

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from a stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in Communisys plc, please forward this document, together with the accompanying documents (but not the personalised Form of Proxy) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was made.

6 April 2017

Dear Shareholder,

### NOTICE OF ANNUAL GENERAL MEETING 2017

I am pleased to enclose the Notice of Meeting for the twenty-third Annual General Meeting (“AGM”) of Communisys plc (the “Company”), together with a copy of the Company’s Annual Report and Financial Statements for the year ended 31 December 2016 and the Form of Proxy.

The AGM is to be held at 12 noon on 11 May 2017 at the offices of Liberum Capital Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY.

The AGM provides an opportunity for the Company’s shareholders to communicate with the directors and I sincerely hope that you will take this opportunity to do so. However, I appreciate that most shareholders will not be able to attend the meeting in person. If you cannot attend, I strongly encourage you to exercise your right to vote by appointing a proxy.

To appoint a proxy, please either a) complete the Form of Proxy according to the instructions printed on it and send it to our Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 12 noon on 9 May 2017, or b) complete it online at [www.capitashareportal.com](http://www.capitashareportal.com) by following the online instructions.

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. The return of a completed Form of Proxy or any CREST proxy instruction will not prevent you from attending the AGM and voting in person should you wish.

### MEETING ARRANGEMENTS

As in previous years, all the resolutions in the Notice of Meeting will be decided on a poll. We believe this is fair and democratic and means that shareholders who attend the meeting, as well as those who vote by proxy, will have their votes taken into account according to the number of shares they hold. The results of the poll will be announced through the London Stock Exchange information service and will appear on our website [www.communisys.com/investors](http://www.communisys.com/investors)

### RECOMMENDATION

The directors consider that the resolutions in the Notice of Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend that you vote in favour of these resolutions, as they intend to in respect of their own beneficial shareholdings, totalling 1,972,531 ordinary shares, representing approximately 1% of the issued ordinary share capital of Communisys plc as at 21 March 2017.

Yours sincerely,



**Peter Hickson**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty-third Annual General Meeting (“AGM”) of Communisis plc (the “Company”) will be held at 12 noon on 11 May 2017 at the offices of Liberum Capital Limited, Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY to consider the following business:

## ORDINARY BUSINESS

1. To receive the reports of the directors and the audited accounts of the Company for the year ended 31 December 2016 together with the report of the auditor on those accounts and the part of the Directors’ Remuneration Report which is subject to audit.
2. To approve the Directors’ Remuneration Report for the financial year ended 31 December 2016 included within the Annual Report and Financial Statements 2016.
3. To approve the Directors’ Remuneration Policy as set out on pages 52 to 60 of the Directors’ Remuneration Report.
4. To declare a final dividend of 1.61 pence per ordinary share for the year ended 31 December 2016 payable on 26 May 2017 to the holders of ordinary shares on the register at the close of business on 28 April 2017.
5. To elect David Gilbertson as a director of the Company.
6. To re-elect Peter Harris as a director of the Company.
7. To re-elect Jane Griffiths as a director of the Company.
8. To re-elect Helen Keays as a director of the Company.
9. To re-elect Andy Blundell as a director of the Company.
10. To re-elect Mark Stoner as a director of the Company.
11. To re-appoint Ernst & Young LLP as auditor to the Company to hold office until the conclusion of the next Annual General Meeting.
12. To authorise the Directors to determine the remuneration of the Company’s auditor.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions of which resolutions 13, 14 and 17 will be proposed as ordinary resolutions of the Company and resolutions 15, 16 and 18 will be proposed as special resolutions of the Company.

### APPROVAL AND ADOPTION OF COMMUNISIS PLC LONG TERM INCENTIVE PLAN 2017

13. That:
  - (a) the Communisis plc Long Term Incentive Plan 2017 (“the LTIP”), in the form produced at the AGM and initialled by the Chairman of the meeting for the purpose of identification (the terms of which are summarised in Appendix 1 to this Notice of Meeting), be approved and adopted;
  - (b) the directors of the Company be authorised to establish further schemes for the benefit of employees in jurisdictions outside the United Kingdom based on the LTIP, subject to such modifications as may be necessary or desirable to take account of local security laws, exchange control and tax legislation, provided that any limits on individual participation or overall participation in the LTIP will apply to such further schemes; and
  - (c) the directors of the Company be authorised to do all acts and things which they may consider necessary or expedient for the purposes of implementing and giving effect to the same.

### APPROVAL OF COMMUNISIS PLC SHARES AVE SCHEME

14. That:
  - (a) the Communisis plc Sharesave Scheme (“the Sharesave Scheme”), in the form produced at the AGM and initialled by the Chairman of the meeting for the purposes of identification (the terms of which are summarised in Appendix 2 to this Notice of Meeting), be approved (subject to any amendments required in order to qualify for tax-advantaged status under Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003);
  - (b) the directors of the Company be authorised to establish further schemes for the benefit of employees in jurisdictions outside the United Kingdom based on the Sharesave Scheme, subject to such modifications as may be necessary or desirable to take account of local security laws, exchange control and tax legislation, provided that any limits on individual participation or overall participation in the Sharesave Scheme will apply to such further schemes; and
  - (c) the directors of the Company be authorised to do all acts and things which they may consider necessary or expedient for the purposes of implementing and giving effect to the same.

## CALLING OF GENERAL MEETINGS ON 14 DAYS' NOTICE

15. That, as permitted by section 307A of the Companies Act 2006 (the "Act"), any general meeting of the Company (other than the AGM of the Company) may be called by notice of at least 14 clear days. The authority granted by this resolution shall expire at the conclusion of the AGM of the Company to be held in 2018.

## COMPANY'S AUTHORITY TO PURCHASE ITS OWN SHARES

16. That, pursuant to section 701 of the Act, the Company be generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 25p each in the Company on such terms and in such manner as the directors of the Company may from time to time determine, provided that:
- (a) the maximum aggregate number of ordinary shares that may be purchased is 20,937,601 representing 10% of the Company's issued ordinary share capital as at 21 March 2017;
  - (b) the minimum price (excluding expenses) which may be paid for each ordinary share is 25p (being the nominal value thereof);
  - (c) the maximum price (excluding expenses) which may be paid for each ordinary share shall not be more than the higher of:
    - (i) 105% of the average market value for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
    - (ii) an amount equal to the higher of the price of the last independent trade and current independent bid as derived from the London Stock Exchange trading system; and
  - (d) the authority to purchase conferred by this resolution shall, unless renewed, varied or revoked prior to such time, expire at the end of the AGM in 2018, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority conferred hereby had not expired.

## DIRECTORS' AUTHORITY TO ALLOT SHARES

17. That the directors be and are hereby authorised generally and unconditionally to exercise all the powers of the Company to allot relevant securities (as defined in section 551 of the Act):
- (a) up to a nominal amount of £17,448,000;
  - (b) comprising equity securities (as defined in section 560(1) of the Act) up to a nominal amount of £34,896,001 (such amount to be reduced by any allotments made under paragraph (a) above) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter.

The authorities conferred on the directors to allot securities under paragraph (a) and (b) will expire on the date of the AGM of the Company to be held in 2018 or on 31 July 2018 whichever is sooner, unless previously revoked or varied by the Company, and such authority shall extend to the making of an offer before such expiry and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred hereby had not expired.

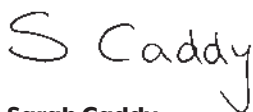
## DIRECTORS' AUTHORITY TO DIS-APPLY PRE-EMPTION RIGHTS AND TO ALLOT SHARES FOR CASH

18. That, subject to the passing of Resolution 17 above, the directors be and they are hereby authorised pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the general authority conferred by Resolution 17 above as if sub-section (1) of section 561 of the Act did not apply to any such allotment provided that this power shall be limited:

- (a) to allotments of equity securities in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
- (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £2,617,200 representing 5% of the Company's issued ordinary share capital as at 21 March 2017,

and such authority shall expire at the conclusion of the AGM of the Company to be held in 2018 or on 31 July 2018 whichever is sooner, save that the Company may before such expiry make an offer or 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 power conferred hereby had not expired.

By order of the Board



**Sarah Caddy**  
Company Secretary  
6 April 2017

## EXPLANATORY NOTES

### AN EXPLANATION OF EACH OF THE RESOLUTIONS IS SET OUT BELOW.

#### **RESOLUTION 1 – TO RECEIVE THE ANNUAL REPORT AND FINANCIAL STATEMENTS**

The directors will present their report, the auditor's report and the audited financial statements for the financial year ended 31 December 2016 to the meeting. This gives shareholders the opportunity to ask questions on the contents before voting on the resolution.

#### **RESOLUTION 2 – APPROVAL OF THE DIRECTORS' REMUNERATION REPORT**

The directors will put the Directors' Remuneration Report to the meeting. Shareholders will have the opportunity to ask questions on the contents of the Directors' Remuneration Report before voting on the resolution. Whilst the payment of remuneration to the directors is not dependent on the passing of the resolution, your Board will take the vote into account when considering the future development and operation of the Company's remuneration policy and practice.

#### **RESOLUTION 3 – APPROVAL OF THE DIRECTORS' REMUNERATION POLICY**

The directors will put the Directors' Remuneration Policy, which can be found on pages 52 to 60 of the Annual Report and Financial Statements 2016 to the meeting. The Directors' Remuneration Policy will take effect from the date of the approval by shareholders. A resolution for the approval of the Directors' remuneration policy must be proposed at least every three years, or in the event of a change in the policy if sooner.

#### **RESOLUTION 4 – FINAL DIVIDEND**

The directors propose a final dividend of 1.61 pence per ordinary share. If approved, the recommended final dividend will be paid on 26 May 2017 to all shareholders who are on the register on 28 April 2017.

#### **RESOLUTION 5 – ELECTION OF DIRECTORS**

David Gilbertson, who was appointed as a director since the last AGM, is standing for election. The directors recommend that David Gilbertson is elected by shareholders to maintain the appropriate balance of skills, knowledge and experience on the Board. Biographical details relating to David Gilbertson can be found in the Annual Report and Financial Statements for the year ended 31 December 2016.

#### **RESOLUTIONS 6 TO 10 – RE-ELECTION OF DIRECTORS**

The Company's Articles of Association state that one-third of the directors (excluding directors appointed by the Board since the last AGM, all of whom retire at the AGM following their appointment) must retire by rotation each year, though they may offer themselves for re-election. However, in accordance with market practice and corporate governance, this year all directors are retiring and seeking re-election. Following a formal evaluation process during the year, it was determined that each director continues to be an effective member of the Board and demonstrates commitment to the role. Biographical details relating to each director can be found in the Annual Report and Financial Statements for the year ended 31 December 2016.

#### **RESOLUTIONS 11 AND 12 – RE-APPOINTMENT AND REMUNERATION OF AUDITOR**

The Company's auditor must be appointed each year at the AGM. Resolution 11 proposes that the Company retain Ernst & Young LLP as its auditor to hold office until the next AGM. Resolution 12 authorises the directors to determine the auditor's remuneration.

#### **RESOLUTION 13 – THE COMMUNISIS PLC LONG TERM INCENTIVE PLAN 2017**

The Company established the Communisis plc Long Term Incentive Plan in 2007 ("the 2007 LTIP"). Options under the 2007 LTIP may only be granted during the 10-year period ending on 25 April 2017 and, as a result, a new scheme must be in place if options under an LTIP are to be granted after that date. The 2007 LTIP will continue in force in relation to options already granted pursuant to this scheme but which have yet to be exercised.

Resolution 13 proposes that a new LTIP scheme, the Communisis plc Long Term Incentive Plan 2017 ("the 2017 LTIP"), which has been developed by the Remuneration Committee of the Board (the "Committee") and endorsed by the Board, be established. The only material change from the 2007 LTIP is that, as a smaller quoted company, which operates its LTIP on a broad participation basis, the new plan proposes to relax the 5% in 10 years dilution limit although the Company will continue to have regard to this limit as a guideline in practice, and the overall 10% in 10 years limit remains.

Both the Committee and the Board believe that the 2017 LTIP, with the performance conditions that will apply, will closely align the interests of the participants and shareholders and lead to the creation of shareholder value. The operation of the 2007 LTIP and 2017 LTIP for Executive Directors forms part of the Directors' Remuneration Policy.

The principal features of the 2017 LTIP are summarised in Appendix 1 to this Notice of Meeting.

#### **RESOLUTION 14 – THE COMMUNISIS PLC SHARESAVE SCHEME**

The Company's current Communisis plc Sharesave Scheme ("the Sharesave Scheme") was established in 2007. Options under the Sharesave Scheme may only be granted during the 10-year period ending on 25 April 2017 and, as a result, the scheme must be renewed if options under a savings-related scheme are to be granted after that date.

Resolution 14 proposes that the rules of the Sharesave Scheme will be renewed and approved in order for savings-related share options to be granted for a further 10-year period. A limited number of amendments are to be made to the Sharesave Scheme, in order to reflect recent changes in legislation. A summary of the Sharesave Scheme is set out in Appendix 2 to this Notice of Meeting.

The proposal to renew the Sharesave Scheme demonstrates the Company's commitment to encouraging employee share ownership as it allows employees to identify more closely with the interests of shareholders and also to give employees the opportunity to participate in the shareholder value they create.

The Sharesave Scheme will continue in force in relation to options already granted pursuant to this scheme but which have yet to be exercised.

#### **RESOLUTION 15 – NOTICE OF GENERAL MEETINGS**

Section 307A of the Act provides that, if certain conditions are met, a general meeting (other than an AGM) may be called on not less than 14 days' notice, rather than at least 21 days' notice. One of those conditions is that the giving of the shorter notice should have been authorised by a general meeting. The directors consider that it is in the best interests of the Company and its shareholders for it to be possible, if circumstances make it desirable, for a general meeting (other than an AGM) to be convened on the shortest notice allowed by law. Accordingly, if passed, Resolution 15 will authorise the directors to call any general meeting of the Company (other than an AGM) by notice of at least 14 clear days provided the other statutory condition (affording the means to vote electronically) is also met. If granted, this authority will expire at the conclusion of the AGM of the Company to be held in 2018, at which it is intended that a similar resolution will be proposed.

#### **RESOLUTION 16 – AUTHORISATION FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

Resolution 16 seeks authority for the Company to make market purchases of its own ordinary shares. In certain circumstances it may be advantageous for the Company to purchase its own shares in the market with the intention of enhancing earnings per share to the benefit of all shareholders. Any shares purchased in this way would be either subsequently cancelled, and the number of shares in issue accordingly reduced, or held as treasury shares. Under section 724 of the Act, the Company may hold shares purchased as treasury shares, rather than treat them as cancelled.

You are asked to consent to the purchase by the Company of up to a maximum of 20,937,601 ordinary shares which represents 10% of the Company's issued ordinary share capital as at 21 March 2017. The price payable shall not be more than 105% of the average market value for the ordinary shares for the five business days before the purchase is made and in any event not more than the higher of the price of the last independent trade and current independent bid as derived from the London Stock Exchange trading system. The minimum price which may be paid for any ordinary share is 25p. This authority will expire at the end of the AGM in 2018.

As noted in the Directors' Report in the Annual Report and Financial Statements, there is no present intention to exercise this authority in the foreseeable future.

The total number of options to subscribe for ordinary shares outstanding as at 21 March 2017 was 12,933,927 representing 6.18% of the issued ordinary share capital of the Company at that date. If the authority to buy back shares under this resolution were exercised in full, the total number of options to subscribe for ordinary shares outstanding as at 21 March 2017 would, assuming no further ordinary shares were issued after that date, represent 6.86% of the issued ordinary share capital.

#### **RESOLUTION 17 – RENEWAL OF THE POWERS OF THE BOARD TO ALLOT SHARES**

Paragraph (a) of this resolution would give the directors the authority to allot ordinary shares in the Company up to an aggregate nominal amount equal to £17,448,000 (representing 69,792,003 ordinary shares of 25p each). This amount represents approximately one third of the Company's issued share capital as at 21 March 2017, the latest practicable date before the publication of this Notice of Meeting.

In line with guidance issued by the Association of British Insurers, paragraph (b) of Resolution 17 would give the directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £34,896,001 (representing 139,584,006 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution.

This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 21 March 2017, the last practicable date before the publication of this Notice of Meeting.

The authorities under paragraphs (a) and (b) of this resolution will expire on the date of the AGM in 2018 or on 31 July 2018, whichever is sooner.

The directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph (a), to satisfy options under the Company's share option schemes, but the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources and it is possible that the Company may decide to offer shares in the future (for example, to finance corporate acquisitions). As at the date of this Notice of Meeting, the Company held no shares in treasury.

#### **RESOLUTION 18 – DIRECTORS' AUTHORITY TO DIS-APPLY PRE-EMPTION RIGHTS AND TO ALLOT SHARES FOR CASH**

Section 570 of the Act gives all shareholders the right to participate on a pro rata basis in all issues of equity shares for cash unless they agree that this right should be excluded. The effect of Resolution 18, if approved by shareholders, is to renew the authority given to the directors at the last AGM to allot shares for cash, without first offering them to existing shareholders, up to a limit of an aggregate nominal value of £2,617,200, representing 5% of the Company's issued ordinary share capital as at 21 March 2017. This resolution also gives the directors power to allot shares for cash in connection with a rights issue. The authority sought under this resolution will expire at the conclusion of the AGM in 2018 or on 31 July 2018 whichever is sooner.

## NOTES

### 1. AVAILABILITY OF INFORMATION ON A WEBSITE

The following information is available at <https://www.communisis.com/investors> where it will remain available for downloading free of charge until at least 6 April 2019:

- (a) the Notice of Meeting (including the Explanatory Notes and these Notes);
- (b) the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting (the Company has only one class of shares);
- (c) the total of the voting rights that members are entitled to exercise at the meeting in respect of the ordinary shares of the Company (the Company has only one class of shares);
- (d) any members' statements, members' resolutions and members' matters of business received by the Company which should properly be put before the meeting but which, because of the timing of their receipt, were not included in the Notice of Meeting.

### 2. ENTITLEMENT TO ATTEND AND VOTE AND TO ASK QUESTIONS

- (a) The right to vote at the meeting is determined by reference to the Register of Members. Pursuant to section 360B of the Act, the Company specifies that only those members entered on the Company's Register of Members at the close of business on 9 May 2017 are entitled to attend and vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (b) If you have sold or transferred all of your shares, this booklet and any accompanying documents (but not the personalised Form of Proxy) should be passed to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.
- (c) Please bring your Admission Card to the AGM as it will facilitate your entry to the meeting. You may attend if your name is on the register of members by the date and time indicated in Note 2(a) above.
- (d) In accordance with section 319A of the Act, a member entitled to attend the meeting and who does so is entitled to an answer to any question(s) he or she asks (whether before or at the meeting) relating to the business being dealt with at the meeting unless (a) the answer has already been provided on a website or (b) the provision of an answer would interfere unduly with the preparation for the meeting, involve the disclosure of confidential information or be undesirable in the interests of the Company or the good order of the meeting. If reasonably practicable, all questions asked will be answered before the end of the meeting. However, it may occasionally be necessary to provide an answer in writing after the meeting. If that proves to be necessary, the Chairman will so advise the meeting and the question and answer will be posted on the Company's website at the address given above in Note 1 under the heading "Availability of information on a website".
- (e) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of Meeting.
- (f) Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting in person, should he or she subsequently decide to do so.
- (g) You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, please contact the Company's Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or call 0871 664 0300; calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 and 17.30, Monday to Friday excluding public holidays in England and Wales. If you require additional forms, you may photocopy the Form of Proxy indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned to Capita Asset Services in the same envelope. Please also indicate, by ticking the box provided, if the proxy instruction is one of multiple instructions being given.
- (h) In the case of joint holders, where more than one joint holder purports to appoint a proxy, only the 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).



### 3. NOMINATED PERSONS

- (a) If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in the “Appointment of Proxies” section in Note 4 below.
- (b) If you are a person who has been nominated under section 146 of the Act to enjoy information rights (a “Nominated Person”):
  - (i) you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (a “Relevant Member”) to be appointed or to have someone else appointed as a proxy for the meeting;
  - (ii) if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
  - (iii) your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

### 4. APPOINTMENT OF PROXIES

- (a) To be effective, the Form of Proxy and, if applicable, the authority under which it is signed must reach the Company’s Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12 noon on 9 May 2017. The notes on the Form of Proxy explain how to direct your proxy to (a) vote on each resolution or (b) withhold their vote. Alternatively, you can complete your Form of Proxy online at [www.capitashareportal.com](http://www.capitashareportal.com) by following the instructions.
- (b) The return of the Form of Proxy, or the return of any CREST Proxy Instruction (as described in Note 5 below) will not prevent you from attending the meeting and voting in person should you wish.
- (c) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

### 5. APPOINTMENT OF PROXIES THROUGH CREST

- (a) 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. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.
- (b) 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 CRESTCo’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 issuer’s agent, Capita Asset Services (CREST ID RA10), by 12 noon on 9 May 2017. 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 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 proxies appointed through CREST should be communicated to the appointee through other means.
- (c) CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (d) 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. ISSUED SHARES AND TOTAL VOTING RIGHTS**

As at 6 p.m. on 21 March 2017, the Company's issued share capital comprised 209,376,010 ordinary shares of 25p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6 p.m. on 21 March 2017 is 209,376,010.

## **7. WEBSITE PUBLICATION OF AUDIT CONCERNS**

- (a) Pursuant to Chapter 5 of Part 16 of the Act (sections 527 to 531), where requested by either a member or members having a right to vote at the meeting and holding at least 5% of total voting rights of the Company or at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, the Company must publish on its website a statement setting out any matter that such member or members propose to raise at the AGM relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM.
- (b) Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the Annual General Meeting.
- (c) A member or members wishing to request publication of such a statement on the Company's website must send the request to the Company using one of the following methods:
  - (i) in hard copy form to Sarah Caddy, Company Secretary, Communisis plc, Communisis House, Manston Lane, Leeds LS15 8AH. The request must be signed by you (please also include your name (in BLOCK CAPITALS) as given on your share certificate or other evidence of ownership and, if possible, your investor number); or
  - (ii) by fax to 0113 222 6501 marked for the attention of Sarah Caddy. Please make sure the fax which you transmit is signed and carries your name (in BLOCK CAPITALS) as given on your share certificate or other evidence of ownership and, if possible, your investor number.
- (d) Whichever form of communication is chosen, the request must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported, and be received by the Company at least one week before the AGM.

## **8. ELECTRONIC COMMUNICATIONS**

You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

## **9. DOCUMENTS ON DISPLAY**

- (a) There are a number of documents that will be available for inspection by shareholders at the registered office of the Company, Communisis House, Manston Lane, Leeds LS15 8AH during normal business hours on weekdays from the date of this Notice of Meeting until the date of the AGM. These documents will also be available at the AGM for at least 15 minutes prior to and until the conclusion of the AGM. They are listed below:
  - (i) copies of all executive directors' service contracts;
  - (ii) copies of all non-executive directors' letters of appointment;
  - (iii) copies of the 2017 LTIP and the Sharesave Schemes; and
  - (iv) a copy of the current Articles of Association.

The rules of the 2017 LTIP and the Sharesave Scheme are also available for inspection at these times at the offices of FIT Remuneration Consultations LLP, 5 Fitzhardinge Street, London W1H 6ED.

## APPENDIX 1

### SUMMARY OF THE PRINCIPAL FEATURES OF THE COMMUNISIS PLC LONG TERM INCENTIVE PLAN 2017 (“THE LTIP”)

#### INTRODUCTION

The Board will adopt the LTIP conditional on and following its approval to do so at the AGM. The LTIP allows the Company to grant options to acquire ordinary shares to eligible employees. The options will normally become exercisable three years after their grant but only if and to the extent that the performance conditions to which they are subject (see further below) have been satisfied. It is currently expected that options will be granted under the LTIP on an annual basis.

#### EMPLOYEE ELIGIBILITY

Options may be granted under the LTIP to any person who is an employee of the Company or a participating group company. Participants will be selected on a discretionary basis by the Remuneration Committee, and it is anticipated that participants will be limited to board directors and senior executives. Subject to the limits (see below) the level of option grants will be decided from year to year on an individual basis.

#### GRANT OF OPTIONS

Options can generally be granted within 42 days of the announcement of the Company's results. No payment is required for the grant of options. No option can be granted more than ten years after the adoption of the LTIP.

#### EXERCISE PRICE

The price (if any) payable on exercise of an option will be decided by the Remuneration Committee before the option is granted. Options will normally have a nil or nominal exercise price.

#### PERFORMANCE CONDITIONS

The exercise of options will be subject to the satisfaction of one or more performance conditions to be satisfied over a performance period, all as determined by the Remuneration Committee. The performance conditions will be stated at the date of grant. The Remuneration Committee will determine the extent to which a performance condition is satisfied at any time. There will be no re-testing of performance conditions. Once an option has ceased to be capable of vesting to any extent for any reason it will immediately lapse to that extent.

The Remuneration Committee may also subsequently amend a performance condition if any event occurs that would make an amended condition a fairer measure of performance, as long as the condition would be no more difficult to satisfy.

For LTIP awards made to the Executive Directors, the performance conditions will be disclosed in the Company's Directors' Remuneration Report.

#### LIMITS ON THE NUMBER OF ORDINARY SHARES UNDER OPTIONS

In any year any participant will not normally receive an option over shares having a value in excess of 150 per cent. of the participant's annual basic salary.

The use of new issue ordinary shares and treasury shares under the LTIP is limited to 10 per cent. of the issued share capital of the Company from time to time, taking into account shares issued or to be issued and treasury shares re-issued over the previous 10-year period under the LTIP and any other employees' share scheme(s) (including the Sharesave Scheme) adopted by the Company.

Ordinary shares subject to options that have lapsed or been surrendered are excluded when calculating this limit. Likewise, options satisfied using existing shares, which are purchased on the market (but excluding treasury shares), are excluded when calculating this limit. Treasury shares will cease to count for the purposes of this limit if institutional investor bodies decide that they need not count.

#### EXERCISE OF OPTIONS

Options will normally become exercisable on the third anniversary of their date of grant, subject to satisfaction of the related performance conditions, and remain exercisable until the tenth anniversary of their date of grant.

If a person ceases to be employed by the Communis group before their options have vested, normally their options will lapse. However, if a participant ceases to be employed due to death, ill-health, injury or disability, redundancy, the company by which the participant is employed ceasing to be a member of the Group or the transfer of the undertaking or part-undertaking in which the participant is employed outside the Group, or any other reason at the discretion of the Remuneration Committee then the participant's option(s) will be retained and will vest on the normal vesting date (i.e. the third anniversary of the date of grant) to the extent determined by the performance conditions measured over the full performance period.

The Remuneration Committee may, at its discretion, permit or require options to vest in such circumstances at the time of cessation of employment, in which case awards would normally be subject to the performance conditions as measured over the shorter period to the date of cessation of employment.

In either case, there will also be a pro-rata reduction in the number of shares subject to an option for the time that has elapsed up to the date of cessation compared to the originally stated vesting period unless the Remuneration Committee determines that there are exceptional circumstances which mean that it would be inappropriate to apply a pro-rata reduction.

Subject to the compulsory exchange provision (see below), if there is a change of control of the Company following a general offer, if a person becomes bound or entitled to acquire shares in the Company under compulsory acquisition provisions applicable to the Company, if there is a voluntary or compulsory winding-up of the Company, or if the court sanctions a compromise or arrangement under the Companies Act with respect to the Company, options will be exercisable for the period specified by the Remuneration Committee and to the extent that the performance conditions have been satisfied and the performance period has elapsed at that time, after which they will lapse. There will also be a pro-rata reduction in the number of shares subject to an option for the time that has elapsed up to the date of the relevant corporate event compared to the originally stated vesting period unless the Remuneration Committee determines that it would be inappropriate to apply a pro-rata reduction in the particular circumstances.

### **EXCHANGE OF OPTIONS**

If there is a change of control of the Company and either the shareholders of the acquiring company immediately after the exchange of control are the same as the shareholders of the Company immediately before or the Remuneration Committee specifies that existing options should be rolled over, options will not become exercisable but will be exchanged for equivalent options over ordinary shares in another company.

### **ADJUSTMENT OF OPTIONS**

If there is a capitalisation issue, a rights issue, a consolidation, a sub-division, a reduction, a de-merger, a special or exempt distribution or a distribution *in specie* or any other variation in the share capital of the Company, the Remuneration Committee may make any adjustments it considers appropriate to the number of ordinary shares under an option and the exercise price (if any).

### **MALUS AND CLAWBACK**

The Remuneration Committee retains a power to recoup the value of unvested and previously vested options from a participant within the period of three years from the date of vesting of an option. The Remuneration Committee may choose to exercise this power in the following circumstances:

- ▶ a material re-statement of the financial results of the Company or any Communis group company in respect of financial results which were used to calculate incentive compensation made to the participant;
- ▶ the participant has been guilty of serious misconduct that would justify summary dismissal; or
- ▶ any other circumstances which, in the Remuneration Committee's opinion, have (or would have if made public) a sufficiently significant impact on the reputation of the Company or of any Communis group company.

### **AMENDMENTS**

The LTIP rules can be amended at any time by the Remuneration Committee. However, no amendment that would adversely affect the existing rights of a participant under the LTIP can be made without a participant's consent or the consent of participants who, if they exercised their options in full, would be entitled to a majority of all the resulting ordinary shares. Further, no amendment to the advantage of present or future participants can be made without the prior approval of the shareholders in a general meeting if the amendment relates to the provisions in the rules relating to:

- ▶ who can participate;
- ▶ the limits on the number of ordinary shares that can be acquired under the LTIP in total and by each participant;
- ▶ the basis for determining a participant's entitlement to and the terms on which ordinary shares can be acquired under the LTIP; or
- ▶ any adjustment to awards in the event of a variation in the share capital of the Company,

unless the amendment is minor and made to benefit the administration of the LTIP, or is to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any present or future participants or for any member of the Group.

### **GENERAL PROVISIONS**

Options are personal to participants and cannot be assigned, transferred or charged. Benefits under the LTIP are not pensionable.

Any ordinary shares acquired by a participant under the LTIP will rank equally in all respects with ordinary shares in issue on the date they are acquired. The Company will apply for the listing of any new ordinary shares allotted under the LTIP.

The Remuneration Committee may determine that a participant will be paid, on exercise of an option, a cash amount equal to the dividends paid on the ordinary shares in respect of which the option is exercised from the date of grant of the option to the date of vesting. It is not currently intended that any dividend equivalents will be paid.

The LTIP will be administered by the Remuneration Committee, which will determine any dispute under or question in connection with the Plan.

## APPENDIX 2

### SUMMARY OF THE PRINCIPAL FEATURES OF THE COMMUNISIS PLC SHARESAVE SCHEME ("THE SHARES SAVE SCHEME")

#### INTRODUCTION

The Board will renew the Sharesave Scheme conditional on and following its approval to do so at the AGM.

A summary of the main features of the Sharesave Scheme is set out below, together with details of the way in which the Sharesave Scheme is intended to operate.

The Sharesave Scheme will offer employees and directors the opportunity to acquire options over ordinary shares in Communis plc ("the Company") on a tax-advantaged basis.

#### EMPLOYEE ELIGIBILITY

Generally, all UK resident employees and executive directors (who are contracted to work at least 25 hours per week) of a participating company are eligible to participate. The grantor will have the discretion to set a minimum service requirement of up to five years in order for an employee or executive director to be eligible to participate in a particular offer.

#### LIMITS ON THE NUMBER OF ORDINARY SHARES UNDER OPTIONS

The Sharesave Scheme contains a limit on the number of shares that are issued or issuable as a result of the Sharesave Scheme. This limit applies to options granted under the Sharesave Scheme and any awards and options made under all other employees' share schemes operated by the Communis group. Awards and options which have been released or have lapsed are disregarded.

The dilution limit is that no more than 10% of the issued ordinary share capital of the Company, from time to time, should be issued under all share incentive schemes (including the Sharesave Scheme) operated by the Company in any rolling 10-year period.

Ordinary shares subject to options that have lapsed or been surrendered are excluded when calculating this limit. Likewise, options satisfied using existing shares, which are purchased on the market (but excluding treasury shares), are excluded when calculating this limit. Treasury shares will cease to count for the purposes of this limit if institutional investor bodies decide that they need not count.

The directors will ensure that appropriate policies regarding the timing and amount of Sharesave options granted exist in order to spread the potential issue of new shares over the life of the Sharesave Scheme.

#### GRANT OF OPTIONS

Invitations for the grant of options may generally only be issued within the period of 42 days following the later of the date on which the Sharesave Scheme is approved by shareholders and adopted by the Board. Thereafter invitations may be issued in the period of 42 days following the announcement of the Company's interim or final results or at other times if the Directors consider there are exceptional circumstances.

Sharesave options may only be granted during the period of 30 days following the earliest of the dealing days used to calculate the option exercise price (or if option applications are scaled down, during a period of 42 days after such dealing days).

A Sharesave option will be personal to the participant and not transferable (other than on death when it can be exercised by the participant's personal representatives).

Participants will not be required to pay for the grant of an option.

#### SAVINGS CONTRACT

When an employee accepts an invitation to participate in an issue of Sharesave options he/she will be required to enter into a savings contract for a period of three or five years under which he/she must make a monthly savings contribution of between £5 and £500 per month (or such other minimum or maximum amount determined by the Board and permitted by legislation). The £500 limit is calculated taking into account any other savings contract linked to this or any other savings related share option scheme. These contributions will be deducted from the employee's salary (after tax).

An option may also be exercised early, before the end of the savings contract, if permitted in relation to the cessation of the participant's employment or in relation to certain corporate events (as explained further below).

#### EXERCISE PRICE

The option exercise price shall be determined by the Directors and will be not less than 80% of the market value of a share at the date of invitation, provided that the amount payable per share shall not be less than the nominal value of an ordinary share. However, if the Company has determined that the option exercise will be satisfied by existing shares purchased on the market the amount payable per share may be less than the nominal value of an ordinary share.

### **VARIATION OF SHARE CAPITAL**

Upon any variation of the share capital of the Company, whether by way of a capitalisation issue, a rights issue or any sub-division, consolidation, reduction or other variation of the Company's share capital, the option exercise price and/or the number of shares comprised in a Sharesave option may be adjusted. Any adjustment may be made in such manner as the Board determines to be appropriate provided that the total exercise price (which must not exceed the expected proceeds of the related savings contract at the bonus date) and the total market value of shares under option must remain substantially the same.

### **EXERCISE OF OPTIONS**

During the period of six months following the end of the savings contract, the participant may exercise his/her option to acquire ordinary shares up to the total value of his monthly savings contributions plus any bonus or interest paid thereon. Alternatively, the participant may withdraw his contributions and any bonus or interest.

### **CESSATION OF EMPLOYMENT**

If a participant ceases to be employed within the group during the savings period his/her option will lapse except where the cessation is due to death, injury, disability, redundancy or retirement or because the company or business within which the participant works ceases to be part of the group in which case the participant will be able to exercise his/her option within six months (12 months in the case of death) from the date of cessation of employment, but only to the extent of his/her total savings plus any interest or bonus accrued to the date of exercise.

### **CORPORATE EVENTS**

In the event of a takeover, scheme of arrangement or voluntary winding up of the Company, participants may exercise options early and within six months of such event to the extent of their total savings plus any interest or bonus accrued to the date of exercise.

Where there is a change of control of the Company in certain circumstances option holders may release their rights under existing options in consideration of the grant to them of equivalent rights over shares in the acquiring company which gains control of the Company.

### **PENSIONABILITY**

Benefits derived under the Sharesave Scheme will be non-pensionable.

### **AMENDMENTS TO THE SHARES SAVE SCHEME**

The Directors may, at any time, amend any provisions of the Sharesave Scheme. However, the provisions of the Sharesave Scheme cannot be altered to confer any advantage on any current or future participants without the prior approval of shareholders in a general meeting (except for minor amendments to benefit the administration of the Sharesave Scheme or to take account of a change in legislation or to obtain or maintain a favourable tax advantage, exchange control or regulatory treatment for participants, the Company or a member of the group).

