

Notice of meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice of meeting

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting of Bovis Homes Group PLC will be held at The Spa Hotel, Mount Ephraim, Royal Tunbridge Wells, Kent TN4 8XJ on Friday 16 May 2014 at 12 noon for the following purposes:

Ordinary resolutions

Reports and accounts

1 To receive the audited accounts of the Company for the year ended 31 December 2013 and the reports of the directors and auditors.

Remuneration report

2 To approve the directors' remuneration report (other than the part containing the directors' remuneration policy referred to in resolution 3 below) in the form set out in the Company's annual report and accounts for the year ended 31 December 2013 in accordance with section 439 of the Companies Act 2006.

3 To approve the directors' remuneration policy set out on pages 44 to 48 of the directors' remuneration report, in the form set out in the Company's annual report and accounts for the year ended 31 December 2013, in accordance with section 439A of the Companies Act 2006, to take effect immediately following the Annual General Meeting.

Dividend

4 To declare the final dividend recommended by the directors.

Directors

5 To re-appoint Ian Paul Tyler (appointed since the last Annual General Meeting) as a director of the Company.

6 To re-appoint Alastair David Lyons as a director of the Company.

7 To re-appoint John Anthony Warren as a director of the Company.

8 To re-appoint David James Ritchie as a director of the Company.

9 To re-appoint Jonathan Stanley Hill as a director of the Company.

Auditors

10 To re-appoint KPMG LLP as auditors of the Company.

11 To authorise the directors to determine the remuneration of the auditors.

Authority to allot shares

12 That the directors be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company pursuant to section 551 of the Companies Act 2006 ("the 2006 Act"):

(A) up to an aggregate nominal amount of £22,327,642; and

(B) comprising equity securities (as defined in the 2006 Act) up to an aggregate nominal amount of £44,655,284 (including within such limit any shares issued or rights granted under paragraph (A) above) in connection with an offer by way of a rights issue to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply (unless previously renewed, varied or revoked by the Company in a general meeting) until the conclusion of the Annual General Meeting of the Company in 2015 or fifteen months from the date of this resolution, whichever is the earlier, but in each case so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after the authority ends and the directors may allot shares and grant rights under any such offer or agreement as if the authority had not ended.

Amendment to Long Term Incentive Plan

13 That the amendment to the rules of the Bovis Homes Group PLC Long Term Incentive Plan 2010 described in item 13 in the explanatory notes to this Notice of meeting be and is hereby approved and that the directors be and are hereby authorised to do all such acts and things as may be necessary to carry the amendment into effect.

Special resolutions

Notice of general meetings

14 That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

Authority to disapply pre-emption rights

15 That if resolution 12 is passed, and in place of all existing powers, the directors be generally empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in the 2006 Act) for cash, under the authority given by that resolution, as if section 561(1) of the 2006 Act did not apply to the allotment, such power:

Notice of meeting continued

- (a) to expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting of the Company in 2015 or fifteen months from the date of this resolution, whichever is the earlier, but during this period the directors may make an offer or agreement which would or might require equity securities to be allotted after the power ends and the directors may allot equity securities under any such offer or agreement as if the power had not ended;
- (b) to be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 12(B) by way of a rights issue only) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (c) to be limited, in the case of the authority granted under resolution 12(A), to the allotment of equity securities for cash otherwise than pursuant to paragraph (b) up to an aggregate nominal amount of £3,352,498.

Authority to purchase own shares

- 16 That the Company be and is hereby granted general and unconditional authority, for the purposes of section 701 of the 2006 Act, to make market purchases (within the meaning of section 693(4) of the 2006 Act) of the ordinary shares of 50 pence each in its capital PROVIDED THAT:
- (i) this authority shall be limited so that the number of ordinary shares of 50 pence each which may be acquired pursuant to this authority does not exceed an aggregate of 13,409,995 ordinary shares and shall expire at the conclusion of the next Annual General Meeting of the Company in 2015 (except in relation to the purchase of ordinary shares the contract for which was concluded before such time and which is executed wholly or partly after such time);
 - (ii) the maximum price which may be paid for each ordinary share shall be the higher of: (a) an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Company agrees to buy the ordinary shares; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003 (in each case exclusive of expenses); and
 - (iii) the minimum price which may be paid for an ordinary share shall be 50 pence (in each case exclusive of expenses).

Bovis Homes Group PLC

The Manor House, North Ash Road
New Ash Green, Longfield
Kent DA3 8HQ

By Order of the Board
M T D Palmer
Group Company Secretary
21 March 2014

Notes:

- (i) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and section 360 B(2) of the 2006 Act, the Company gives notice that only holders of ordinary shares entered on the register of members no later than 6.00pm on 14 May 2014 (or, in the event of any adjournment, on the date which is 48 hours before the time of the adjourned meeting) will be entitled to attend and vote at the meeting and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to entries on the register after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (ii) A registered member of the Company may appoint one or more proxies in respect of some or all of their ordinary shares to exercise that member's rights to attend, speak and vote at a meeting of the Company instead of the member. A registered member appointing multiple proxies must ensure that each proxy is appointed to exercise rights attaching to different shares and must specify on the proxy form the number of shares in relation to which that proxy is appointed. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. Members or their duly appointed proxies are requested to bring proof of identity with them to the meeting in order to confirm their identity for security reasons. A shareholder attending the meeting has the right to ask questions relating to the business being dealt with at the meeting in accordance with section 319A of the 2006 Act. In certain circumstances prescribed by the same section, the Company need not answer a question.
- (iii) The proxy form must be executed by or on behalf of the member making the appointment. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. A corporation may execute the form(s) of proxy either under its common seal or under the hand of a duly authorised officer, attorney or other authorised person. A member may appoint more than one proxy to attend and vote on the same occasion.
- (iv) A proxy need not be a member of the Company.
- (v) Participants of the Bovis Homes Group Share Incentive Plan may instruct the trustee to vote on their behalf on a poll.
- (vi) The proxy form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be received at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or received via the Computershare website, (www.eproxyappointment.com) (full details of the procedures are given in the notes to the proxy form enclosed with the report and accounts and on the website) not less than 48 hours before the time for holding the meeting. Completion of the proxy form, other such instrument or any CREST proxy instruction (as described in paragraph (vii) below) will not preclude a member from attending the Annual General Meeting and voting in person instead of through his proxy or proxies. The Company will announce the level of proxy votes for and against each resolution and the number of abstentions once the resolution has been voted on by a show of hands, except where a poll is called. When announcing a decision on a poll, the Company will disclose the total number of votes in favour and against and the number of abstentions on the Company website (www.bovishomesgroup.co.uk) and through a Regulatory Information Service. If a member returns both paper and electronic proxy instructions, those received last by the Registrar before the latest time for receipt of proxies will take precedence. Members are advised to read the website terms and conditions of use carefully.

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- (vii) To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (viii) CREST members and, where applicable, their CREST sponsors, or voting service providers 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, 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.
- (ix) Any person to whom this Notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him and the member by whom he was nominated, to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph (ii) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
- (x) As at 3 March 2014 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 134,099,952 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 3 March 2014 are 134,099,952.
- (xi) Under section 527 of the 2006 Act, members meeting the relevant threshold requirements set out in that section may require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting that the members propose to raise at the Annual General Meeting. 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 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 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 which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.
- (xii) Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company: (a) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (b) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business unless (i) (in the case of a resolution only) it would, if passed, be ineffective, (ii) it is defamatory of any person, or (iii) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 3 April 2014, being the date six clear weeks before the meeting, and (in the case of a matter to be included on the business only) must be accompanied by a statement setting out the grounds for the request.
- (xiii) Except as provided above, members who wish to communicate with the Company in relation to the Annual General Meeting should do so using the following means: (1) by writing to the Company Secretary at the registered office address; or (2) by writing to the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this Notice of meeting or in any related documents (including the Chairman's Statement, the Annual Report 2013 and the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- (xiv) A copy of this Notice and other information required to be published in accordance with section 311A of the 2006 Act in advance of the Annual General Meeting can be found at www.bovishomesgroup.co.uk.
- (xv) The following documents will be available for inspection at the Company's registered office, during normal business hours, on any weekday (excluding public holidays) from the date of this Notice until the date of the Annual General Meeting and on that date they will be available for inspection at the place of the meeting from 11.30am until the conclusion of the meeting:
- (a) copies of the directors' service contracts;
 - (b) copies of the terms and conditions of appointment for each non-executive director;
 - (c) the register of directors' interests; and
 - (d) a copy of the rules of the Bovis Homes Group PLC Long Term Incentive Plan 2010, together with a comparison document showing the change proposed to be made to the rules pursuant to Resolution 13.
- (xvi) Data protection statement: your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's Registrar) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

Explanatory notes to the notice of meeting

Item 1: Reports and accounts

The directors are required to present to shareholders at the Annual General Meeting the report of the directors and the accounts of the Company for the year ended 31 December 2013. The report of the directors, the accounts and the report of the Company's auditors on the accounts and on those parts of the directors' remuneration report that are capable of being audited are contained within the Company's annual report and accounts for the year ended 31 December 2013 (the "2013 Annual Report and Accounts").

Items 2 and 3: Directors' remuneration policy and annual remuneration report

Under section 439 of the 2006 Act, the directors are required to present the directors' remuneration report (other than the part containing the directors' remuneration policy), prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), for the approval of shareholders by way of an advisory vote. The directors' remuneration report, the relevant pages of which can be found on pages 50 to 61 of the 2013 Annual Report and Accounts, gives details of the directors' remuneration for the year ended 31 December 2013 and sets out the way in which the Company will implement its policy on directors' remuneration. The Company's auditors, KPMG LLP, have audited those parts of the directors' remuneration report capable of being audited and their report may be found on pages 72 to 73 of the 2013 Annual Report and Accounts.

Under section 439A of the 2006 Act the directors are required to present the directors' remuneration policy, prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), for the approval of shareholders by way of a binding vote. The directors' remuneration policy, which may be found on pages 44 to 48 of the 2013 Annual Report and Accounts, sets out the Company's proposed policy on directors' remuneration. A copy of the directors' remuneration policy is also available on the website at www.bovishomesgroup.co.uk or in hard copy on request from the Group Company Secretary.

The vote on the directors' remuneration report is advisory in nature in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed. In contrast, the vote on the directors' remuneration policy is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person who is, is to be, or has been a director of the Company unless that payment is consistent with the approved directors' remuneration policy, or has otherwise been approved by a resolution of members.

If resolution 3 is passed, the directors' remuneration policy will take effect immediately following the Annual General Meeting. A remuneration policy will be put to shareholders again no later than 3 years from the date of the Annual General Meeting. If resolution 2 in respect of the directors' remuneration report is not passed, the policy will be presented to shareholders for approval at the next Annual General Meeting.

Item 4: Final dividend

Subject to the declaration of the final dividend at the meeting, the dividend will be paid on 23 May 2014 to shareholders on the register at the close of business on 28 March 2014.

Items 5 to 9: Re-appointment of directors

The UK Corporate Governance Code ("the Code") requires FTSE 350 companies to put all directors forward for re-appointment by shareholders on an annual basis. The purpose of this requirement is to increase accountability to shareholders. Accordingly, all the directors of the Company will retire at the Annual General Meeting and offer themselves for re-appointment, with the exception of Colin Holmes who is retiring from the Board. The Company's Articles of Association require that any director appointed by the Board since the last Annual General Meeting shall hold office only until the next Annual General Meeting and, accordingly, Ian Tyler will offer himself for re-appointment on this basis.

The Code contains provisions dealing with the re-appointment of non-executive directors. In relation to the re-appointment of Alastair Lyons and John Warren as non-executive directors, the Chairman has confirmed following the formal performance evaluation conducted during 2013 that they continue to be effective in and demonstrate commitment to their roles, including commitment of time for Board and committee meetings. Alastair Lyons brings a broad range of business knowledge and skills to the Board, with a particular focus on mortgage lending and insurance industries. John Warren provides detailed financial and accounting expertise and has long standing experience in chairing audit committees. Ian Tyler was appointed non-executive Chairman on 29 November 2013 and has considerable construction industry knowledge and international business experience.

The Board strongly supports and recommends the re-appointment of the directors to shareholders.

Biographical details of all the directors can be found on page 32 of the 2013 Annual Report and Accounts.

Items 10 and 11: Re-appointment of auditors and auditors' remuneration

The auditors of a company must be re-appointed at each general meeting at which accounts are presented. Resolution 10 proposes the re-appointment of the Company's existing auditors, KPMG LLP, for a further year. Resolution 11 gives authority to the directors to determine the auditors' remuneration.

Item 12: Authority to allot shares

The authority given to your directors at last year's Annual General Meeting under section 551 of the 2006 Act to allot shares expires on the date of the forthcoming Annual General Meeting. Accordingly, this resolution seeks to grant a new authority under section 551 to authorise the directors to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal amount of £22,327,642 and also gives the Board authority to allot, in addition to these shares, further of the Company's unissued shares up to an aggregate nominal amount of £44,655,284 in connection with a pre-emptive offer to existing members by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems). This is in accordance with the latest institutional guidelines published by the Association of British Insurers. This authority will expire at the conclusion of the next Annual General Meeting (or, if earlier, 15 months from the date of the resolution). The directors intend to seek renewal of this authority at subsequent Annual General Meetings.

The amount of £22,327,642 represents less than 33.3% of the Company's total ordinary share capital in issue as at 3 March 2014 (being the latest practicable date prior to publication of this Notice). The amount of £44,655,284 represents less than 66.6% of the Company's total ordinary share capital in issue as at 3 March 2014 (being the latest practicable date prior to publication of this Notice). The Company did not hold any shares in treasury as at 3 March 2014.

Explanatory notes to the notice of meeting continued

The Board has no present intention to exercise this authority other than in connection with employee share schemes. It wishes to obtain the necessary authority from shareholders so that allotments can be made (should it be desirable and should suitable market conditions arise) at short notice and without the need to convene a general meeting of the Company which would be both costly and time consuming.

If the Board takes advantage of the additional authority to issue shares or grant rights to subscribe for, or convert any security into, shares in the Company representing more than 33.3% of the Company's total ordinary share capital in issue or for a rights issue where the monetary proceeds exceed 33.3% of the Company's pre-issue market capitalisation, all members of the Board wishing to remain in office will stand for re-election at the next Annual General Meeting following the decision to make the relevant share issue.

Item 13: Amendment to Long Term Incentive Plan

The Remuneration Committee completed a review of the Company's remuneration policy with the introduction of the new reporting regulations for directors' remuneration. This review particularly focused on long term performance related pay to ensure that it is appropriately set for the future and continues to be positioned appropriately in light of both individual and Company performance. As a result, the Board is proposing that the limit on the value of awards that may be granted under the Company's Long Term Incentive Plan ("LTIP") in normal circumstances be increased from 100% to 150% of an employee's basic salary. Currently, the number of shares over which an LTIP award may be granted to an employee in any financial year may not normally have a market value at the date of grant (calculated by reference to the middle market price of a share on the relevant day) exceeding 100% of basic salary (this limit having been applied since 2004). All other terms of the LTIP will remain unchanged, including the ability of the Remuneration Committee to grant LTIP awards in exceptional circumstances with a market value of up to 200% of an employee's basic salary. The Board is confident that this proposed increase is fully justified and commercially appropriate.

Item 14: Notice of general meetings

This resolution is required as a result of the implementation in 2009 of the Shareholder Rights Directive. The regulation implementing this Directive increased the notice period for general meetings under the 2006 Act to 21 days. The Company will be able to continue to call general meetings (other than an Annual General Meeting) on 14 clear days' notice as long as shareholders have approved the calling of meetings on 14 days' notice. Resolution 14 seeks such approval. The approval will be effective until the Company's next Annual General Meeting, where it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice. It is confirmed that ability to call a general meeting on 14 days' notice would only be utilised in limited circumstances and where the shorter notice period will be to the advantage of shareholders as a whole.

Item 15: Disapplication of pre-emption rights

Resolution 15 seeks authority for the directors to issue equity securities (as defined in the 2006 Act) in the Company for cash as if the pre-emption provisions of section 561 of the 2006 Act did not apply. Other than in connection with a rights issue or any other pre-emptive offers 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 £3,352,498 which represents approximately 5% of the Company's total ordinary share capital in issue as at 3 March 2014 (being the latest practicable date prior to publication of this Notice). In accordance with the Pre-emption Group's Statement of Principles, the directors confirm their intention that no more than 7.5% of the issued share capital (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three-year period.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas members.

There are presently no plans to allot ordinary shares wholly for cash other than in connection with employee share schemes. Shares allotted under an employee share scheme are not subject to statutory pre-emption rights.

The authority sought by resolution 15 will last until the conclusion of the next Annual General Meeting (or, if earlier, 15 months from the date of the resolution). The directors intend to seek renewal of this power at subsequent Annual General Meetings.

Item 16: Authority to purchase own shares

This resolution renews the authority granted at last year's Annual General Meeting to enable the Company to make market purchases of up to 13,409,995 of its own shares, representing approximately 10% of the Company's total ordinary share capital in issue as at 3 March 2014 (being the latest practicable date prior to publication of this Notice). Before exercising such authority, the directors would ensure that the Company was complying with the current relevant UK Listing Authority and ABI guidelines. No purchases would be made unless the directors believe that the effect would be to increase the earnings per share of the remaining shareholders and the directors consider the purchases to promote the success of the Company for the benefit of its shareholders as a whole. Any shares so purchased would be cancelled. The directors have no present intention of exercising the authority to purchase the Company's ordinary shares but would like to have the flexibility of considering such purchases in the future.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange. The maximum price (exclusive of expenses) which may be paid for each ordinary share shall be the higher of: (a) 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 Company agrees to buy the ordinary shares; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS). The minimum price (exclusive of expenses) would be 50 pence, being the nominal value of each ordinary share. The authority will only be valid until the conclusion of the next Annual General Meeting in 2015.

As at 3 March 2014 there were options over 627,969 ordinary shares in the capital of the Company which represent 0.47% of the Company's issued ordinary share capital at that date. If the authority to purchase the Company's ordinary shares was exercised in full, these options would represent 0.52% of the Company's issued ordinary share capital.

The directors consider that all the resolutions to be put to the meeting promote the success of the Company for the benefit of its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.