

**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 personal financial advice from your stockbroker, bank, solicitor, accountant or other appropriate independent professional adviser.

If you have sold or otherwise transferred all of your shares in CVS Group plc ("**Company**"), please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**CVS Group plc**

Registered in England and Wales No. 06312831

CVS House  
Owen Road  
Diss  
Norfolk  
IP22 4ER

7 November 2017

*To ordinary shareholders*

Dear Shareholder

**ANNUAL GENERAL MEETING 2017**

I am pleased to send you details of our 2017 annual general meeting ("**AGM**"), which will be held at The Pennoyer Centre, Station Road, Pulham St Mary, IP21 4QT on 30 November 2017 at 11.00 a.m.. I hope that you will be able to attend.

The formal notice of the AGM ("**Notice**") enclosed with this letter sets out the business to be considered at the AGM. The purpose of this letter is to provide you with further details about those items of business.

This year, shareholders will be asked to approve 16 resolutions. Resolutions 1 to 13 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent of the votes cast must be in favour of the resolution. Resolutions 14 to 16 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent of the votes cast must be in favour of the resolution.

**Resolution 1: Annual report and accounts**

The directors must present the Company's annual accounts and directors' and auditors' reports to shareholders at a general meeting. Those to be presented at the AGM are in respect of the year ended 30 June 2017, and are called the Annual Report 2017. The Annual Report 2017 is available on the Company's website [www.cvsukltd.co.uk/](http://www.cvsukltd.co.uk/).

## **Resolution 2: Directors' remuneration report**

The Company is seeking shareholder approval of the part of its directors' remuneration report which describes how the Company's directors' remuneration policy has been implemented during the previous financial year.

The relevant part of the directors' remuneration report is set out on pages 35 to 40 of the Annual Report 2017.

This vote is advisory only, therefore it does not affect the historical remuneration paid to any individual director.

## **Resolution 3: Final dividend**

The directors are recommending a final dividend for the year ended 30 June 2017 of 4.5 pence per ordinary share. If approved, the final dividend will be paid on 8 December 2017 to shareholders whose names appear on the register at the close of business on 24 November 2017.

## **Resolutions 4 to 7: Reappointment of directors**

The Board has decided that it is good corporate governance for all directors to be reappointed each year, so in accordance with that decision, all directors are standing for re-election at the AGM.

Resolutions 4 to 7 propose the reappointment of Richard Connell, Simon Innes, Mike McCollum and Nick Perrin respectively as directors.

Under the Company's articles of association, any new director appointed by the Board must retire and seek reappointment at the next AGM following his appointment. Accordingly, this gives shareholders the opportunity to confirm that appointment.

Biographies of the directors are set out on page 31 of the Annual Report 2017.

## **Resolutions 8 and 9: Appointment and remuneration of auditors**

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. The Audit Committee has recommended to the Board that Deloitte LLP be proposed for appointment. Therefore, resolution 8 proposes the appointment of Deloitte LLP as auditors (to hold office until the next such meeting), and, in accordance with normal practice, resolution 9 authorises the directors to determine the auditors' remuneration.

## **Resolution 10: Authority to allot shares**

Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders in general meeting.

Resolution 10 renews a similar authority given at last year's AGM and, if passed, will authorise the directors to allot shares in the Company (and to grant such rights) up to an aggregate nominal amount of £42,610 (which represents approximately one-third of the issued ordinary share capital of the Company as at 1 November 2017, being the last practicable date before the publication of this document). If given, this authority will expire at the conclusion of the Company's next AGM or on 28 February 2019 (whichever is the earlier). It is the directors' intention to renew this authority each year.

The directors have no current intention to exercise the authority sought under resolution 10.

### **Resolutions 11 and 12: Adoption of new SAYE plans**

The UK SAYE Plan will replace the Company's existing Save As You Earn share option plan ("**Existing Plan**"), which was adopted in 2008 and which will expire on 2 June 2018. The UK SAYE Plan is a savings-related share option scheme under which options to acquire ordinary shares in the Company may be granted to qualifying employees. It is intended to satisfy the conditions of schedule 3 to the Income Tax (Earnings & Pensions) Act 2003 such that options granted pursuant to the UK SAYE Plan may benefit from certain tax reliefs on exercise of the options. The UK SAYE Plan is similar to the Company's Existing Plan, but has been updated to reflect changes in the relevant legislation since the Existing Plan was adopted. A summary of the key features of the UK SAYE Plan is set out in Part I of Appendix 1 to this Notice of AGM.

As the Company now has operations outside the UK, the Board would like to have the ability to offer employees in other countries participation in a savings-related share option scheme similar to the UK SAYE Plan. Since the UK SAYE Plan is a UK tax-advantaged share option scheme which operates pursuant to UK specific legislation, the Company has been advised that a separate plan is appropriate for non-UK based employees. The Company therefore proposes to adopt the International SAYE Plan. The terms of the International SAYE Plan will be materially the same as the UK SAYE Plan, the terms of which are summarised in Part I of Appendix 1 to this Notice, save as set out in Part II of Appendix 1 to this Notice.

### **Resolution 13: Adoption of long term incentive plan**

The new Long Term incentive plan ("**LTIP**") will replace the Company's existing long term incentive plan which was adopted at the date of the Company's admission to AIM on 10 October 2007. Under the LTIP, awards will be made to executives and senior employees in the form of conditional awards or nil or nominal priced options, which normally vest three years following the date of award and are conditional upon continued employment and the meeting of objective performance conditions specified at the point of award. The LTIP is intended to comply with the Investment Association Principles of Remuneration. The plan rules provide for the Remuneration Committee to determine each year the type, structure and target levels of the performance conditions to be applied for each round of awards. The normal maximum level of award is 125 per cent. of salary with an absolute maximum level of 200 per cent. of salary. The Remuneration Committee will operate the plan so that at threshold performance, 25 per cent. of awards will vest. Malus and clawback provisions will be applied to awards and the plan contains the market standard dilution limit of 10 per cent. over a rolling ten year period. The Company consulted with its major shareholders on the terms of the LTIP alongside other changes to its remuneration policy in advance of the publication of its Annual Report 2017. Subject to approval of the LTIP, the Company intends to make LTIP awards shortly following the AGM.

The terms of the LTIP are summarised in Appendix 2 to this Notice.

### **Resolutions 14 and 15: Disapplication of pre-emption rights**

Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Companies Act 2006 ("**Act**")) for cash then under the Act they must first offer such shares or securities to shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disappplied by shareholders.

Resolutions 14 and 15, which will be proposed as special resolutions, renew a similar power given at last year's AGM and, if passed, will enable the directors to allot equity securities for cash without having to comply with statutory pre-emption rights.

The powers proposed under resolution 14 will be limited to allotments:

- (a) in connection with a rights issue, open offer or other pre-emptive offer to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the directors consider necessary; and
- (b) in any other case, up to an aggregate nominal amount of £6,391 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 1 November 2017, being the last practicable date before the publication of this document).

The powers proposed under resolution 15 will be limited to allotments:

- (a) up to an aggregate nominal amount of £6,391 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 1 November 2017, being the last practicable date before the publication of this document); and
- (b) used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

The directors intend to follow the provisions in the Statement of Principles issued by The Pre Emption Group (as updated in March 2015) and not allot shares on a non-pre-emptive basis pursuant to the authorities in resolution 14 and 15:

- in excess of an amount equal to 5 per cent of the total issued ordinary share capital of the Company (excluding treasury shares); or
- in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three-year period,

in each case other than (i) in connection with one or more acquisitions or specified capital investments 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 or (ii) if suitable consultation has been undertaken in advance and an explanation given.

If given, this power will expire at the conclusion of the Company's next AGM or on 28 February 2019 (whichever is the earlier). It is the directors' intention to renew this power each year.

#### **Resolution 16: Purchase by the Company of its own shares**

Resolution 16, which will be proposed as a special resolution, renews a similar authority given at last year's AGM. If passed, it will allow the Company to purchase up to 6,391,543 ordinary shares in the market (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 1 November 2017, being the last practicable date before the publication of this document). The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM or on 28 February 2019 (whichever is the earlier). It is the directors' intention to renew this authority each year.

The directors have no current intention to exercise the authority sought under resolution 16 to make market purchases, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base.

**Recommendation**

The directors consider that all the resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. The directors will be voting in favour of all of the resolutions, and unanimously recommend that you do so as well.

**Action to be taken**

If you would like to vote on the resolutions set out in the Notice but cannot come to the AGM, please appoint a proxy or proxies:

- by completing the Proxy Form sent to you with this document, and returning it to our registrars; or
- (if you are a CREST member) using the CREST electronic proxy appointment service.

Your proxy appointment must be received by 11.00 a.m. on 28 November 2017. Further details relating to voting by proxy are set out in the notes to the Notice and in the Proxy Form.

Yours sincerely

**Richard Connell**  
**CHAIRMAN**

## APPENDIX 1

### Part I: Summary of UK SAYE Plan

1. **Nature of the plan:** The UK SAYE Plan is a UK tax-advantaged savings-related share option plan operated by the Board pursuant to which eligible employees may be offered options ("**Options**") to acquire ordinary shares in the Company ("**Shares**") at a price determined by the Board which can be set at a discount of up to 20 per cent. of the market value of a Share at the date of grant.
2. **Eligibility:** All eligible employees and full-time directors of any company within the Company's group of companies ("**Group**") who have been with the Group for a period determined by the Board (not exceeding five years), are eligible to participate. All employees who are eligible to participate must do so on similar terms although this may vary by reference to levels of remuneration, length of service or other similar factors.
3. **Savings contracts:** Each participant must enter into a savings contract ("**Contract**") approved by the Board for a period of three or five years under which he agrees to make monthly savings of an amount decided by him, subject to a minimum specified by the Board which may not exceed £10 (or such other minimum permitted by the legislation from time to time) and up to the maximum specified by the Board and permitted by the legislation (currently £500 per month).
4. **Grant of Options:** The number of Shares over which a participant will be granted an Option will be the number of Shares which, taking into account the price payable on exercise of the Option, can be purchased with the amount saved under the Contract (which, subject to applicable legislation and regulations, may include a bonus payable under the Contract).

Invitations to apply for the grant of Options may normally be issued under the UK SAYE Plan during the period of 42 days starting immediately after the end of a closed period within the meaning in the Market Abuse Regulation (EU Regulation 596/2014). However invitations may be made outside these periods if the circumstances are deemed to be exceptional. Without further shareholder approval, Options under the UK SAYE Plan may only be made within 10 years of shareholder approval of the UK SAYE Plan.

5. **Exercise of Options:** Options may normally only be exercised during the six month period following maturity of the Contract and if not exercised by the end of that period will lapse. This may be following the third or fifth anniversary of commencement of the Contract.
6. **Leavers:** Early exercise is permitted in the event of cessation of employment within the Group by reason of death, injury, disability, redundancy, retirement, or the sale of the participant's employing company or business out of the Group (but only to the extent of savings plus any bonus accumulated in the related Contract up to the time of exercise). If a participant ceases to be employed within the Group for any other reason within three years of the grant of an Option, that Option will lapse. If a participant ceases to be employed within the Group for any other reason more than three years from the grant of an Option, the participant may exercise that Option within six months of so ceasing (but no later than the end of the six month period following maturity of the related Contract).
7. **Change of control and other corporate events:** Early exercise is also permitted in the event of a change of control, compromise or arrangement, or voluntary winding up of the Company. On a change of control, or compromise or arrangement, with the consent of the acquiring company, Options may be exchanged so as to operate over shares in the acquiring company (or a company associated with it).

8. **Options non-transferable:** An Option is not transferable and may only be exercised by the person to whom it is granted or their personal representatives.
9. **Share capital limits:** An Option may not be granted if the result of granting the Option would be that the aggregate number of Shares placed under Option under the UK SAYE Plan or placed under option, awarded or issued (other than on the exercise of options) under any other employees' share scheme (whether or not discretionary) operated by the Group in each case in the preceding ten year period, would exceed 10 per cent. of the Company's issued ordinary share capital at that time.
10. **Rights attaching to Shares:** If Shares are listed on the official list maintained by the UK Financial Conduct Authority or traded on AIM, the Company shall apply to the UK Listing Authority or the London Stock Exchange (as the case may be) for any Shares issued to satisfy Options to be admitted to listing. Such Shares allotted pursuant to the UK SAYE Plan will rank pari passu with Shares then in issue except in relation to any rights determined by reference to a date preceding the date on which the Shares are allotted.
11. **Variation of share capital:** In the event of a variation of share capital by way of capitalisation, rights issue, subdivision, reduction, consolidation or otherwise, the number of Shares subject to a subsisting Option and the price payable on exercise may be adjusted in such manner as the Board determines (but subject to applicable legislation).
12. **Amendments:** The Board may alter the UK SAYE Plan but certain amendments to the advantage of current or future participants cannot take effect without shareholder approval, unless they are minor amendments to benefit the administration of the plan, or amendments which are necessary or desirable to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company or other member of the Group. The amendments which will generally require shareholder approval are amendments to the persons to whom Options may be granted, the maximum and individual limits on the number of Shares over which Options can be granted under the plan, the provisions for adjusting Options in the event of a variation of share capital and the provisions for altering the terms of the plan.
13. **Rights not pensionable:** None of the benefits which may be received under the UK SAYE Plan shall be pensionable.

## **Part II: Summary of International SAYE Plan**

The principal terms of the International SAYE Plan are similar to those of the UK SAYE Plan, save that:

1. the International SAYE Plan will not operate as a UK tax-advantaged plan. Provision will be included in the International SAYE Plan pursuant to which participants will be responsible for, and be required to indemnify Group members in respect of, any tax liabilities arising in relation to options granted or in respect of Shares acquired following exercise of options;
2. options may be granted under the International SAYE Plan within 42 days of the date of approval of the plan by shareholders in general meeting, or within the periods referred to in paragraph 4 of Part I of this Appendix 1;
3. an eligible employee will be any employee of a company within the Group and any director of any such company who is required to work a minimum of 25 hours per week for the Group. On any occasion, the Board may issue invitations to eligible employees in one (or more) jurisdiction(s) but not to eligible employees of another (or other) jurisdiction(s); and

4. the savings contract entered into by participants outside the UK may be any savings plan or arrangement approved by the Board for the purposes of the International SAYE Plan, and amounts will be saved in local currency. The limits on savings amounts referred to in paragraph 3 of Part I of this Appendix 1 will be converted into local currency using the exchange rate prevailing at the date on which invitations are issued.



## APPENDIX 2

### Summary of the Company's LTIP

1. **Eligibility:** All employees and executive directors of any group company will be eligible to participate in the LTIP at the discretion of the Company's Remuneration Committee (the "Committee").
2. **Type of award:** Awards under the LTIP may be granted in the form of conditional share awards, nil or nominal cost options. In certain circumstances, awards may be settled in cash or ordinary shares ("Shares") or a combination of the two.
3. **Grant of awards:** Awards may be granted by the Committee during the period of 42 days starting:
  - 3.1 on the date on which the LTIP is approved by the shareholders of the Company; or
  - 3.2 immediately after the end of a closed period within the meaning in the Market Abuse Regulation (EU Regulation 596/2014).

An award may be granted at any other time if the Committee considers that exceptional circumstances exist to justify the grant at such other time.

The Committee shall specify objective conditions or performance targets to be satisfied before an award shall vest. The Committee may amend or waive the conditions to ensure that they achieve their original purpose, provided that any amended conditions are no more difficult to achieve than those previously imposed. No award may vest unless in the opinion of the Committee the underlying performance of the group over the performance period has been satisfactory.

4. **Share capital limits:** No award may be granted on any date if the number of Shares to be issued (or re-issued as treasury shares) when aggregated with the number of Shares issued (or re-issued as treasury shares), or remaining capable of issue (or re-issue as treasury shares) by virtue of awards, options or other rights granted during the preceding 10 years under the LTIP and any other employees' share scheme adopted by the Company, would exceed 10 per cent. of the number of Shares in issue on that date.
5. **Individual limits:** No award may be granted to an employee or executive director under the LTIP if at the date of grant it would cause the market value of the Shares which that employee or director may acquire under the LTIP in any financial year to exceed 125% of their annual base salary (or such higher amount as the Committee may, in its absolute discretion, determine, provided it shall not exceed 200 per cent. of their annual basic salary).
6. **Vesting:** Awards will vest over a vesting period determined by the Committee which shall be not less than three years and not more than five years. For the initial awards to be granted under the LTIP, it is intended that at the end of a three-year performance period, awards will vest subject to the achievement of the performance conditions. The LTIP provides that future awards may be subject to a further deferral period of up to two years.

Early vesting of awards may occur where a participant ceases employment during the vesting period due to death, redundancy, retirement, injury, disability, as a result of the transfer of the participant's employment out of the Group, or any other reason that the Committee may determine. The number of Shares vesting shall be calculated by the Committee by applying the relevant performance condition and applying a pro rata reduction to the number of Shares

determined, based on the proportion of the vesting period the participant was employed, unless the Committee decides that the reduction is inappropriate in any particular case.

Awards held by participants who leave employment for any other reason will lapse on the date of cessation.

Where a participant leaves during any deferral period, any remaining unvested awards shall vest in full on the date of cessation, other than in circumstances where the Company would be entitled to summarily dismiss the participant, in which case the awards shall lapse.

7. **Changes of control:** In the event of a change of control of the Company during the performance period, the Committee shall determine the number of Shares vesting by applying the relevant performance condition and applying a pro rata reduction to the number of Shares determined, based on the proportion of the performance period that has elapsed at the time of the change of control, unless the Committee decides the pro-rata reduction is inappropriate.

Where a change of control of the Company occurs during any deferral period, any unvested awards shall vest in full on the date of change of control.

8. **Consequences of vesting:** On vesting of a conditional award, the Committee shall issue or transfer the relevant Shares to the participant (or their cash equivalent) as soon as is practical. On the vesting of an option, the participant shall have a period of twelve months from the date of vesting in which to exercise their right (subject to any earlier applicable lapse provision).

9. **Dividend equivalent:** Unless the Committee determines otherwise prior to the grant of an award, participants shall be entitled to a payment (in cash or Shares), determined by reference to the dividends which would have been paid on his or her vested Shares in respect of dividend record dates occurring between the grant date and vesting date of an award.

10. **Malus and clawback:** Where the Committee acting fairly and reasonably determines within a period not exceeding three years from the notification of the vesting of an award that:

- 10.1 as a result of a material misstatement of financial results of the Company or Group announced to the public and/or contained in its audited accounts for any part of the performance period, or error in assessing the achievement of the performance conditions imposed pursuant to an award, or a manifest error in calculating the level of vesting, which (in any case) would, or has given rise to a material overpayment in respect of a participant's participation in the LTIP; or

- 10.2 a participant is guilty of misconduct in circumstances which in the opinion of the Committee justify summary disposal.

It may require any unvested awards held by the participant to lapse in whole or in part immediately, and/or may require the participant to repay to the Company the after-tax value of some or all of the vested awards received during that period, in such form as they may determine.

11. **Lapse of awards:** Unexercised options will normally lapse on the earliest to occur of: twelve months following the vesting date, the winding up or liquidation of the Company, the bankruptcy of the participant, at the end of the period specified on cessation of employment, in circumstances where malus or clawback applies or a change of control, unless options cannot be exercised during the last 90 days of the period due to regulatory reasons, in which case the Committee may extend the period for exercise.

12. **Variations in share capital:** The number and description of Shares comprised in an award and the option price (if relevant) may be adjusted in such manner as the Committee considers fair and reasonable in the event of a capitalisation issue, offer by way of rights (including an open offer) or on any sub-division, reduction, consolidation or other variation of the Company's share capital, or on the implementation by the Company of a demerger or the payment of a dividend in species or other transaction which the Committee determines would materially affect the value of any award.
13. **Rights attaching to Shares:** If Shares are listed on the official list maintained by the UK Financial Conduct Authority or traded on AIM, the Company shall apply to the UK Listing Authority or the London Stock Exchange (as the case may be) for any Shares issued to satisfy awards to be admitted to listing. Such Shares will rank pari passu with all other issued shares of the Company except in relation to any rights determined by reference to a date preceding the date on which the award vests or the date on which an option is exercised.
14. **Amendments:** The Committee may at any time amend the LTIP or the terms of any award provided that no amendment to the advantage of an individual to whom an award has been or may be granted shall be made to the provisions concerning eligibility, the individual limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, Shares or cash provided under the LTIP, and the adjustments that may be made in the event of any variation of capital, without the prior approval by ordinary resolution of the members of the Company in general meeting (except for any minor amendment to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any company within the group).

No amendment may be made to the LTIP which would adversely affect the subsisting rights of a participant unless a majority of participants consent to the making of that amendment.

15. **General:** The Company may terminate the LTIP at any time. Subject to such termination, the LTIP will terminate ten years from the date of its adoption by shareholders.

Participants under the LTIP are required to indemnify the Group for any income tax, employee's and, to the extent notified by the Committee at the date of the award, any employer's national insurance contributions which arise in respect of such awards, to and make such arrangement for the satisfaction of those liabilities as the Committee requires.

Benefits under the LTIP shall not be pensionable.

At the discretion of the Committee, the LTIP may be extended to other overseas participants of the Group subject to such modifications as the directors shall consider appropriate to take into account local tax, exchange control or securities laws.

## CVS GROUP PLC

### NOTICE OF ANNUAL GENERAL MEETING

**Notice is given** that the 2017 annual general meeting of CVS Group plc ("**Company**") will be held at The Pennoyer Centre, Station Road, Pulham St Mary IP21 4QT on 30 November 2017 at 11.00 a.m. for the following purposes:

**To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:**

1. To receive the Company's annual accounts and directors' and auditors' reports for the year ended 30 June 2017.
2. To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the year ended 30 June 2017.
3. To declare a final dividend for the year ended 30 June 2017 of 4.5 pence per ordinary share in the capital of the Company, to be paid on 8 December 2017 to shareholders whose names appear on the register at the close of business on 24 November 2017.
4. To reappoint Richard Connell, who retires by rotation, as a director of the Company.
5. To reappoint Simon Innes, who retires by rotation, as a director of the Company.
6. To reappoint Mike McCollum, who retires by rotation, as a director of the Company.
7. To reappoint Nick Perrin, who retires by rotation, as a director of the Company.
8. To appoint Deloitte LLP as auditors of the Company.
9. To authorise the directors to determine the remuneration of the auditors.
10. That, pursuant to section 551 of the Companies Act 2006 ("**Act**"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £42,610, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 February 2019 (whichever is the earlier), save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

11. That the CVS Group plc 2018 SAYE Plan ("**UK SAYE Plan**"), the principal terms of which are summarised in Part I of Appendix 1 to this Notice of Annual General Meeting, and the draft rules of which are produced to the meeting and initialled by the Chairman for the purpose of identification, be and is approved, the UK SAYE Plan be and is adopted and the directors of the Company be and are authorised to do all acts and things which they may consider necessary or expedient to implement and operate the UK SAYE Plan (including amendment of the rules of the UK SAYE Plan).

12. That the CVS Group plc International SAYE Plan ("**International SAYE Plan**"), the principal terms of which are summarised in Parts I and II of Appendix 1 to this Notice of Annual General Meeting, and the draft rules of which are produced to the meeting and initialled by the Chairman for the purpose of identification, be and is approved, the International SAYE Plan be and is adopted and the directors of the Company be and are authorised to do all acts and things which they may consider necessary or expedient to implement and operate the International SAYE Plan (including amendment of the rules of the International SAYE Plan), and to establish further schemes or sub-plans based on the International SAYE Plan but modified to take account of local tax, labour law, exchange control or securities laws in overseas jurisdictions.
13. That the CVS Group plc Long Term Incentive Plan 2017 (the "**LTIP**"), the principal terms of which are summarised in Appendix 2 to this Notice of Annual General Meeting, and the draft rules of which are produced to the meeting and initialled by the Chairman for the purposes of identification, be and is approved and adopted and the directors of the Company be and are authorised to:
  - 13.1 do all acts and things which they may consider necessary or expedient to implement and operate the LTIP; and
  - 13.2 adopt equivalent plans for employees of the Company and its subsidiaries located in overseas jurisdictions, subject to such modifications to take account local tax, exchange control or securities laws in such jurisdictions as they consider appropriate, providing that the shares made available under such equivalent plans are treated as counting towards the limits on participation.

**To consider and, if thought fit, to pass the following resolutions as special resolutions:**

14. That, subject to the passing of resolution 10 and pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 10 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - 14.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):
    - 14.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
    - 14.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,
  - but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - 14.2 otherwise than pursuant to paragraph 14.1 of this resolution, up to an aggregate nominal amount of £6,391,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on

28 February 2019 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

15. That, subject to the passing of resolution 10, the directors be and are generally empowered in addition to any authority granted under resolution 14 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 10 for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

15.1 up to an aggregate nominal amount of £6,391; and

15.2 used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 February 2019 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

16. That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 0.2p each in the capital of the Company ("**Shares**"), provided that:

16.1 the maximum aggregate number of Shares which may be purchased is 6,391,543;

16.2 the minimum price (excluding expenses) which may be paid for a Share is 0.2p; and

16.3 the maximum price (excluding expenses) which may be paid for a Share is an amount equal to 105 per cent of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made, and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 28 February 2019 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired.

By order of the board

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R Gilligan  
Secretary 7 November 2017

**Registered office  
CVS House  
Owen Road  
Diss  
Norfolk  
IP22 4ER**

**Registered in England and Wales No. 06312831**

## Notes

### *Entitlement to attend and vote*

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 28 November 2017 (or, if the meeting is adjourned, the close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

### *Proxies*

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in this note, notes 3 and 7 and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0121 585 1131 or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, no later than 11.00 a.m. on 28 November 2017 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

### *Corporate representatives*

4. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

### *Documents available for inspection*

5. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
  - 5.1 Copies of the service contracts of the executive directors.
  - 5.2 Copies of the letters of appointment of the non-executive directors.
  - 5.3 Draft rules of the CVS Group plc 2018 SAYE Plan.
  - 5.4 Draft rules of the CVS Group plc International SAYE Plan.
  - 5.5 Draft rules of the Long Term Incentive Plan.



*Biographical details of directors*

6. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out on page 31 of the annual report and accounts for the year ended 30 June 2017.

*CREST*

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this Annual General Meeting and any adjournment thereof by using the procedures described in the CREST Manual, which can be viewed at [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 should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST 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 instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy, the revocation of a proxy appointment or 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 issuer's agent (ID 7RA11) by the latest time(s) for receipt of proxy appointments specified in note 3 above. 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.

CREST members, and where applicable their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. 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 takes) 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 service 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.

*Communications with the Company*

8. Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so by calling the Company's registrar on 0121 585 1131. You may not use any electronic address provided either in this notice or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.