

If the Company passes a resolution for a voluntary winding-up, any subsisting option must be exercised within six months of the passing of that resolution, otherwise it lapses.

#### **Voting, dividend and other rights**

Until options are exercised, optionholders have no voting or other rights in respect of the shares subject to their options.

Shares issued or transferred pursuant to the Scheme shall rank *pari passu* in all respects with the ordinary shares of the Company already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise of the option.

Benefits obtained under the Scheme shall not be pensionable.

Options are not assignable or transferable.

#### **Administration and Amendments**

The Scheme will be administered by the Board which may amend it by resolution provided that:

- (a) no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under the Scheme without the prior approval of the majority of the affected participants;
- (b) no alteration shall have effect unless it complies with the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003; and
- (c) prior approval of the Company in general meeting will be required for any amendment to the advantage of participants to those provisions of the Scheme relating to eligibility, the limitations on the number or amount of shares subject to the Scheme, a participant's maximum entitlement or the basis for determining a participant's entitlement under the Scheme and the adjustment thereof in the event of a variation in capital, except in the case of minor amendments to benefit the administration of the Scheme and amendments to take account of changes in legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment of participants or for any member of the Group or to obtain or maintain the status of the Scheme as a scheme meeting the requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003.

#### **Overseas Schemes**

The Board may at any time and without further formality establish further schemes in overseas territories, any such plan to be similar to the Scheme but modified to take account of local tax, exchange control or securities laws, regulation or practice. Shares made available under any such scheme will count against the limit on the number of new shares which may be issued under the Scheme.

#### **Termination**

The Scheme may be terminated at any time by resolution of the Board or of the Company in general meeting and shall in any event terminate on the tenth anniversary of the date on which shareholder approval of the Scheme was approved. Termination will not affect the outstanding rights of participants.

# Notes on the Notice of Meeting and How to Vote

## 1. Attending the AGM in person

If you wish to attend the AGM in person, you should arrive at the venue 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, Computershare Investor Services PLC (the 'Registrar'), prior to admittance.

## 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 AGM. A proxy need not be a member of the Company but must attend the AGM 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 proxy form. 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 Chairman of the AGM) 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, additional proxy forms may be obtained by contacting the Registrar's helpline on Tel: 0870 707 1290\* or members may photocopy their proxy form. A member may instruct their proxy to abstain from voting on any of the resolutions to be considered at the meeting by marking the 'Vote Withheld' option when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' or 'Against' the relevant resolution. The appointment of a proxy will not prevent a member from attending the AGM and voting in person if he or she wishes. 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 9 below.

## 3. Appointment of a proxy online

As an alternative to appointing a proxy using the proxy form or CREST, members can appoint a proxy online at [www.eproxyappointment.com](http://www.eproxyappointment.com). In order to appoint a proxy using this website, members will need their Control Number, Shareholder Reference Number (SRN) and PIN. This information is printed on the proxy form. If for any reason a member does not have this information, they should contact the Registrar on Tel: 0870 707 1290\*. Members may appoint a proxy using the website no later than 48 hours (excluding non-working days) before the time of the AGM or any adjournment of that meeting.

## 4. Appointment of a proxy using a proxy form

A proxy form for use in connection with the AGM is enclosed. To be valid, any proxy form 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 Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later

than 48 hours (excluding non-working days) before the time of the AGM or any adjournment of that meeting. If you do not have a proxy form and believe that you should have one, or you require additional proxy forms, please contact the Registrar on Tel: 0870 707 1290\*.

## 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](http://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 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. 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 number 3RA50) no later than 48 hours (excluding non-working days) before the time of the AGM 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 his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting 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.

## 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 is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

### **7. Corporate representatives**

Any corporation that 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 AGM (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00pm on Tuesday, 21 July 2015 (or, if the AGM is adjourned, at 6.00pm on the day two 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 AGM.

### **9. 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 AGM. 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.

### **10. 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 AGM; or (b) any circumstance 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. 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 auditor not later than the time when it makes the statement available on the website. The business that may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

### **11. Website giving information regarding the AGM**

Information regarding the AGM, including information required by section 311A of the Act, and a copy of this notice of AGM is available from [www.shanksplc.com/agm2015](http://www.shanksplc.com/agm2015)

### **12. Voting rights**

As at 10 June 2015 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 397,859,415 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 10 June 2015 was 397,859,415 votes.

### **13. Notification of shareholdings**

Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the AGM as their proxy will need to ensure that both they, and their proxy, comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

### **14. 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 AGM 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 AGM should contact the Company Secretarial Department by writing to The Company Secretary at Shanks Group plc, Dunedin House, Auckland Park, Mount Farm, Milton Keynes, Buckinghamshire MK1 1BU or by email to Company.Secretary@shanks.co.uk. Any other electronic address provided in this notice or in any related documents (including the accompanying circular and proxy form) should only be used for the purposes expressly stated.

### **15. Documents available for inspection**

Copies of the service contracts of the Company's executive directors and the letters of appointment of the Company's non-executive directors will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the AGM.

Copies of these documents, together with the proposed rules of the Shanks Group plc 2015 Sharesave Scheme will also be available for inspection at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the AGM.

\*Calls from the UK mainland will be charged at your service provider's national rate; different charges may apply to mobile telephones. Calls may be recorded and randomly monitored for security and training purposes.