

# 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

25 July 2014

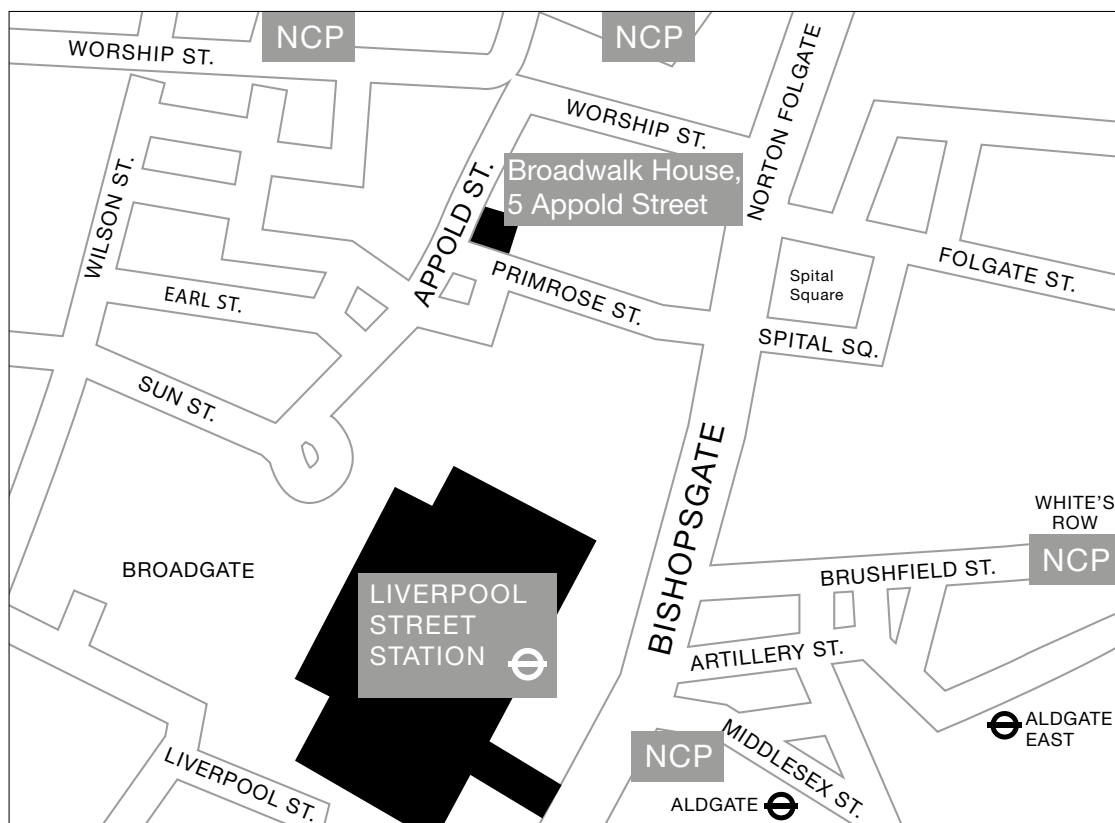
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to any matter referred to in this document or as to the action you should take, you should seek your own personal financial advice from a stockbroker, bank manager, solicitor, accountant or other independent 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.

## Contents

Chairman's Letter	Page 1
Notice of Annual General Meeting	Page 2
Biographies of those Directors Standing for Re-election	Page 5
Explanatory Notes on the Resolutions	Page 6
Notes on the Notice of Meeting and How to Vote	Page 9

## 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 railway

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 building immediately on the right-hand side. The entrance is on the corner of Primrose and Appold Street.



**Making more from waste**

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 Friday, 25 July 2014 at 11.00am. The notice of the AGM is set out on pages 2 to 4 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 25 July 2014. 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 Wednesday, 23 July 2014 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 Wednesday, 23 July 2014. 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 2014 and a copy of this circular have been published on the Company's website at [www.shanksplc.com/agm2014](http://www.shanksplc.com/agm2014). 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 15 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 16 to 18 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.

During the year new regulations under the Companies Act 2006 came into force in relation to directors' remuneration. These require the Company to offer shareholders a binding vote on the Company's forward-looking remuneration policy (the Directors' Remuneration Policy) at least every three years; and a separate annual advisory vote on the implementation of the Company's existing remuneration policy in terms of the payments and share awards made to directors during the year (the Annual Report on Remuneration). Resolutions 2 and 3 to accommodate these requirements are duly proposed. The notes starting on page 6 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  
13 June 2014

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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 Friday, 25 July 2014 at 11.00am to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 15 will be proposed as ordinary resolutions and resolutions 16 to 18 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 2014 together with the Strategic, Directors' and Auditors' reports therein.

### Resolution 2

To approve the Directors' Remuneration Policy.

### Resolution 3

To approve the Annual Report on Directors' Remuneration for the year ended 31 March 2014.

### Resolution 4

To declare a final dividend of 2.35 pence per ordinary share for the year ended 31 March 2014.

### Resolution 5

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

### Resolution 6

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

### Resolution 7

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

### Resolution 8

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

### Resolution 9

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

### Resolution 10

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

### Resolution 11

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

### Resolution 12

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 13

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

### Resolution 14

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 2015. 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 15**

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 £13,257,465 provided that this authority shall expire on the earlier of 30 September 2015 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 or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever), up to an aggregate nominal amount of £13,257,465 provided that this authority shall expire on the earlier of 30 September 2015 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 16**

THAT, subject to the passing of Resolution 15 set out in the notice of the Annual General Meeting of the Company convened for 25 July 2014, the Board of Directors of the Company (the 'Board') be and is hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the 'Act'), to allot equity securities (within the meaning of section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, ordinary shares of 10 pence each in the capital of the Company ('ordinary shares')) wholly for cash pursuant to the authority conferred on the Board by such Resolution 15 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 a rights issue, open offer or other pre-emptive offer 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 subject to such exclusions or other arrangements in connection with the rights issue, open offer or other offer 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 or practical problems arising in any overseas territory, the requirements of any regulatory body or any stock exchange or any other matter whatsoever; and
- (b) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £1,988,619; 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 2015 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 17**

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 39,772,397 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 2015 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 18**

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.

By order of the Board

**Philip Griffin-Smith**

Company Secretary  
13 June 2014

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.

**External Appointments:** Non-executive director of Electrocomponents plc and AZ Electronic Materials S.A.

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

Eric is considered by the Board to be independent.

**External 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 International UK-Europe. 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 has previously served as a non-executive director of Symbian Ltd and Blackwell Publishing Ltd.

Marina is considered by the Board to be independent.

### **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 2014 together with the associated Strategic, Directors' and Auditors' Reports.

## Directors' Remuneration Policy and Report (Resolutions 2 and 3)

These Resolutions seek shareholder approval for the Directors' Remuneration Policy, the Annual Statement by the Chairman of the Remuneration Committee and the Annual Report on Remuneration, which together form the Directors' Remuneration Report.

**Resolution 2** seeks shareholder approval for the Directors' Remuneration Policy contained within the Directors' Remuneration Report, which can be found on pages 69 to 74 of the Annual Report and Accounts 2014. If Resolution 2 is approved, the effective date of the Remuneration Policy will be 25 July 2014. Payments will continue to be made to directors in line with existing contractual arrangements until that date. Thereafter the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the Policy or has been approved by separate shareholder resolution. Additionally, if the Directors' Remuneration Policy is approved and remains unchanged, it will be valid for up to three financial years. If the Company wished to make any changes, it would need to put the revised policy to a Shareholders vote again before it could implement that new Policy.

The Policy remains broadly consistent with that operated during the 2013 financial year and approved at the 2013 AGM save for changes to the directors' annual bonus plan and long-term incentive plan, which were formulated following shareholder consultation.

**Resolution 3** 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 68 to 82 of the Annual Report and Accounts 2014. The Annual Report on Remuneration on page 75 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 2014. This vote is advisory and directors' entitlement to receive remuneration for the period to 31 March 2014 is not conditional upon it.

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 87 to 89 of the Annual Report and Accounts 2014.

## Final dividend (Resolution 4)

Shareholders are being asked to approve a final dividend of 2.35 pence per ordinary share for the year ended 31 March 2014. If so approved, the final dividend will be paid on 1 August 2014 to all shareholders who were on the register of members on 4 July 2014.

## Re-election of directors (Resolutions 5 to 11)

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. In accordance with best corporate governance practice, this year 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 2014 and on page 5 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 12 and 13)

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 directors to determine the remuneration of the Company's auditors.

## Political donations (Resolution 14)

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 15)**

The directors may not allot new shares in the Company unless authorised by shareholders in a general meeting. Paragraph (a) of Resolution 15 will authorise the directors to allot up to 132,574,657 ordinary shares having an aggregate nominal value equal to £13,257,465 representing approximately 33.33% of the Company's issued ordinary share capital as at 11 June 2014 (being the latest practicable date prior to the publication of this circular).

In line with guidance issued by the Association of British Insurers, paragraph (b) of Resolution 15 will authorise the directors to allot up to a further 132,574,657 ordinary shares in connection with a rights issue having an aggregate nominal value equal to £13,257,465 representing approximately 33.33% of the Company's issued ordinary share capital as at 11 June 2014.

The authorities sought under Resolution 15 will expire on the earlier of 30 September 2015 (being the latest date by which the Company must hold its AGM in 2015) or the conclusion of the AGM held in 2015. 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 16)**

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 16 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 16 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 16 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 £1,988,619, representing approximately 5% of the Company's issued ordinary share capital as at 11 June 2014 (being the latest practicable date prior to the publication of this notice). The authority under Resolution 16 would also cover the sale of treasury shares for cash.

Resolution 16 is in line with standard practice and the guidelines issued by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds and also has regard to the Pre-Emption Group's 2008 Statement of Principles on Disapplying Pre-Emption Rights.

The authorities sought under Resolution 16 will expire on the earlier of 30 September 2015 (being the latest date by which the Company must hold its AGM in 2015) or the conclusion of the AGM held in 2015.

### **Purchase of own shares (Special Resolution 17)**

The Act permits a company to purchase its own shares provided the purchase has been authorised by shareholders in a general meeting. Resolution 17, 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 2015, 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 11 June 2014 there were options and LTIP awards over 13,139,928 ordinary shares in the capital of the Company which represented approximately 3.30% 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 3.67% of the Company's issued ordinary share capital as at 11 June 2014. As at 13 June 2014, 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 18)**

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 18 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 18 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.

# 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 Wednesday, 23 July 2014 (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/agm2014](http://www.shanksplc.com/agm2014)

### **12. Voting rights**

As at 11 June 2014 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 397,723,972 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 June 2014 was 397,723,972 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](mailto: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 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.