

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser being, in the case of shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 or the Investment Intermediaries Act 1995 (as amended), or, in the case of shareholders in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your registered holding of Existing Ordinary Shares, please forward this document and the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such an act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Existing Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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## **PADDY POWER plc**

*(incorporated in Ireland with limited liability under the Companies Acts 1963 to 2013,  
registered number 16956)*

### **9 for 10 Share Consolidation**

**and**

**Proposed Return of Cash to Shareholders  
of €8.00 per Existing Ordinary Share, by way of an  
issue of B Shares**

**and**

**Amendment of the Memorandum and Articles of Association of the Company  
in response to the implementation of the Companies Act 2014**

**and**

**Reduction of the Company's share premium account  
to create distributable reserves**

**and**

**Notice of 2015 Annual General Meeting**

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**You should read the whole of this document. In particular, your attention is drawn to the letter from the Chairman of the Company that is set out in Part I of this document, the details of the Return of Cash set out in Part IV of this document and the details of the amendment of the Memorandum and Articles of Association of the Company in response to the implementation of the Companies Act 2014 set out in paragraph 3 and the appendix to Part I of this document. The letter in Part I recommends that you vote in favour of the Resolutions referred to below.**

You should note that the Return of Cash is conditional upon the approval by Shareholders of resolutions 14 to 17 (inclusive) proposed at the Annual General Meeting. You should also note that nothing in this document should be taken as constituting an offer of or to subscribe for or sell shares in the Company.

Notice of the Annual General Meeting, to be held at 11.00 a.m. on 14 May 2015 at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, is set out in Part X of this document. Shareholders are requested at Part X to complete and return the Form of Proxy whether or not they intend to be present at the Annual General Meeting. To be valid, a Form of Proxy should be completed and returned in accordance with the instructions set out thereon to the Company's Registrar, Computershare, so as to arrive as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 12 May 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting, should they so wish. Alternatively, you may appoint a proxy electronically by logging on to Computershare's website at [www.eproxyappointment.com](http://www.eproxyappointment.com), provided that Computershare receives details of your appointment by no later than 11.00 a.m. on 12 May 2015.



Application will be made to the Irish Stock Exchange, the UK Listing Authority and the London Stock Exchange, respectively, for the New Ordinary Shares resulting from the proposed Capital Reorganisation to be admitted to the Official Lists and to trading on the Irish Stock Exchange's and London Stock Exchange's main markets for listed securities in place of the Existing Ordinary Shares. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30 p.m. on 15 May 2015, and that Listing of the New Ordinary Shares will become effective and dealings in them will commence on the Irish Stock Exchange and London Stock Exchange at 8.00 a.m. on 18 May 2015.

No application will be made to the Irish Stock Exchange, the UK Listing Authority or to the London Stock Exchange, respectively, for any of the B Shares or Deferred Shares to be admitted to the Official Lists or to trading on the Irish Stock Exchange's or London Stock Exchange's main markets for listed securities, nor will the B Shares or Deferred Shares be listed or admitted to trading on any other recognised investment exchange.

None of the B Shares, Deferred Shares or the New Ordinary Shares have been or will be registered under the United States Securities Act of 1933 or the state securities laws of the United States and none of them may be offered or sold in the United States unless pursuant to a transaction that has been registered under the United States Securities Act of 1933 and the relevant state securities laws or a transaction that is not subject to the registration requirements of the United States Securities Act of 1933 and the state securities laws, either due to an exemption therefrom or otherwise.

None of the B Shares, Deferred Shares, New Ordinary Shares or this document has been approved, disapproved or otherwise recommended by any US federal or state securities commission or other regulatory authority or any non-US securities commission or regulatory authority nor have such authorities passed upon or endorsed the merits of this offering or confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The attention of Overseas Shareholders is drawn to paragraph 6 of Part IV of this document. Shareholders resident, located or with a registered address in the United States, Canada, Switzerland, Australia or New Zealand (the "**Restricted Shareholders**") are only eligible for, and will automatically receive, the Redemption Option. The B Share Dividend is not being offered to Shareholders in these jurisdictions.

This document does not constitute an invitation to participate in the Return of Cash in or from any jurisdiction in or from which, or to or from whom, it is unlawful to make such offer under applicable securities laws or otherwise.

This document is a Circular relating to the Return of Cash, the amendment of the Memorandum and Articles of Association of the Company in response to the implementation of the Companies Act 2014, the reduction of the Company's share premium account to create distributable reserves and the Annual General Meeting which has been prepared in accordance with the Listing Rules.

A summary of the action to be taken by Shareholders is set out in paragraph 4 of Part I of this document and in the accompanying Notice of Annual General Meeting.

Please note that any dividend amount expressed in this Circular to be paid or payable to, or received by, a Shareholder is a gross amount that does not take account of any dividend withholding tax which the Company may be required to withhold or any other taxes that may be payable by a Shareholder.

## **INFORMATION REGARDING FORWARD LOOKING STATEMENTS**

This document includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial position, prospects, growth, strategies and the industry in which it operates. By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Group's operations and financial position, and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward looking statements contained in this document. In addition, even if the results of

operations, financial position and the development of the markets and the industry in which the Group operates are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors. Statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue.

Forward looking statements may, and often do, differ materially from actual results. Any forward looking statements in this document speak only as of their respective dates, reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Return of Cash. Subject to the requirements of the Irish Stock Exchange, the FCA, the London Stock Exchange, the Listing Rules and the Disclosure and Transparency Rules (and/or any regulatory requirements) or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.

## **DEFINITIONS**

Certain terms used in this document, including capitalised terms and certain technical terms, are defined and explained in Part IX below.

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## EXPECTED TIMETABLE OF EVENTS

<b>Latest time and date for receipt of Form of Proxy for Annual General Meeting</b>	11.00 a.m. on 12 May 2015
Entitlement to speak and vote at the Annual General Meeting set by reference to the register of members of the Company	6.00 p.m. on 12 May 2015
Annual General Meeting	11.00 a.m. on 14 May 2015
Latest time and date for dealings in Existing Ordinary Shares. Share register of Existing Ordinary Shares closed and Existing Ordinary Shares disabled	4.30 p.m. on 15 May 2015
<b>Capital Reorganisation Record Date</b>	<b>6.00 p.m. on 15 May 2015</b>
Admission of New Ordinary Shares to the Official Lists and to trading on the Irish Stock Exchange and London Stock Exchange's main markets for listed securities	8.00 a.m. on 18 May 2015
Dealings in New Ordinary Shares commence. New Ordinary Shares entered into CREST and CREST accounts credited with "interim CREST entitlements" in respect of B Shares	8.00 a.m. (or as soon as possible thereafter) on 18 May 2015
<b>Latest time and date for receipt of Forms of Election and USE Instructions in relation to the B Share Choices</b>	<b>4.30 p.m. on 27 May 2015</b>
Redemption of B Shares pursuant to the Redemption Option	6.00 p.m. on 27 May 2015
B Share Dividend Record Time	6.00 p.m. on 27 May 2015
B Share Dividend declared and becomes payable. B Shares automatically convert into Deferred Shares	6.00 p.m. on 27 May 2015
Despatch of New Ordinary Share certificates. Credit CREST accounts and despatch cheques in respect of the B Shares redeemed under the Redemption Option. Make SEPA payments and dispatch cheques in respect of the B Share Dividend. Credit CREST accounts and despatch cheques in respect of the sale of fractional entitlements	By 5 June 2015

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### Notes:

- (1) References to time in this document are to Dublin, Ireland time.
- (2) These dates are given on the basis of the Board's current expectations and are subject to change. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement by way of Regulatory Information Service.
- (3) All events in the above timetable following the Annual General Meeting are conditional upon approval by Shareholders of resolutions 14 to 17 (inclusive) to be proposed at the Annual General Meeting. All events in the above timetable following Listing are conditional upon Listing becoming effective.

**PART I—LETTER FROM THE CHAIRMAN OF THE COMPANY**

**PADDY POWER PLC**

(Registered in Ireland No. 16956)

**Directors**

Nigel Northridge (Chairman)  
Andy McCue (Chief Executive)  
Cormac McCarthy (Chief Financial Officer)  
Tom Grace (Senior Independent Director)  
Michael Cawley (Non-Executive Director)  
Danuta Gray (Non-Executive Director)  
Ulric Jerome (Non-Executive Director)  
Stewart Kenny (Non-Executive Director)  
Gary McGann (Non-Executive Director)  
Pádraig Ó Ríordáin (Non-Executive Director)

**Registered Office:**

Power Tower,  
Belfield Office Park,  
Beech Hill Road,  
Clonskeagh,  
Dublin 4

14 April 2015

Dear Shareholder,

I am writing to you to outline the background to the Resolutions to be proposed at the forthcoming Annual General Meeting (“AGM”) of Paddy Power plc (the “Company”), all of which are unanimously recommended by the Board for approval. The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings amounting in aggregate to 459,827 Existing Ordinary Shares representing approximately 0.9 per cent. of the total issued share capital of the Company at 10 April 2015.

Your attention is drawn to the notice of the AGM of the Company, to be held at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4 at 11.00 a.m. on Thursday, 14 May 2015. A free shuttle bus service to the AGM will operate with stops at the Gresham Hotel, O’Connell Street at 10.15 a.m. and at the Shelbourne Hotel, St. Stephen’s Green at 10.30 a.m.. A return service will depart following the conclusion of the AGM, which is expected to be circa 12.30 p.m..

In addition to the ordinary business described in paragraph 3 below which deals with the Report and Accounts, the Final Dividend, the appointment and reappointment of directors, the Auditors’ remuneration and the convening of an Extraordinary General Meeting on 14 days’ notice, there are various items of special business which are described further in paragraphs 1 and 2 below.

**1. Proposed Return of Cash to Shareholders of €8.00 per Existing Ordinary Share**

The Board proposes to return to Shareholders €8.00 per Existing Ordinary Share (approximately €392 million in aggregate). This Return of Cash is being made using a B Share scheme. This gives Shareholders a choice as to the form in which they receive their proceeds from the Return of Cash—capital or income. Shareholders resident, located or with a registered address in the United States, Canada, Switzerland, Australia or New Zealand (“**Restricted Shareholders**”) are only eligible for, and will automatically receive, the Redemption Option. This document describes the choices and how to make them. Your approval is being sought for certain resolutions which need to be approved to implement the Return of Cash at the AGM to be held at 11.00 a.m. on 14 May 2015 at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4.

In order to try to maintain (subject to market fluctuations) the market price for New Ordinary Shares at approximately the same level as immediately prior to the implementation of the Return of Cash, a Capital Reorganisation will be required. This will comprise the Existing Ordinary Share Sub-division followed immediately by the Share Consolidation. The Existing Ordinary Share Sub-division is an intermediate step under which each Existing Ordinary Share will be split into one Intermediate Ordinary Share and one B Share. This will be followed immediately by the Share Consolidation pursuant to which the Intermediate Ordinary Shares will be consolidated and sub-divided into New Ordinary Shares on a 9 for 10 basis.

As part of the Return of Cash, for every 10 Existing Ordinary Shares held on the Capital Reorganisation Record Date, Shareholders will receive:

*10 B Shares; and*

*9 New Ordinary Shares.*

The main features of the B Shares, and the choices available to Shareholders, are summarised below.

### *The B Share Choices*

With the exception of Restricted Shareholders, Shareholders will have the ability to elect whether to receive their cash proceeds under the Return of Cash as capital or income. Each of the B Share Choices will return €8.00 of cash per Existing Ordinary Share.

If you do not properly complete and return your Form of Election or if you are a CREST holder and you do not send a valid USE Instruction, you will be deemed to have elected for the Redemption Option.

Restricted Shareholders will be deemed to have elected for the Redemption Option.

### *Redemption Option*

If you choose (or are deemed to choose) this option in respect of your B Shares, the Company will redeem each B Share for €8.00. Subject to the individual circumstances of Shareholders, including the tax regime to which they are subject, this is intended to be the capital option.

### *B Share Dividend*

If you choose this option in respect of your B Shares, you will receive a single dividend of €8.00 (net of any dividend withholding tax that the Company may be required to deduct) for each B Share you receive, which will be declared and become payable on 27 May 2015. Following the declaration of the B Share Dividend, your B Shares will automatically convert into Deferred Shares with, in practice, no economic or other rights. These Deferred Shares will then be acquired from you (without any further action from you) for no value following the Return of Cash and will subsequently be cancelled. Subject to the individual circumstances of Shareholders, including the tax regime to which they are subject, this is intended to be the income option.

### *Other important information in relation to the B Share Choices*

Neither the B Shares nor the Deferred Shares will be listed. The B Shares and the Deferred Shares are not transferable.

Details of how to complete and return your Form of Election or send a valid USE Instruction through CREST are set out in Part III of this document. Shareholders electing through CREST should not complete a Form of Election but instead should refer to paragraph 2 of Part III of this document.

The B Share Dividend is not being offered to Shareholders in any of the Restricted Territories, who will instead be deemed to have elected for the Redemption Option.

The attention of other Overseas Shareholders is drawn to paragraph 6 of Part IV of this document. In particular, such Shareholders should note that, by being deemed to elect for the Redemption Option, they will be deemed to represent, warrant and/or agree (as applicable) to the terms set out in paragraph 5 of Part IV of this document.

Shareholders should read Part VII of this Circular, which outlines the different tax consequences of the B Share Choices. It is important to note that the tax consequences for Shareholders will depend on the particular Shareholder's facts and circumstances. As such, Part VII is intended for guidance only. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than Ireland should consult an appropriate professional adviser.

Further information on each of the B Share Choices is set out in Part IV of this document.

Certain steps to be implemented as part of the Return of Cash require the approval of Shareholders. Accordingly, there is set out at the end of this Circular in Part X a notice convening the AGM to be held at 11.00 a.m. on 14 May 2015 at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4.

Resolutions 14 to 17 (inclusive) are inter-conditional and are required to implement the Return of Cash. In the event that any of resolutions 14 to 17 (inclusive) is not approved by the required majority, the Return of Cash will not happen and any elections made will lapse. A summary explanation of resolutions 14 to 17 (inclusive) can be found in paragraph 3 below.



## **2. Amendment of the Memorandum and Articles of Association**

In addition to the ordinary business to be transacted at the AGM, your Board proposes additional resolutions to amend the Memorandum of Association and adopt revised Articles of Association for the Company to bring them into line with the provisions of the Companies Act 2014 and make some consequential and housekeeping changes.

On commencement of the Companies Act 2014, which is expected to take place on 1 June 2015, many of the existing provisions in Irish company law will be altered. The purposes of resolutions 12 and 13 is to make certain amendments to the Memorandum and Articles of Association of the Company to ensure that the Companies Act 2014 will not alter how the provisions of the Memorandum and Articles of Association are to be applied and to reflect some changes to Irish law effected by the Companies Act 2014. An explanation of the effect of these proposed amendments is set out in the Appendix to this letter. Further, as the Articles of Association are being changed to address the commencement of the Companies Act 2014, the Board has considered whether there are any other changes that should be made to the Articles of Association at this time. Article 75 limits the aggregate ordinary remuneration of the Directors to not more than €750,000. This provision does not reflect the actual ordinary remuneration paid to the Directors, but imposes a ceiling on the maximum amount that may be paid. The Board has considered the limits on ordinary remuneration in companies of a comparable size to Paddy Power, and the benefits of preserving the Company's flexibility to expand the Board if required, and has concluded that Shareholders should be asked to increase the cap on the aggregate annual ordinary remuneration of Directors in Article 75 from €750,000 to €950,000. This will not affect the remuneration actually payable to the Directors, and the Board has no current intention to increase such remuneration.

A copy of the Memorandum and Articles of Association in the form amended by these resolutions is available on the Company's website and will also be available for inspection at the registered office of the Company during business hours on any business day up to and including the date of the AGM as well as being available at the AGM on 14 May 2015.

## **3. Resolutions to be proposed at the Annual General Meeting**

Resolution 1 is to receive and consider the financial statements for the year ended 31 December 2014 and the reports of the Directors and Auditors.

In resolution 2 Shareholders are being asked to approve the payment of a dividend of €1.02 per Existing Ordinary Share for the year ending 31 December 2014. If approved, the dividend will be paid on 22 May 2015.

Resolution 3 is to receive and consider the Remuneration Committee Report on Directors' remuneration as set out on pages 56 to 60 of the Annual Report. There is no legal obligation on the Company to put such a resolution to Shareholders, so it is an advisory resolution and is not binding on the Company.

Resolutions 4 and 5 of the ordinary business propose the appointment of Andy McCue and Gary McGann and the reappointment of the remaining members of the Board who, in accordance with the recommendation of the UK Corporate Governance Code, offer themselves for re-election. Andy McCue and Gary McGann were appointed by the Directors since the last AGM and, in accordance with the Articles of Association of the Company, retire at the AGM and put themselves forward for election by the Shareholders. In view of their experience and skills, and their contribution to the Board to date, the Board recommends the appointment/reappointment of each of these Directors. Biographical information on these Directors is given on pages 34 and 35 of the Annual Report.

Resolution 6 is to authorise the Directors to fix the remuneration of the Auditors for the year ending 31 December 2015.

In resolution 7, Shareholders are being asked to maintain the existing authority in the Articles of Association which permits the Company to convene an Extraordinary General Meeting on 14 days' notice in writing where the purpose of the meeting is to consider an ordinary resolution. As a matter of policy, the 14 days' notice will only be utilised where the Directors believe that it is merited by the business of the meeting and the circumstances surrounding the business.

In resolution 8, Shareholders are being asked to renew the Directors' authority to allot shares, up to an aggregate nominal value of €1,631,033 representing approximately one third of the issued capital of the Company as at 10 April 2015 which is the latest practical date prior to the posting of this Circular, or €1,321,137 representing approximately one third of the issued capital of the Company as at the date the

Capital Reorganisation takes effect. If renewed, this authority will expire on the date of the next AGM of the Company or 13 November 2016, whichever is earlier. The Board has no immediate intention to exercise this authority.

In resolution 9, Shareholders are being asked to renew the Directors' authority to allot shares for cash without being required to offer them first to Shareholders. In line with best practice, this authority is limited to an allotment of shares up to five percent of the issued ordinary share capital of the Company which would be equivalent to an aggregate nominal value of €255,575 representing approximately one third of the issued capital of the Company as at 10 April 2015 which is the latest practical date prior to the posting of this Circular, or €207,016 representing approximately one third of the issued capital of the Company as at the date the Capital Reorganisation takes effect. If renewed, this authority will expire on the date of the next AGM of the Company or 13 November 2016, whichever is earlier.

In resolution 10, Shareholders are being asked to renew the authority to empower the Company, or any subsidiary, to make market purchases of the Company's shares. No more than ten per cent. of the issued share capital of the Company may be acquired under this authority. The price range at which shares may be acquired cannot be less than the nominal value of the Company's shares and cannot be greater than 105% of the average price of the Company's shares over the five dealing days prior to the date of purchase by the Company. Shares purchased by the Company may be cancelled or held in treasury pending cancellation or re-issue. As at 10 April 2015, being the latest practicable date before the publication of this document, the Company held 2,184,000 Existing Ordinary Shares as treasury shares.

The total number of options to subscribe for shares in the Company on 10 April 2015 is 328,586 and represents 0.67% of the total voting rights of the Company (excluding treasury shares) on that date. This percentage would increase to 0.75% if the full authority to buy shares is used. The authority sought will expire on the date of the next AGM of the Company or 13 November 2016, whichever is earlier. The Board will only exercise the power to purchase shares in the future at price levels at which it considers purchases to be in the best interests of the shareholders generally after taking account of the Group's overall financial position.

In resolution 11, Shareholders are also being asked to pass a resolution authorising the Company to re-issue shares purchased by it and not cancelled as treasury shares off market within a price range, which shall not be less than 95% nor more than 120% of the average price of the Company's shares over the ten dealing days prior to the date of re-issue by the Company. The authority sought will expire on the date of the next AGM of the Company or 13 November 2016, whichever is earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act 1990. The total number of treasury shares held by the Company on 10 April 2015 is 2,184,000, which represents 4.46% of the total ordinary share capital of the Company (excluding treasury shares) in issue on that date.

As mentioned previously, in resolution 12 Shareholders are being asked to approve certain amendments to the Memorandum of Association of the Company to reflect the commencement of the Companies Act 2014, which is expected to take place on 1 June 2015.

In resolution 13, Shareholders are being asked to approve amendments to the Articles of Association of the Company. These amendments reflect changes which will be made by the Companies Act 2014.

Four resolutions will be proposed at the Annual General Meeting in relation to the Return of Cash. Resolutions 14 and 17 will be proposed as special resolutions and resolutions 15 and 16 will be proposed as ordinary resolutions.

Resolution 14 proposes the adoption of B Share Articles of Association incorporating the rights and restrictions to be attached to the B Shares and the Deferred Shares as set out in Part V and Part VI, respectively, of this document. Resolution 14 is conditional upon the passing of each of resolutions 15, 16 and 17 and on Listing becoming effective by 8.00 a.m. on 18 May 2015 (or such later date or time as the Directors may determine).

Resolution 15 sets out the procedure for sub-dividing each Existing Ordinary Share into one Intermediate Ordinary Share and one B Share. Resolution 15 is conditional upon the passing of each of resolutions 14, 16 and 17 and on Listing becoming effective by 8.00 a.m. on 18 May 2015 (or such later date or time as the Directors may determine).

Resolution 16 sets out the procedure for consolidating and dividing the Intermediate Ordinary Shares so that each Shareholder receives 9 New Ordinary Shares for every 10 Existing Ordinary Shares that such Shareholder held on the Capital Reorganisation Record Date. Resolution 16 is conditional upon the

passing of each of resolutions 14, 15 and 17 and on Listing becoming effective by 8.00 a.m. on 18 May 2015 (or such later date or time as the Directors may determine).

Resolution 17 authorises the Company to repurchase the Deferred Shares held by Shareholders. Such authority will expire at the conclusion of the next annual general meeting of the Company. Resolution 17 is conditional upon the passing of each of resolutions 14, 15 and 16 and on Listing becoming effective by 8.00 a.m. on 18 May 2015 (or such later date or time as the Directors may determine).

In resolution 18 Shareholders are being asked to pass a special resolution which will enable the Company to take the necessary steps following the AGM to seek the approval of the High Court to the cancellation of €44,969,000 of the Company's share premium account. Under Irish company law, any dividends on Ordinary Shares in the Company must be funded from distributable reserves and any redemption of Ordinary Shares or repurchase of Ordinary Shares by the Company must be funded from the distributable reserves of the Company or from proceeds of a fresh issue of shares for that purpose. Section 72 of the Companies Act 1963 enables a company, subject to shareholder approval and the approval of the High Court, to create distributable reserves through the cancellation of share premium.

The Company wishes to ensure that it is not constrained from paying dividends, redeeming or repurchasing Ordinary Shares by a lack of distributable reserves in circumstances where the Company is otherwise in a position to pay dividends, redeem or repurchase Ordinary Shares. Accordingly, resolution 18 will be proposed at the AGM to seek the approval of Shareholders to the cancellation of share premium of the Company with the reserve created on cancellation of share premium to be treated as distributable reserves.

The Capital Reorganisation will affect the entitlements of participants in the Company's share incentive and share-based incentive schemes. Resolution 19 will give the Board of Directors or the Remuneration Committee of the Company authority to adjust the terms of such schemes to the extent necessary to address the impact of the Capital Reorganisation on the entitlements of participants in those schemes.

#### **4. Action to be taken**

The Form of Proxy for use at the AGM will be valid if lodged at the registered office of the Company or with the Company's Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, by no later than 11.00 a.m. on 12 May 2015. Alternatively you may wish to submit your votes via the internet and instructions on how to do so are shown on the Form of Proxy. All proxy forms must be lodged no later than 48 hours before the time appointed for the meeting. The completion and lodging of the Form of Proxy will not prevent you from attending and voting in person at the meeting should you so wish.

The procedure for making elections under the Return of Cash depends on whether your Existing Ordinary Shares are held in certificated or uncertificated form and is summarised below.

Shareholders (other than Restricted Shareholders) may elect for one of the B Share Choices in respect of a Shareholder's total holding at the Election Deadline.

Shareholders need to make their own decision regarding any election they make under the Return of Cash between the B Share Choices and are recommended to consult their own independent professional adviser.

##### *Existing Ordinary Shares held in certificated form*

Shareholders (other than Restricted Shareholders) who hold Existing Ordinary Shares in certificated form should make any election for the B Share Choices by completing the Form of Election in accordance with the instructions printed thereon, and returning it as soon as possible and in any event so as to be received by post at Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 (using the accompanying reply paid envelope if posting from inside Ireland or (during normal business hours only) by hand to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, by no later than 4.30 p.m. on 27 May 2015. Shareholders who do not complete and return a valid Form of Election by 4.30 p.m. on 27 May 2015 will be deemed to have elected for the Redemption Option in respect of all of their B Shares.

Shareholders with a registered address in a Restricted Territory will not be sent a Form of Election and will be deemed to have elected for the Redemption Option in respect of all of their B Shares.

*Existing Ordinary Shares held in uncertificated form*

Shareholders (other than Restricted Shareholders) who hold their Existing Ordinary Shares in uncertificated form should refer to the applicable procedures and related timings set out in paragraph 2 of Part III of this Circular. The CREST Manual may also assist you in making a USE Instruction. Any Shareholder whose USE Instruction does not settle by 4.30 p.m. on 27 May 2015 will be deemed to have elected for the Redemption Option in respect of all of their B Shares.

Shareholders who do not make a valid election, and all Restricted Shareholders, will be deemed to have elected for the Redemption Option in respect of all of their B Shares.

**5. Shareholder helpline**

If you are in any doubt as to how to complete the Form of Proxy or Form of Election please contact Computershare on 01 447 5105 (or +353 1 447 5105 if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Calls to +353 1 447 5105 from outside Ireland are charged at applicable international rates. **Please note that calls may be monitored or recorded and that Computershare will not provide advice on the merits of the Return of Cash nor give any financial or tax advice.**

**6. Recommendation**

Your Board is of the opinion that the Resolutions to be proposed at the Annual General Meeting are in the best interests of Shareholders as a whole. Accordingly, your Board unanimously recommends that you vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 459,827 Existing Ordinary Shares representing approximately 0.9 per cent. of the total issued share capital of the Company at 10 April 2015.

Yours sincerely

**Nigel Northridge**  
*Chairman*

14 April 2015

## APPENDIX

### Resolutions 12 and 13

#### Explanation of the Proposed Amendments to the Memorandum and Articles of Association

##### 1. Introduction

The Companies Act 2014 is expected to become effective on 1 June 2015. When it does, many provisions in the existing companies legislation in Ireland will be altered. The purpose of special resolutions 12 and 13 is to make certain amendments to the Memorandum and Articles of Association in order to ensure that these changes to Irish company law will not have an unintended effect on the Memorandum and Articles of Association by altering how the provisions in the Memorandum and Articles of Association are to be applied.

It is also proposed to streamline the wording of the Articles of Association which set out the terms on which the Company may issue equity securities and purchase its own shares and also use this opportunity to make some small housekeeping amendments to the Articles of Association.

Each of the proposed amendments is explained in the following paragraphs.

##### 2. Special Resolution 12

This special resolution is being proposed in order to make minor amendments to Clauses 2 and 3(f) and 3(v) of the Memorandum of Association so as to update the statutory references in these paragraphs in order to be consistent with the new Companies Act 2014.

##### 3. Special Resolution 13

Under this resolution, it is proposed to make the following amendments to the Articles of Association:

###### *Companies Act 2014 Amendments*

- (a) Articles 1, 7, 8, 34, 46, 47, 55, 68, 72, 83, 89, 93, 116 and 117 contain references to sections in the existing companies legislation. This resolution will amend these statutory references in order to ensure that they are consistent with the corresponding provisions in the Companies Act 2014.
- (b) The Companies Act 2014 adopts a new approach in regard to the articles of association of all companies. Instead of making provisions for a model set of articles of association as was done with Table A in the Companies Act 1963 (“**Table A**”), the Companies Act 2014 now contains specific sections which apply to all companies unless the articles of association specifically exclude them. As these provisions deal with matters which are already specified in the Articles of Association of the Company, it is necessary to include a new provision in the opening clause of the Articles in order to dis-apply these optional sections of the Companies Act 2014. As Table A is no longer relevant, it is no longer necessary to continue with its disapplication in Article 1(a). A summary of each of the provisions which are therefore being **excluded** by the new Article 1(a) is set out below:
  - (i) Section 43(2) and (3) deal with the use of the common seal of the Company. These sub-Sections are being disapplied as the matter is already dealt with by Articles 103 and 105;
  - (ii) Section 65(2) to (7) deal with the power to convert shares into stock. These sub-Sections are being disapplied as the matter is already covered by Article 30;
  - (iii) Section 66(4) deals with the allotment of redeemable shares. This Section is being disapplied as the matter is more substantively covered by Article 4;
  - (iv) Section 66(7) allows a company to require information on the beneficial ownership of shares from its members or a transferee. This Section is being disapplied as the matter is already dealt with by Article 6;
  - (v) Sections 77 to 81 deal with the making of calls in respect of unpaid amounts due on shares issued by the Company, liens on shares and forfeiture of shares. These Sections are being disapplied as these matters are covered by Articles 14 to 28;
  - (vi) Section 94(1) deals with instruments of transfer for shares. This Section is being disapplied as the matter is already covered by Article 33;



- (vii) Section 95(1)(a) is being disapplied as the Directors discretion to decline a transfer of shares is dealt with more restrictively in Article 35;
- (viii) Section 96(2) to (11) deals with the transmission of shares in the Company. These sub-Sections are being disapplied as the matter is already dealt with by Articles 40 and 41;
- (ix) Section 124 deals with the declaration and payment of dividends by the Company. This Section is being disapplied as the matter is already covered by Articles 106 to 112;
- (x) Section 125(3) deals with the use of cheques, negotiable instruments and bank transfers for the payment of dividends by the Company. This Section is being disapplied as the matter is already covered by Article 111;
- (xi) Section 126 deals with the capitalisation of distributable profits. This Section is being disapplied as the matter is already dealt with by Article 118;
- (xii) Section 136(1) applies when the constitution of a company requires a director to hold a specific share qualification. This Section is being disapplied as Article 74 does not require share qualifications;
- (xiii) Sections 144(3) and 144(4) deal with the appointment of directors. These Sections are being disapplied as the matter is already dealt with in Articles 85 to 88;
- (xiv) Section 148(2) deals with how the office of a director may be vacated early. This Section is being disapplied as the matter is already covered by Article 89;
- (xv) Section 158(3) to (4) deals with the borrowing powers of directors and the directors power to delegate to committees. These sub-Sections are being disapplied as these matters are already covered by Articles 82 and 83;
- (xvi) Sections 160 to 165 deal with the establishment of board committees, matters relating to board procedure and the appointment of alternate directors. These Sections are being disapplied as these matters are already covered by Articles 78, 80, 84, 91, 95 to 99 and 101;
- (xvii) Section 178(2) deals with the calling of extraordinary general meetings by the members. This Section is being disapplied as members are able to requisition the Directors to convene extraordinary meetings under sub-Sections 178(3) to (7);
- (xviii) Section 180(5) deals with the provision of notices of general meetings. This Section is being disapplied as the list of persons entitled to notice of general meetings is dealt with in Article 53(b);
- (xix) Section 182(2) and (5) deal with the quorum required for a meeting of the Company. These sub-Sections are being disapplied as the matter is already covered by Article 54;
- (xx) Section 183(3) is being disapplied as otherwise it would prohibit the appointment of multiple proxies which is already permitted by Article 68;
- (xxi) Section 186(c) deals with the business of the annual general meeting. This Section is being disapplied as the matter is already set out in Article 55;
- (xxii) Section 187 deals with the conduct of the meetings of the Company. This Section is being disapplied as the matter is already covered by Part XI of the Articles of Association;
- (xxiii) Section 188 deals with voting at the meetings of the Company. This Section is being disapplied as the matter is already covered by Article 62;
- (xxiv) Section 218(3) to (5) deals with timing of a deemed receipt of a notice. This Section is being disapplied as the matter is already covered by Article 123;
- (xxv) Sections 229, 230 and 1113 deal with the interests of directors. These Sections are being disapplied as the matter is already covered by Article 92 and 93;
- (xxvi) Sections 338(5), 338(6) and 339(7) deal with the delivery of the financial statements of the Company. These Sections are being disapplied as delivery methods are already dealt with in Article 116;
- (xxvii) Section 618(1)(b) deals with the distribution of property on a winding up of the Company. This Section is being disapplied as the matter is already covered by Article 128;

- (xxviii) Section 620(8) stipulates timeframes regarding unclaimed dividends. This Section is being disapplied as the Company has stipulated longer timeframes in Article 114;
  - (xxix) Section 1090 deals with the rotation of directors. This Section is being disapplied as the matter is already covered by Articles 85 and 86;
  - (xxx) Section 1092 deals with the remuneration of the directors. This Section is being disapplied as the matter is already covered by Articles 75 to 77; and
  - (xxxi) Section 1093 deals with unanimous written resolutions of members. This Section is being disapplied on grounds of practicality.
- (c) The optional provisions of the Companies Act 2014 which are being specifically **included** are Sections 83 and 84, which set out powers necessary to implement capital reductions.
  - (d) In various places in the Articles of Association, the expression “undenominated capital” is being inserted as this expression is now used in the Companies Act 2014 to refer to that part of a Company’s issued share capital which is not represented by the nominal value paid up on the issued shares.
  - (e) Article 55 is being amended in order to ensure that it will be consistent with Section 186, which specifies what constitutes the ordinary business of the Company’s annual general meeting.
  - (f) The deletion of the time limits at the end of Article 72(a) in regard to the latest time within which a proxy may be revoked is being deleted as this is now governed by Section 183(10).
  - (g) The reference to an “ordinary resolution” in Article 79 is being deleted and replaced with the words “special resolution” in order to reflect the change introduced by the optional provision Section 158(1)(c).
  - (h) Section 228(1)(d) is a restriction regarding the use of company property by directors that has not previously been set out in statute but is not intended to change the law in Ireland. To clarify this, a new Article 77(b) is being adopted in order to ensure that Directors can continue to use Company property (e.g. laptops, etc) in accordance with their terms and conditions of employment or appointment in the same way that they currently do.
  - (i) The word “extended” is being removed in Article 90 as “extended notice” is not a term used in the Companies Act 2014 in relation to the removal of directors.
  - (j) Sections 228(1)(e) and 228(2) are entirely new statutory provisions but are not intended to change the law on directors’ duties. It is proposed to include a new Article 93(d) in order to make it clear that Section 228(1)(e) will not restrict anything which may be done by any Director in accordance with the prior authorisation of the Board or a Board committee. In addition, the new Article prohibits any individual Director entering into any commitment which might otherwise be permitted by Section 228(2) without the prior approval of or delegation from the Board or a committee of the Board.
  - (k) The word “divide” at the end of Article 115 is being replaced with “distribute” to mirror the wording of Section 124(c).
  - (l) Article 116 has been amended in order to take account of the new requirements regarding the maintenance of accounting records set out in Chapter 2 of Part 6 of the Companies Act 2014. In Article 120 the Directors may use the power provided for in the Companies Act 2014 to send Shareholders summary financial statements in lieu of the full statutory financial statements of the Company. However, where the Directors elect to do so, any Shareholder may request a full copy of the financial statements of the Company to be sent to him or her.

#### *Allotment Authority Amendments*

It has become the practice at each annual general meeting of the Company to request Shareholders to approve a renewal of the Director’s authority to allot equity securities and purchase the Company’s own shares. Each authority is limited to a specific sum in the Articles of Association of the Company in accordance with investor guidelines and the UK Corporate Governance Code as follows:

- (a) Article 8(d) of the Articles of Association permits the Company to request Shareholders to authorise Directors to issue equity securities “up to a maximum aggregate nominal value of €240,383 or 5% of the issued capital of the Company”; and

- (b) Article 46 of the Articles of Association limits the authority of the Company to make market purchases of its own shares to “the higher of €480,766 or 10% of the aggregate nominal value of the aggregate share capital of the Company”.

Most other public limited companies do not express a specific monetary cap on either of these authorities in their articles of association and instead leave the amount to be determined by the directors in accordance with the best interests of the company and set out in the resolutions to be approved at the annual general meeting each year. This gives the directors flexibility to adjust the amounts each year without amending the articles of association, and flexibility to reflect changes to corporate governance standards.

It is therefore proposed that Articles 8(d) and 46 be amended by removing the specific monetary caps and introducing wording which will allow the limits for share allotment/purchases of own shares to be set out in annual resolutions to provide the Company with greater flexibility in the future.

#### ***General Housekeeping Amendments***

A number of housekeeping changes are provided for in the revised Articles of Association, including:

- (a) the deletion of “the” before most defined terms in Article 1(b);
- (b) deletion of the definition of “address” in Article 1(b), as this is a duplication of the provision in Article 1(d);
- (c) the correction of the name of the Irish Stock Exchange plc in Article 1(b); and
- (d) capitalisation of defined terms in Article 7.



## PART II—FREQUENTLY ASKED QUESTIONS WITH ANSWERS

These questions and answers are aimed particularly at Shareholders who are individuals. They set out some frequently asked questions and provide brief responses. Please read both the questions and answers below. Times and dates specified below are expected times and dates and are subject to change as set out in the rest of the document. The questions with answers below assume you do not hold shares through CREST unless CREST is specifically mentioned. **You should read this whole document carefully and not rely solely on the summary information below.**

If you have any other questions on the Return of Cash, you may call Computershare on 01 4475105 (or +353 1 447 5105 if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Calls to +353 1 447 5105 from outside Ireland are charged at applicable international rates. Please note that calls may be monitored or recorded and that Computershare will not provide advice on the merits of the Return of Cash nor give any financial or tax advice.

### 1. What is being proposed?

The Company proposes to return €8.00 in cash to you for each Existing Ordinary Share held by you at the Capital Reorganisation Record Date. Subject to certain restrictions applicable to Overseas Shareholders, you will be able to elect whether you receive this cash as capital or income.

For every Existing Ordinary Share that you hold at the Capital Reorganisation Record Date, you will receive one B Share. Each B Share entitles you to receive €8.00 in cash via the Redemption Option or the B Share Dividend, as you may elect (or be deemed to have elected).

### 2. Is there a meeting to approve the Return of Cash?

As certain steps that are necessary to implement the Return of Cash require the approval of Shareholders, the resolutions required to implement the Return of Cash will be proposed at the Annual General Meeting of the Company that will be held at 11.00 a.m. on 14 May 2015 at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4. A summary explanation of resolutions 14 to 17 (inclusive) is set out at paragraph 3 of Part I of this Circular. Resolutions 14 and 17 will be proposed as special resolutions and will require 75 per cent. or more of the votes cast to be in favour of those resolutions in order to be passed. Resolutions 15 and 16 will be proposed as ordinary resolutions and will require more than 50 per cent. of the votes cast to be in favour of those resolutions in order to be passed.

The other resolutions do not relate to the Return of Cash and are further described in paragraph 3 of Part I of this document.

### 3. How do I vote at the Annual General Meeting?

All Shareholders are entitled to attend and vote at the Annual General Meeting, but are not obliged to do so. If you choose not to attend, we would encourage you to exercise your right to vote at the meeting by signing and returning the Form of Proxy so that it is received by the Company's Registrar, Computershare, by no later than 11.00 a.m. on 12 May 2015. Alternatively, you may complete the proxy form electronically at [www.eproxyappointment.com](http://www.eproxyappointment.com).

If you hold your Existing Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Computershare under participant ID 3RA50 so that it is received by no later than 11.00 a.m. on 12 May 2015.

### 4. What choices do I have for my B Shares?

Unless you are a Restricted Shareholder you may choose between the Redemption Option or the B Share Dividend. Restricted Shareholders will be deemed to have elected for the Redemption Option in respect of all of their B Shares.

#### *Redemption Option*

If you choose (or are deemed to choose) this option in respect of your B Shares, the Company will redeem those B Shares for €8.00 per B Share on 27 May 2015.

## ***B Share Dividend***

If you choose this option in respect of your B Shares, a single dividend of €8.00 per B Share will become payable to you on 27 May 2015. Following the declaration of the B Share Dividend, your B Shares will automatically convert into Deferred Shares with, in practice, no economic or other rights. These Deferred Shares will then be acquired from you (without any further action from you) for no value following the Return of Cash and will subsequently be cancelled.

Details of how to complete and return your Form of Election are set out in Part III of this document. Shareholders electing through CREST should not complete a Form of Election but instead should refer to paragraph 2 of Part III of this document.

Further information on each of the B Share Choices is set out in Part IV of this document.

### **5. How do I make my choice?**

Information on how to make your choice is set out in Part III of this document. Shareholders electing through CREST should refer to paragraph 2 of Part III of this document.

### **6. What if I don't get my Form of Election back in time?**

If you do not correctly complete and return your Form of Election or send a valid USE Instruction by the Election Deadline, you will be treated as having elected for the Redemption Option in respect of all of your B Shares (unless otherwise determined by the Directors).

### **7. What happens to my Ordinary Shares in the Company?**

Each Existing Ordinary Share will be split into one Intermediate Ordinary Share and one B Share pursuant to the Existing Ordinary Share Sub-division. The Intermediate Ordinary Shares arising out of the share split will then be consolidated and divided into New Ordinary Shares on the basis of 9 New Ordinary Shares for every 10 Intermediate Ordinary Shares pursuant to the Share Consolidation, which will reduce the number of Ordinary Shares that all Shareholders hold. The intention is that, subject to market movements, the share price of one New Ordinary Share immediately after Listing of the New Ordinary Shares becoming effective should be approximately equal to the share price of one Existing Ordinary Share immediately beforehand. Therefore, to help ensure that the share price stays about the same immediately before and after the Return of Cash (apart from normal market movements), the Company intends to reduce the total number of Ordinary Shares owned by all Shareholders by effecting the Share Consolidation.

As a result, subject to resolutions 14 to 17 being passed, for every 10 Existing Ordinary Shares that you own at the Capital Reorganisation Record Date, you will receive 9 New Ordinary Shares to replace them (in addition to your 10 B Shares).

You will continue to own the same proportion of the Company immediately after the Capital Reorganisation as you did before, subject to the treatment of fractional entitlements arising on the Share Consolidation (see question 8 below).

### **8. What if the number of New Ordinary Shares to which I am entitled is not a whole number?**

If your entitlement to New Ordinary Shares is not a whole number, you will be left with a fractional entitlement to a New Ordinary Share. So, for example, a Shareholder with 105 Existing Ordinary Shares would, after the Share Consolidation, as well as receiving 105 B Shares, be entitled to 94 New Ordinary Shares and an entitlement to 0.5 of a New Ordinary Share. The Company will combine all fractions and arrange to have them sold in the market. It is expected that you will be sent a cheque for your proportion of the sale proceeds, or have such amount credited to your CREST account, by 5 June 2015. Should the cash consideration for your fractional entitlement be less than €5.00 you will not receive a cheque in respect of that entitlement. Instead the sale proceeds will be aggregated and donated to Special Olympics Great Britain (registered charity no. 800329).

### **9. What happens to my current share certificates?**

Your Existing Ordinary Share certificate(s) will no longer be valid once the New Ordinary Shares have been listed. Therefore, you should destroy it/them upon receipt of your New Ordinary Share certificate.

New Ordinary Share certificates will be despatched on or before 5 June 2015. They are despatched at each Shareholder's own risk. To reduce this risk, please make every effort to ensure that Computershare holds your current address.

**10. What if I want to sell my New Ordinary Shares before I have received my New Ordinary Share certificate?**

You will be able to sell your New Ordinary Shares from 18 May 2015 even though you will not have a New Ordinary Share certificate for them on that date. The Company will not be issuing temporary documents of title. Instead the New Ordinary Shares will be certified against the register held by Computershare.

**11. Will I get a B Share certificate?**

No share certificates will be issued in respect of the B Shares.

**12. Can I trade my B Shares and/or Deferred Shares?**

The B Shares are not transferable, meaning that you will not be able to trade or sell such shares. The B Shares will not be admitted to the Official Lists or to trading on the Irish Stock Exchange's or London Stock Exchange's main markets for listed securities or listed or admitted to trading on any other recognised investment exchange. There will be no formal market for the B Shares.

The Deferred Shares have, in practice, no value or other rights. The Deferred Shares are not transferable. Instead they will be acquired from you (without any further action from you) for no value following the Return of Cash and will subsequently be cancelled.

**13. What is my tax position?**

A guide to certain Irish tax consequences of the Return of Cash under current Irish law is set out in Part VII of this document. Please read the relevant paragraphs carefully. If you have a complicated tax position, or are otherwise in any doubt about your tax circumstances, or if you are subject to tax in a jurisdiction other than Ireland, you should consult an appropriate independent professional adviser.

**14. Dividends on my Existing Ordinary Shares are paid directly into my bank account. Do I need to change the existing instruction in respect of my New Ordinary Shares?**

Unless revoked or varied, your present mandates will be deemed to be valid for any dividends from the Company in respect of New Ordinary Shares.

**15. How will the proceeds from the Return of Cash be paid?**

***Redemption Option***

It is expected that a cheque in respect of the Redemption Option will be sent to you or that your CREST account will be credited, as appropriate, by 5 June 2015 (or such other date as the Directors may determine). All payments in respect of the Redemption Option will be paid in euro only. Existing dividend mandates will not apply to any payments made in respect of the Redemption Option.

***B Share Dividend***

It is expected that a cheque in respect of the B Share Dividend will be sent to you or that your bank account will be credited, as appropriate, with the proceeds by 5 June 2015 (or such other date as the Directors may determine). All payments in respect of the B Share Dividend will be paid in euro only.

Your present dividend mandate will (unless revoked or amended) be deemed to be valid for all future dividends payable by the Company, including the B Share Dividend. However, all payments under the Return of Cash will be made in euro, notwithstanding any existing mandate instructions to the contrary and no payments will be made to sterling bank accounts.

**16. What if I am resident outside Ireland?**

Shareholders resident outside Ireland or who are nationals or citizens of jurisdictions other than Ireland should read the additional information set out in paragraph 6 of Part IV of this document.

Shareholders who are resident, ordinarily resident or domiciled outside Ireland for tax purposes should consult their own tax advisers concerning their tax position in respect of the B Shares and the Capital Reorganisation, and in particular should note that the ability to elect for capital or income treatment options may not apply in other jurisdictions or under any non-Irish tax provisions to which a Shareholder may be subject.

**17. Will I receive my Final Dividend?**

The payment resulting from the B Share issue is in addition to the Final Dividend payment, which is expected to be paid to you on 22 May 2015.

### PART III—HOW TO MAKE AN ELECTION

To make an election, Shareholders who hold their Existing Ordinary Shares in certificated form must complete the Form of Election. Shareholders who hold their Existing Ordinary Shares in CREST will not be sent a Form of Election and instead should make their election by means of a USE Instruction.

**Shareholders wishing to elect for the Redemption Option in relation to their B Shares should NOT complete or return the Form of Election or make an election through CREST. The Redemption Option will apply automatically for all B Shares held by such Shareholder.**

**The B Share Dividend is not being offered to Restricted Shareholders and Restricted Shareholders may not elect for the B Share Dividend. Restricted Shareholders should NOT complete or return the Form of Election or make an election through CREST. The Redemption Option will apply automatically for all B Shares held by Restricted Shareholders.**

#### 1. Completing your Form of Election

The following instructions set out what Shareholders should do when completing the Form of Election. Shareholders need to take their own decision regarding any election(s) they make and are recommended to consult their own professional advisers.

References to “**Boxes**” are to the boxes indicated on the Form of Election.

##### *Number of shares held*

Box A shows the number of Existing Ordinary Shares in the name(s) of Shareholder(s) as at 5.00 p.m. on 10 April 2015 and is for information purposes only. If you do not buy, sell or transfer any Existing Ordinary Shares between 10 April 2015 and the Capital Reorganisation Record Date, then this number will also be the number of B Shares that you receive and for which you may make an election.

##### *Name(s) of Shareholder(s)*

The Form of Election shows the name of the Shareholder, or the names of the joint Shareholders, of B Shares in respect of which an election can be made. When the Form of Election is completed, the Shareholder, or all joint Shareholders, need to sign the Form of Election in Box 3, and the signature of each Shareholder who is an individual signing in Box 3A needs to be witnessed. The witness must be over 18 years of age and cannot be the Shareholder or one of the joint Shareholders or otherwise have any financial interest in the relevant shares or in the proceeds resulting from the execution of the Form of Election. One person may separately witness the signature of all joint Shareholders. If the Form of Election is signed under a power of attorney, the original power of attorney should be sent to Computershare with the Form of Election.

##### *Electing for the Redemption Option*

To elect for the **Redemption Option** for all of your B Shares you need take no further action. You need not complete and return the Form of Election or make an election through CREST. Shareholders will automatically receive the proceeds of the Redemption Option for all their B Shares.

##### *Electing for the B Share Dividend*

To elect for the **B Share Dividend** for all of your B Shares you should mark an X in Box 1.

**The following instructions set out default positions where Forms of Election are incorrectly completed, or where your holding of Existing Ordinary Shares changes between completion of your Form of Election and the Capital Reorganisation Record Date, and/or your holding of B Shares changes between completion of your Form of Election and the Election Deadline:**

If you mark an X in Box 1, your election for the B Share Dividend will apply to your entire holding of B Shares as at the Election Deadline, regardless of whether it has increased or decreased since completion of your Form of Election.

Any Form of Election completed by a person who is not a holder of B Shares at the Election Deadline is ineffective and will be disregarded.

Shareholders will automatically receive the proceeds of the Redemption Option for all their B Shares for which no election is made.

### ***Final instructions on completing your Form of Election***

Shareholders returning a Form of Election must execute the Form of Election in Box 3A or 3B, as appropriate.

Once completed, signed and witnessed, the Form of Election should be returned in the pre-paid envelope provided. No stamps will be needed if posted in Ireland. To be valid, Forms of Election must be received by Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 by the Election Deadline. If you do not use the envelope provided, the Form of Election should be sent to Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 (postage will be payable).

## **2. Completing your USE Instruction**

If your Existing Ordinary Shares are held in uncertificated form at the Capital Reorganisation Record Date you do not have to complete or return a Form of Election. You will receive a credit to your CREST account of interim CREST entitlements to B Shares under ISIN IE00BWT6HC37 on which you should take (or procure to be taken) the action set out below to transfer (by means of a USE Instruction) the number of interim CREST entitlements to B Shares in respect of which you wish to elect for the Redemption Option to Computershare in its capacity as a CREST receiving agent (under its participant ID referred to below), as soon as possible and in any event so that the USE Instruction settles not later than the Election Deadline.

If you are a CREST personal member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Existing Ordinary Shares are held (and, as a result, under which your interim CREST entitlements to B Shares will be held). In addition, only your CREST sponsor will be able to send the USE Instruction to Euroclear in relation to your interim CREST entitlements to B Shares.

Further information on the specific elections available to Shareholders is set out below.

### ***Electing for the Redemption Option***

Shareholders who hold Existing Ordinary Shares in CREST and who wish in respect of all of their holdings of interim CREST entitlements to B Shares to elect for the Redemption Option need take no action. CREST holders who do not return a USE Instruction, including any person who becomes a Shareholder following the end of the Election Period, will automatically be deemed to have elected for the Redemption Option.

### ***Electing for the B Share Dividend***

Shareholders who hold Existing Ordinary Shares in CREST and who wish in respect of all of their holdings of interim CREST entitlements to B Shares to elect for the B Share Dividend should send (or, if they are a CREST personal member, procure that their CREST sponsor sends) a USE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for the USE Instruction to settle in CREST, the following details:

- (i) the number(s) of interim CREST entitlements to B Shares to be transferred to Computershare, being the number of interim CREST entitlements to B Shares in respect of which you wish to elect for the B Share Dividend;
- (ii) your member account ID;
- (iii) your participant ID;
- (iv) the ISIN of the interim CREST entitlements to B Shares, which is IE00BWT6HC37;
- (v) the corporate action number for the Return of Cash, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;



- (vi) the intended settlement date for the USE Instruction, which should be as soon as possible and in any event no later than the Election Deadline;
- (vii) input with standard delivery instruction priority of 80;
- (viii) your name and contact number inserted in the shared note field;
- (ix) the participant ID of Computershare, which is RA86; and
- (x) the member account ID of Computershare, which for these purposes is PADDYDIV.

#### ***Default provisions in respect of CREST elections***

Shareholders will automatically receive proceeds of the Redemption Option for all their interim CREST entitlements to B Shares for which no election is made.

Any election made by a person who is not a holder of interim CREST entitlements to B Shares at the Election Deadline will be ineffective and will be disregarded.

An election will only be treated as valid for the interim CREST entitlements to B Shares contained within the USE Instruction and transferred to Computershare by means of a USE Instruction.

### **3. Withdrawal rights**

Any election relating to the B Share Choices may be withdrawn by a Shareholder at any time prior to the end of the Election Period. If an election is validly withdrawn, the Shareholder may make a new election within the Election Period, but if a new valid election is not made by the end of the Election Period, the Shareholder will be deemed to have elected for the Redemption Option in respect of all of their B Shares. After the end of the Election Period, any election made prior to the Election Deadline is irrevocable. If the Election Period is extended, withdrawal rights will also be extended.

For a withdrawal of an election relating to B Share Choices to be effective, whether made through CREST or otherwise, an original written notice of withdrawal signed by the person(s) who signed the relevant Form of Election or submitted the relevant USE Instruction must:

- (i) be received by post or (during normal business hours only) by hand by Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, by 4.30 p.m. on 27 May 2015; and
- (ii) specify the name(s) of the person(s) who elected in respect of the B Shares to be withdrawn.

Once a written notice of withdrawal of an election in respect of B Shares made through CREST has been received in accordance with sub-paragraphs (i) and (ii) above by Computershare, Shareholders are able to withdraw any USE Instruction already authenticated and submitted. If settlement has already taken place in respect of the USE Instruction to be withdrawn, the withdrawing Shareholder will need to include all the details contained within the settled USE Instruction in their withdrawal instruction completed in accordance with sub-paragraphs (i) and (ii) above to enable Computershare to transmit in CREST a USE Instruction back to the account from which the original USE Instruction was received. A Shareholder wishing to re-elect for the B Share Choices must then submit a further properly authenticated USE Instruction in accordance with paragraph 2 above, which must be received and settled by the Election Deadline.

Telex, facsimile, electronic mail or other electronic means of transmission or any form of copy of written notice will not constitute a written instruction of withdrawal.

Withdrawals may not be rescinded, but re-elections may be made at any time prior to the end of the Election Period. Withdrawals and any re-elections in respect of B Shares that are received by Computershare after the end of the Election Period will be deemed invalid for the purposes of the B Share Choices. Any Shareholder who withdraws their election before the end of the Election Period and does not submit a re-election in respect of their B Shares will be deemed to have elected for the Redemption Option in respect of all of their B Shares.

The Company shall determine all questions as to the form and validity (including time and place of receipt) of all notices of withdrawal, in its absolute discretion, which determination shall be final and binding. The Company also reserves the absolute right to waive any defect or irregularity in relation to the receipt of any withdrawal by any Shareholder, and such determination will be binding on such Shareholder.

Neither the Company, Computershare nor any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification or for any reason with regard to withdrawal and re-election.

#### **4. General**

The Directors or any person (or any person to whom they have made a valid delegation) shall have absolute discretion to determine all questions as to the form and validity (including time and place of receipt) of any Form of Election or USE Instruction, which determination shall be final and binding. The Directors also reserve the absolute right to waive any defect or irregularity in relation to, or in relation to the receipt of, any Form of Election or USE Instruction completed by or on behalf of any Shareholder, and such determination shall be binding on such Shareholder(s). Neither the Directors nor the Company shall be liable to Shareholders for any loss arising from the determination of questions as to the form and validity (including time and place of receipt) of any Form of Election or USE Instruction, unless attributable to their own wilful default, fraud or negligence and they shall not be under any duty to give notification of any defect or irregularity in any Form of Election or incur any liability for failure to give any such notice.

Once the Election Period has ended, any election made is irrevocable. If the Election Period is extended, the period for exercising withdrawal rights will also be extended (these rights are described more fully in paragraph 3 above). No authority conferred by or agreed by the signing of a Form of Election will be affected by, and all such authority will survive, the death or incapacity of any Shareholder executing such form or giving such instruction. All obligations of such Shareholder will be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

**If you need assistance in completing the Form of Election or USE Instruction or have any queries relating to it, please contact Computershare on 01 447 5105 (or +353 1 447 5105 if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Calls to +353 1 447 5105 from outside Ireland are charged at applicable international rates. Please note that calls may be monitored or recorded and that Computershare will not provide advice on the merits of the Return of Cash nor give any financial or tax advice.**



## PART IV—DETAILS OF THE RETURN OF CASH

### 1. Return of Cash

The Return of Cash consists of the Capital Reorganisation (see paragraph 2 below) and the B Share Choices (see paragraph 3 below).

#### *Conditions to the implementation of the Return of Cash*

The Return of Cash is conditional on:

- (i) the approval by Shareholders of resolutions 14 to 17 (inclusive) to be proposed at the Annual General Meeting; and
- (ii) the Listing of the New Ordinary Shares becoming effective.

If these conditions are not satisfied by 8.00 a.m. on 18 May 2015 or such later time and/or date as the Directors may determine, no New Ordinary Shares or B Shares will be created and the Return of Cash will not take effect.

### 2. Capital Reorganisation

#### *Existing Ordinary Share Sub-division*

Subject to the approval of Shareholders at the Annual General Meeting, each Existing Ordinary Share in issue on the Capital Reorganisation Record Date will be sub-divided into one Intermediate Ordinary Share of €0.081 together with one B Share of €0.019.

The B Shares will carry the rights set out in Part V of this document.

No share certificates will be issued in respect of B Shares and they will not be credited to CREST accounts. In addition, the B Shares will not be admitted to the Official Lists or to trading on the Irish Stock Exchange's or London Stock Exchange's main markets for listed securities.

#### *Share Consolidation*

Immediately following the Existing Ordinary Share Sub-division, every 10 Intermediate Ordinary Shares will be consolidated and divided into 9 New Ordinary Shares. The intention is that, subject to normal market movements between the date of this document and the Capital Reorganisation Record Date, the share price of one New Ordinary Share immediately after Listing becoming effective should be approximately equal to the share price of one Existing Ordinary Share on the Capital Reorganisation Record Date. The ratio used for the Share Consolidation has been set by reference to the closing price of €81.46 per Existing Ordinary Share on 9 April 2015. The effect of the Share Consolidation will be to reduce the number of issued Ordinary Shares to reflect the return of €8.00 per B Share to Shareholders, but Shareholders will own the same proportion of the Company as they did previously, subject to fractional entitlements.

Subject to Listing becoming effective, New Ordinary Shares will be traded on the Irish Stock Exchange and the London Stock Exchange in the same way as Existing Ordinary Shares and will be equivalent in all material respects to the Existing Ordinary Shares, including as to dividend, voting and other rights. A summary of the rights attaching to the New Ordinary Shares is set out in paragraph 1 of Part VIII. New Ordinary Share certificates will be issued following the Capital Reorganisation.

Application will be made for the New Ordinary Shares to be admitted to the Official Lists and to trading on the Irish Stock Exchange's and the London Stock Exchange's main markets for listed securities, with dealings expected to commence at 8.00 a.m. on 18 May 2015 under ISIN IE00BWT6H894. The Company will apply for the New Ordinary Shares to be admitted to CREST with effect from Listing so that general market transactions in the New Ordinary Shares may be settled within the CREST system. Holders of Existing Ordinary Shares whose holdings are registered in CREST will automatically have any New Ordinary Shares credited to their CREST account.

#### *Fractional entitlements to New Ordinary Shares*

Unless a Shareholder's entitlement is for an exact number of New Ordinary Shares, a right to a fractional entitlement of a New Ordinary Share will arise following the Share Consolidation. So, for example, a Shareholder having 105 Existing Ordinary Shares would, after the Share Consolidation, as well as receiving

105 B Shares, be entitled to 94 New Ordinary Shares and a fractional entitlement to 0.5 of a New Ordinary Share.

The fractional entitlements of all Shareholders will be aggregated and sold in the market on their behalf. The proceeds of sale will be paid *pro rata* to the relevant Shareholders. Cheques in respect of the proceeds of sale are expected to be despatched to relevant Shareholders (or CREST accounts credited with the proceeds, as appropriate), together with certificates for New Ordinary Shares (where applicable), by 5 June 2015. Should the cash consideration for any Shareholder's fractional entitlement be less than €5.00, such Shareholder will not receive a cheque in respect of that entitlement. Instead the sale proceeds will be aggregated and donated to Special Olympics Great Britain (registered charity no. 800329).

In order to ensure that a whole number of New Ordinary Shares is created following the implementation of the Share Consolidation, it is proposed that the Company may issue a small number of Existing Ordinary Shares at nominal value to the Company's employee benefit trust immediately in advance of the Capital Reorganisation Record Date.

### **3. B Share Choices**

Shareholders (with the exception of Restricted Shareholders) may choose between the two B Share Choices (the Redemption Option or the B Share Dividend) in respect of their entitlement under the Return of Cash. Each is described in more detail below.

#### ***Redemption Option***

Under the Redemption Option, electing Shareholders will have their B Shares redeemed by the Company on 27 May 2015, for €8.00 per B Share. No B Share Dividend will be paid to Shareholders who have their B Shares redeemed by the Company.

Shareholders are advised to read the terms that would apply to the Redemption Option, set out below in paragraph 5 of this Part IV, before electing for the Redemption Option.

To elect for the Redemption Option in respect of all of your B Shares you need take no further action and do not need to return your Form of Election. You are, however, encouraged to vote on the Return of Cash as no B Shares or New Ordinary Shares will be created unless resolutions 14 to 17 (inclusive) to be proposed at the Annual General Meeting are passed.

It is expected that Shareholders whose B Shares are redeemed pursuant to the Redemption Option will be sent cheques or will receive funds through CREST (as appropriate) in respect of such redemption by 5 June 2015 (or such later date as the Directors may determine). Existing dividend mandates will not apply to any payments made in respect of the Redemption Option. No share certificates will be issued in respect of B Shares. CREST accounts of holders of Existing Ordinary Shares whose holdings are registered in CREST will not be credited with B Shares that are redeemed pursuant to the Redemption Option.

Shareholders should carefully read Part VII of this document, including, in particular, paragraph 2, before deciding whether to elect for the Redemption Option.

#### ***B Share Dividend***

Shareholders may elect to receive a B Share Dividend of €8.00 per B Share in respect of all of their B Shares. Shareholders that are resident in any of the Restricted Territories may only receive the proceeds of the Redemption Option in respect of all of their B Shares.

To elect for the B Share Dividend in respect of all of your B Shares you should follow the instructions in Part III of this document and ensure your Form of Election is returned by the Election Deadline. Shareholders electing through CREST should refer to paragraph 2 of Part III of this document.

Following the declaration of the B Share Dividend, those B Shares on which the B Share Dividend has been paid will be automatically converted into Deferred Shares, with each Shareholder receiving one Deferred Share for each such B Share held. The Deferred Shares will not be listed and will have, in practice, no economic or other rights as more fully described in Part VI of this document. The Deferred Shares will then be acquired from the relevant Shareholders (without any further action by such Shareholders) for no value as described in paragraph 4 below and will be cancelled.

It is expected that Shareholders receiving the B Share Dividend will be sent cheques or (where such Shareholders have a valid dividend mandate relating to a euro bank account) have their bank accounts

credited, as appropriate, in respect of such B Share Dividend by 5 June 2015 (or such later date as the Directors may determine). No share certificates will be issued in respect of the B Shares or the Deferred Shares. CREST accounts of holders of Existing Ordinary Shares whose holdings are registered in CREST will not be credited with the B Share Dividend.

Shareholders should carefully read Part VII of this document, including, in particular, paragraph 2, before deciding whether to elect for the B Share Dividend.

#### **4. Repurchase of Deferred Shares by the Company**

The Deferred Shares will have, in practice, no economic or other rights. The Company will purchase all of the Deferred Shares held by Shareholders who received the B Share Dividend for nil consideration.

All Deferred Shares purchased by the Company will subsequently be cancelled.

#### **5. Terms of the Redemption Option**

The following terms will apply to the Redemption Option:

- (i) all contracts in relation to the Redemption Option will be governed by and construed in accordance with Irish law. The election or deemed election by a Shareholder in relation to the Redemption Option constitutes their submission, in relation to all matters arising out of or in connection therewith and the exercise of the powers of the agent elected thereunder, to the exclusive jurisdiction of the Irish courts;
- (ii) an election or deemed election to participate in the Redemption Option, will constitute the irrevocable appointment by such Shareholder of the Company and/or any Director or employee of the Company for the time being, as attorney and/or agent for the Shareholder with authority to exercise all rights, powers and privileges attached to the B Shares and to do all acts and things and to execute all such deeds and other documents (including powers of attorney) as such attorney and/or agent may consider necessary or desirable for giving effect to elections or deemed elections in respect of the Redemption Option;
- (iii) upon an election or deemed election to participate in the Redemption Option, the Shareholder represents, warrants and undertakes that, subject to such Shareholder receiving B Shares under the Existing Ordinary Share Sub-division, he or she has full power and authority to elect for the Redemption Option and that his or her B Shares are free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances. In addition, by electing or being deemed to elect to participate in the Redemption Option, the Shareholder agrees that he or she will do all other things and execute any additional documents which may be necessary or, in the opinion of the Company, desirable to effect the redemption of the B Shares and acknowledges that the Company shall not have any liability whatsoever to such Shareholder in respect of acts done or omitted to be done by it on behalf of such Shareholder in connection with the Redemption Option, other than in respect of its wilful default, fraud or negligence;
- (iv) no authority conferred by or agreed to by an election or deemed election to participate in the Redemption Option shall be affected by, and all such authority shall survive, the death or incapacity of the Shareholder. All obligations of such Shareholder shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder;
- (v) none of the Company or any of its agents shall be liable to any Shareholder for any loss arising from the determination of questions as to the form and validity (including time of receipt) of any Form of Election (or the withdrawal thereof) unless attributable to their own wilful default, fraud or negligence and none of the Company or any of its agents shall be under any duty to give notification of any defect or irregularity in any Form of Election or withdrawal thereof or have any liability in respect of such notification;
- (vi) upon election or deemed election to participate in the Redemption Option, the Shareholder irrevocably undertakes to, represents to, warrants to and agrees with the Company that he or she has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from such Shareholder in connection with any election for the Redemption Option in any territory, and such Shareholder has not taken or omitted to take any action which may result in the Company or any

other persons acting in breach of the legal or regulatory requirements of any territory in connection with the proposals or such Shareholder's participation in the Redemption Option; and

- (vii) upon election or deemed election to participate in the Redemption Option, the Shareholder agrees and undertakes that any redemption of B Shares subject to the Redemption Option by or on behalf of such Shareholder shall be: (a) effected in accordance with the Company's B Share Articles of Association; and (b) on terms that each such B Share is redeemed subject to such Shareholder's election and, in particular, on and subject to the terms of the Redemption Option (including, for the avoidance of doubt, such Shareholder's grant of a power of attorney on the terms set out in paragraph (ii) above).

## **6. Non-Irish Shareholders**

Overseas Shareholders should consult their professional advisers to ascertain whether the Return of Cash will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Overseas Shareholder to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the Return of Cash, including the obtaining of any government, exchange control or other consents which may be required and the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Neither this document nor any other document issued or to be issued by or on behalf of the Company in connection with the Return of Cash constitutes an invitation, offer or other action on the part of the Company in any jurisdiction in which such invitation, offer or other action is unlawful.

The B Share Dividend is not being offered to Restricted Shareholders and Restricted Shareholders may not elect for the B Share Dividend. Any purported election by a Restricted Shareholder will be deemed by the Company to be an election for the Redemption Option in respect of the entirety of that Restricted Shareholder's B Shares and accordingly that Restricted Shareholder will receive the proceeds of the Redemption Option.

Each Shareholder who executes a Form of Election, or on whose behalf a Form of Election is executed, irrevocably represents, warrants, undertakes and agrees to and with the Company that such Shareholder has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due from such Shareholder in connection with any receipt or redemption of B Shares in any territory and such Shareholder has not taken or omitted to take any action which may result in the Company or any other persons acting in breach of the legal or regulatory requirements of any territory in connection with the Return of Cash or such Shareholder's election for either of the B Share Choices.

In the event that the Directors are advised that the Company would or might be in breach of legal or regulatory requirements in any jurisdiction, or the Company would or might be required to make filings or take any other action in any jurisdiction as a result of an election made pursuant to a Form of Election or USE Instruction by an Overseas Shareholder, such Overseas Shareholder shall be deemed to have elected for the Redemption Option (unless the Directors otherwise determine in their absolute discretion).

The above provisions of this paragraph relating to non-Irish Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Directors in their absolute discretion.

## **7. Annual General Meeting**

The Annual General Meeting will be held at 11.00 a.m. on 14 May 2015 at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4. The notice of Annual General Meeting is set out in Part X of this document.

You will find enclosed with this document a Form of Proxy for use in respect of the Annual General Meeting.

**Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and sign the Form of Proxy and return it, in accordance with the instructions printed on it, by post to**

**Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18 or (during normal business hours only) by hand to the Company's Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, to arrive as soon as possible and, in any event, no later than by 11.00 a.m. on 12 May 2015.**

Alternatively, you may complete the proxy form electronically at [www.eproxyappointment.com](http://www.eproxyappointment.com). CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of Annual General Meeting at the end of this Circular.

Completion and return of the Form of Proxy will not prevent you from attending the Annual General Meeting and voting in person should you wish to do so.

## **8. Amendments to the Existing Memorandum and Articles of Association of the Company**

To implement the Return of Cash, the Existing Articles of Association will need to be amended to incorporate the rights attached to the B Shares and the Deferred Shares. The rights attached to the B Shares are set out in Part V of this document and the rights attached to the Deferred Shares are set out in Part VI of this document.

## **9. Share certificates**

From Listing becoming effective, your Existing Ordinary Share certificate will no longer be valid. The Company expects to despatch definitive share certificates in respect of the New Ordinary Shares held in certificated form by 5 June 2015. If you hold certificates in respect of your Existing Ordinary Shares, you should retain them, for record purposes only, until New Ordinary Share certificates are received. Any transfers relating to the New Ordinary Shares prior to receipt of the new certificates may be certified against the Company's share register held by Computershare. Following receipt of the new certificates, the certificates in respect of the Existing Ordinary Shares can be destroyed. Share certificates and all other documents and remittances are despatched to and from Shareholders at their own risk.

For Shareholders wishing to hold any New Ordinary Shares through the CREST system, the relevant CREST accounts are expected to be credited at 8.00 a.m. (or as soon as possible thereafter) on 18 May 2015 under ISIN IE00BWT6H894. Shareholders holding New Ordinary Shares through the CREST system will not receive any share certificates.

No share certificates will be issued by the Company in respect of any B Shares or Deferred Shares.

## **10. Dealings and despatch of documents**

The Return of Cash will be made by reference to holdings of Existing Ordinary Shares on the register of members of the Company as at the Capital Reorganisation Record Date.

It is expected that dealings and settlement within the CREST system of the Existing Ordinary Shares will continue until the Capital Reorganisation Record Date when, in the case of Existing Ordinary Shares held in certificated form, the register of members will be closed for transfers and no further transfers of Existing Ordinary Shares will be able to be made. The registration of uncertificated holdings in respect of the Existing Ordinary Shares will be disabled in CREST on the Capital Reorganisation Record Date.

No share certificates will be issued by the Company in respect of any B Shares or Deferred Shares. Temporary documents of title will not be issued and, pending despatch of definitive share certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company held by Computershare.

It is expected that by 5 June 2015: (i) cheques will be despatched to relevant Shareholders in respect of B Shares redeemed under the Redemption Option, the B Share Dividend and/or the sale of any fractional entitlements (as appropriate); (ii) the CREST accounts of relevant Shareholders will be credited with the proceeds of the Redemption Option and/or the sale of any fractional entitlements (as appropriate); and (iii) SEPA payments will be released to relevant Shareholders in respect of the B Share Dividend. Cheques are despatched at the Shareholders' own risk.

Your present dividend mandate will (unless revoked or amended) be deemed to be valid for all future dividends payable by the Company, including the B Share Dividend. However, all payments under the Return of Cash will be made in euro, notwithstanding any existing mandate instructions to the contrary and no payments will be made to sterling bank accounts.

Existing dividend mandates will not apply to any payments made in respect of the Redemption Option.



## PART V—RIGHTS AND RESTRICTIONS ATTACHED TO THE B SHARES

The following sets out the amendments which are proposed to be made to the Existing Articles of Association of the Company under resolution 14 to be proposed at the Annual General Meeting, and summarises, *inter alia*, the rights of the B Shares and the restrictions to which they are subject.

The following paragraphs will be inserted as Articles 5(a) to (n).

### 5. RIGHTS AND RESTRICTIONS ATTACHED TO B SHARES

- (a) The non-cumulative preference shares of €0.019 each in the capital of the Company (the “**B Shares**”) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles, save that in the event of a conflict between any provision in these Articles 5(a) to (n) and any other provision in these Articles, the provisions in Articles 5(a) to (n) shall prevail.
- (b) Pursuant to the publication of a circular to holders of shares dated 14 April 2015 (the “**Circular**”) holders of ordinary shares in the capital of the Company were sent a form of election relating to the B Shares (the “**Form of Election**”) or, if they hold through CREST (as defined in the Circular), were invited to submit a USE Instruction under which eligible holders of shares could elect in relation to any B Shares to be received by them to: (a) have the B Shares redeemed by the Company on 27 May 2015 (the “**Redemption Option**”); or (b) receive the B Share Dividend (as defined below). Holders of B Shares who have not elected by such time and/or date as the Directors may determine (revocably until the relevant time) to elect for the B Share Dividend will be deemed instead to have elected for the Redemption Option in relation to every B Share held by them. The Directors may, if they so determine in their absolute discretion, accept a Form of Election which is received after the relevant time or which is not correctly completed. The Directors may, in addition, if they so determine in their absolute discretion, treat any other document or action as a valid Form of Election or as the completion or delivery of a valid Form of Election, as the case may be.
- (c) A single dividend of €8.00 per B Share (the “**B Share Dividend**”) shall be payable out of the profits available for distribution to those holders of B Shares who have elected to receive the B Share Dividend. Such B Share Dividend shall become payable on 27 May 2015 or such later date as the Directors may determine (the “**B Share Dividend Date**”). Each B Share in respect of which the B Share Dividend becomes payable shall, on the B Share Dividend Date (or such other date as the Directors may determine), be automatically converted into a deferred share of €0.019 in the capital of the Company with the rights and restrictions described in Articles 6(a) to (i) (a “**Deferred Share**”) (without prejudice to the right to receive the B Share Dividend that accrued prior to such conversion).
- (d) For the avoidance of doubt, the provisions of Article 116 (*Unclaimed dividends*) shall apply in respect of any and all B Share Dividends payable on or in respect of any B Shares which remains unclaimed.
- (e) In the absence of fraud or wilful default, neither the Company nor any of its Directors, officers or employees shall have any liability to any person for any loss or damage arising as a result of the choice of the B Share Dividend Date.
- (f) Except as provided in Articles 5(k) to (l) on a return of capital on a winding-up (excluding any intra-group reorganisation on a solvent basis), the holders of the B Shares shall, to the extent that the B Share Dividend has not already been paid, be entitled, in priority to any payment to the holders of Ordinary Shares to €8.00 per B Share held by them. The aggregate entitlement of each holder of B Shares on a winding-up in respect of all of the B Shares held by him shall be rounded down to the nearest whole cent.
- (g) The holders of the B Shares shall not be entitled to any further right of participation in the profits or assets of the Company in excess of that specified in Article 5(f). If on such a winding-up the amounts available for payment are insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled.
- (h) The holders of the B Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company nor to attend, speak or vote at any such general meeting unless the business of the meeting includes the consideration of a resolution for the winding-up (excluding any intra-group reorganisation on a solvent basis) of the Company, in which case the holders of the B Shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution.

- (i) Whenever the holders of the B Shares are entitled to vote at a general meeting of the Company, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) by a representative shall have one vote, and on a poll every such holder shall have such number of votes as he would be entitled to exercise had he been the holder of the ordinary shares arising if the B Shares registered in the name of such holder had been converted into such ordinary shares immediately prior to such meeting in accordance with the rights of the B Shares.
- (j) Subject to the provisions of Irish law and to compliance with applicable securities law and regulations but without the need to obtain the sanction of an extraordinary resolution of the holders of the B Shares, the Company may at any time and at its sole discretion purchase B Shares (a) by tender available alike to all holders of B Shares or (b) by private treaty, in each case at a price and upon such other terms and conditions as the directors may think fit.
- (k) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of B Shares.
- (l) A reduction by the Company of the capital paid up or credited as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose. The Company will be authorised to reduce its capital (subject to the confirmation of the High Court in accordance with Irish law and without obtaining the consent of the holders of the B Shares) including by paying to the holders of the B Shares the preferential amounts to which they are entitled as set out above.
- (m) The B Shares are not transferable.
- (n) Articles 5(a) to (n) (inclusive) shall remain in force until there are no longer any B Shares in existence whether by way of redemption by the Company or conversion into Deferred Shares, purchase and cancellation, whichever is earlier, notwithstanding any provision in the Articles to the contrary. Thereafter Articles 5(a) to (n) (inclusive) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Articles 5(a) to (n) (inclusive) are referred to in other Articles) and shall (without any further action by the Company) automatically be deleted and replaced with the wording “Articles 5(a) to (n) (inclusive) have been deleted”, and the separate register for the holders of B Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Articles 5(a) to (n) (inclusive) before that date shall not otherwise be affected and any actions taken under Articles 5(a) to (n) (inclusive) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

## PART VI—RIGHTS AND RESTRICTIONS ATTACHED TO THE DEFERRED SHARES

The following sets out the amendments which are proposed to be made to the Existing Articles of Association of the Company under resolution 14 to be proposed at the Annual General Meeting, and summarises, *inter alia*, the rights of the Deferred Shares and the restrictions to which they are subject.

The following paragraphs will be inserted as Articles 6(a) to (i).

### 6. DEFERRED SHARES

- (a) The Deferred Shares (as defined in Article 5(c)) shall have the rights, and be subject to the restrictions, attaching to shares set out in these Articles save that in the event of a conflict between any provision in these Articles 6(a) to (i) and any other provision in these Articles, the provisions in these Articles 6(a) to (i) shall prevail.
- (b) Save on a winding-up, the Deferred Shares shall confer no right to participate in the profits of the Company.
- (c) On a return of capital on a winding-up there shall be paid to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares after:
  - (i) first, paying to the holders of the B Shares the amount that they are entitled to receive on a winding-up; and
  - (ii) secondly, paying to the holders of the Ordinary Shares the amount that they are entitled to receive on a winding-up.

The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the Company.

- (d) The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority to the Deferred Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the Deferred Shares) shall be treated as being in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the Deferred Shares.
- (e) The reduction by the Company of the capital paid up on the Deferred Shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to the confirmation of the High Court in accordance with Irish law if required) without obtaining the consent of the holders of the Deferred Shares.
- (f) The holders of the Deferred Shares shall not be entitled, in their capacity as holders of such shares, to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting.
- (g) The Deferred Shares shall not be listed on any stock exchange nor shall any share certificates be issued in respect of such shares. The Deferred Shares shall not be transferable except in accordance with Article 6(h) or with the written consent of the Directors.
- (h) The Company may at any time (and from time to time), without obtaining the sanction of the holder or holders of the Deferred Shares:
  - (i) appoint any person to execute on behalf of all or any holders of Deferred Shares a transfer of all or some of the Deferred Shares (and/or an agreement to transfer the same) to the Company for nil consideration or to such person as the Directors may determine (whether or not an officer of the Company), in any case for not more than one cent for all the Deferred Shares then being purchased, without such person having to account for such sum to the holder or holders of the Deferred Shares; and
  - (ii) cancel all or any of the Deferred Shares so purchased by the Company in accordance with Irish law.
- (i) Articles 6(a) to (i) (inclusive) shall remain in force until there are no longer any Deferred Shares in existence, notwithstanding any provision in the Articles to the contrary. Thereafter Articles 6(a) to (i) shall be and shall be deemed to be of no effect (save to the extent that the provisions of Articles 6(a) to (i) are referred to in other Articles) and shall (without any further action by the Company) automatically be deleted and replaced with the wording “Articles 6(a) to (i) have been



*deleted*”, and the separate register for the holders of Deferred Shares shall no longer be required to be maintained by the Company; but the validity of anything done under Articles 6(a) to (i) before that date shall not otherwise be affected and any actions taken under Articles 6(a) to (i) before that date shall be conclusive and shall not be open to challenge on any grounds whatsoever.

## PART VII—TAXATION

*The following comments do not constitute tax advice and are intended only as a guide to Irish law and Revenue Commissioners' practice in Ireland as at the Capital Reorganisation Record Date. It assumes that the return of value is carried out by way of the Capital Reorganisation. The comments relate only to certain limited aspects of the Irish taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident, ordinarily resident and domiciled in Ireland for Irish tax purposes and who are and will be the absolute beneficial owners of their Existing Ordinary Shares, New Ordinary Shares, B Shares and Deferred Shares (as applicable) and who hold, and will hold, them as investments (and not as securities to be realised in the course of a trade). The comments may not apply to certain Shareholders, such as dealers in securities, close companies, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Existing Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules. The position may be different for future transactions and may alter between the Capital Reorganisation Record Date and the implementation of the B Share Scheme. This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. All shareholders are advised to consult their professional advisors on their tax position, based on their own particular circumstances, before taking any action in respect of the B Shares and the Capital Reorganisation.*

### 1. Capital Reorganisation—Capital Gains Tax

For the purposes of Irish taxation of capital gains and corporation tax on chargeable gains (as appropriate) (“**Irish CGT**”):

- (A) the issue of the B Shares and New Ordinary Shares arising from the Capital Reorganisation should each be treated as a reorganisation of the Company's share capital;
- (B) the combined effect should be that a Shareholder's resultant holding of B Shares and New Ordinary Shares should be treated as the same asset, acquired at the same time and for the same consideration, as the holding of Existing Ordinary Shares held by that Shareholder prior to the Capital Reorganisation;
- (C) upon a subsequent disposal of all or part of the Shareholder's B Shares or New Ordinary Shares, a Shareholder's aggregate Irish CGT base cost in such Shareholder's holding of Existing Ordinary Shares will have to be apportioned between the B Shares and the New Ordinary Shares by reference to their respective values on the first day on which the New Ordinary Shares are listed. To the extent that Shareholders acquired their ordinary shares in different tranches, a separate apportionment exercise will need to be carried out in respect of each tranche of shares acquired; and
- (D) the aggregation of fractional entitlements should not give rise to any tax consequences for Shareholders. The sale, on behalf of relevant Shareholders, of fractional entitlements may constitute a part disposal for Irish CGT purposes and a liability to Irish CGT may arise. However, where the relevant amount involved is small and the Shareholder agrees, the amount of any payment received by the Shareholder may be deducted from the base cost of the New Ordinary Shares received.

### 2. B Share Dividend

#### *Taxation of Income*

The tax treatment of the B Share Dividend should be the same as that of any other dividend paid by the Company. Accordingly, that tax treatment will follow the current tax treatment of dividends, which is as summarised below.

#### *Individual Shareholders within the charge to Irish income tax*

##### *Basic Rate Taxpayers*

In the case of a Shareholder who is liable to income tax at the basic rate only, the Shareholder will be subject to Irish income tax on the gross dividend at the rate of 20% (and Universal Social Charge (“**USC**”) and pay-related social insurance (“**PRSI**”), if applicable).

### *Higher Rate Taxpayers*

In the case of a Shareholder who is liable to income tax at the higher rate of income tax, the Shareholder will be subject to Irish income tax on the gross dividend at the rate of 40% (and USC and PRSI, if applicable).

### *Credit for Tax Withheld*

Individual Shareholders within the charge to Irish income tax may be entitled to a credit against their income tax liability for any amount of dividend withholding tax (DWT) withheld by the Company. Where the amount of tax withheld exceeds that Shareholder's tax liability, a refund of the balance should be claimed from the Revenue Commissioners when filing a tax return for the 2015 tax year.

### *Corporate Shareholders within the charge to Irish corporation tax*

Irish resident corporate Shareholders who beneficially hold their shares in the Company as investments and not as trading stock will not be subject to Irish corporation tax on the B Share Dividend as the income from the B Share Dividend will be 'franked investment income' not chargeable to corporation tax pursuant to Section 129 of the Taxes Consolidation Act 1997 of Ireland (the "TCA").

### *Dividend Withholding Tax*

The dividend withholding tax (DWT) position in respect of the B Share Dividend should follow the same DWT treatment as any other dividend paid by the Company. DWT at the standard rate of income tax (currently 20%) must be deducted from dividends paid by the Company unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrar.

For an individual Shareholder resident, ordinarily resident and domiciled in Ireland, no exemption from DWT is available and DWT at 20% will be deducted from payments of the B Share Dividend. Such a Shareholder may however be entitled to a credit against their income tax liability for this tax withheld by the Company, as set out above.

Certain Irish companies, trusts, pension schemes, investment undertakings and charities may be entitled to claim an exemption from DWT where they have submitted a properly completed exemption form to the Company's Registrar. Copies of the DWT exemption forms may be obtained from the Registrar.

Certain classes of non-Irish resident Shareholders may also be entitled to claim exemption from DWT where they have submitted a properly completed exemption form to the Company's Registrar. Such Shareholders would include:

- (A) an individual Shareholder (not being a company) who is neither resident nor ordinarily resident in Ireland and who is resident for tax purposes in a Relevant Territory;
- (B) a corporate Shareholder which is not resident for tax purposes in Ireland and which is resident for tax purposes in a Relevant Territory provided that the corporate Shareholder is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;
- (C) a corporate Shareholder which is not resident for tax purposes in Ireland and which is ultimately controlled, directly or indirectly, by persons resident in a Relevant Territory;
- (D) a corporate Shareholder which is not resident for tax purposes in Ireland and whose principal class of shares (or those of its 75% parent) is substantially and regularly traded on a recognised stock exchange either in a Relevant Territory, Ireland or on such other stock exchange approved by the Minister for Finance; or
- (E) a corporate Shareholder which is not resident for tax purposes in Ireland and is wholly owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a recognised stock exchange in a Relevant Territory, Ireland or on such other stock exchange approved by the Minister for Finance.

In this context, Relevant Territory means (i) a Member State of the European Union (other than Ireland) or (ii) a country with which Ireland has a tax treaty in force by virtue of section 826(1) TCA or (iii) a country with which Ireland has a tax treaty that is signed and which will come into force once all the ratification procedures set out in section 826(1) TCA have been completed.

Shareholders should note that DWT will be deducted in cases where a properly completed DWT exemption form has not been received before the Capital Reorganisation Record Date.

### **3. Redemption Option**

#### *Taxation of Chargeable Gains*

For the purposes of Irish CGT:

- (A) to the extent that a Shareholder receives cash for the redemption of their B Shares, they should be treated as having made a disposal of those shares for Irish tax purposes. This may, subject to the Shareholder's individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT;
- (B) any such gain or loss will be calculated by reference to the difference between the redemption price and the element of the Shareholder's original base cost in their Existing Ordinary Shares that is attributed to the relevant B Shares. The amount of the base cost which will be attributed to the B Shares will be determined as outlined in paragraph 1(C) above. For the purposes of such calculations, euro amounts must be used. Where a Shareholder has given or received a non-euro amount in acquiring or being treated as disposing of assets, such euro amounts must be determined by reference to the relevant rate of exchange at the time of the relevant Irish CGT event; and
- (C) the amount of Irish CGT, if any, payable as a consequence of the redemption of the B Shares by an Irish resident individual or corporate Shareholder will depend on his or her or its own personal tax position. No Irish CGT should be payable on any gain realised on redemption of the B Shares if the amount of the net chargeable gains realised by an individual Shareholder, when aggregated with other net chargeable gains realised by that Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exemption (€1,270 for 2015). Broadly, any gains in excess of this amount will be taxed at a rate of 33%. Indexation allowance will not be available in respect of expenditure incurred after 1 January 2003 or in respect of periods of ownership after 31 December 2002.

#### *Withholding Taxes*

The Company will not be required to deduct DWT on payments made to Shareholders under the Redemption Option.

### **4. Stamp Duty**

No Irish stamp duty should be payable by Shareholders on:

- (A) the issue of the B Shares or New Ordinary Shares; or
- (B) the redemption of the B Shares, the conversion of the B Shares into Deferred Shares or the Share Consolidation.

### **5. Section 811C of the TCA**

In certain circumstances, section 811C TCA may apply if, having regard to any one or more of (a) the results of the transaction, (b) its use as a means of achieving those results, and (c) any other means by which the results or any part of the results could have been achieved, it would be reasonable to consider that:

- (A) the transaction gives rise to, or but for section 811C would give rise to, a tax advantage; and
- (B) the transaction was not undertaken or arranged primarily for purposes other than to give rise to a tax advantage.

If so, a taxpayer shall not be entitled to any tax advantage arising out of or by reason of that transaction.

### **6. Non-Irish Shareholders**

Shareholders who are resident, ordinarily resident or domiciled outside Ireland for tax purposes should consult their own tax advisers concerning their tax position in respect of the B Shares and the Capital Reorganisation, and in particular should note that the ability to elect for capital or income treatment options outlined above may not apply in other jurisdictions or under any non-Irish tax provisions to which a Shareholder may be subject.

## PART VIII—ADDITIONAL INFORMATION

### 1. Summary of the rights and restrictions attaching to the New Ordinary Shares

The rights and restrictions attaching to the New Ordinary Shares are set out in the B Share Articles of Association, which will become effective if resolutions 14 to 17 (inclusive) are passed at the Annual General Meeting, but will be the same as the rights and restrictions set out in the Existing Articles of Association in respect of the Existing Ordinary Shares. These may be summarised, as regards income, return of capital and voting, as follows:

**Income:** Subject to the provisions of Irish law, the Company may, by ordinary resolution, declare dividends on the New Ordinary Shares but no dividend shall exceed the amount recommended by the Director. The Directors may declare and pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. Any dividend payable on the New Ordinary Shares which has remained unclaimed for 12 years from the date when it became due for payment shall be forfeited and shall revert to the Company.

**Capital:** On a return of capital on a winding-up, after paying such sums as may be due in priority to the holders of any other class of shares in the capital of the Company (including the B Shares), the surplus assets shall be divided between the holders of the New Ordinary Shares rateably according to the amounts paid up or credited as paid up in respect of each New Ordinary Share.

**Voting:** The holders of the New Ordinary Shares shall be entitled, in respect of their holding of such shares and subject to the relevant provisions of the B Share Articles of Association, to receive notice of any general meeting of the Company and to attend and vote at any such general meeting. At any such meeting, on a show of hands, every holder of New Ordinary Shares present in person shall have one vote and every such holder present in person (or by proxy) shall upon a poll have one vote for every New Ordinary Share of which he is the holder.

These rights will be unaffected by the replacement of the B Share Articles of Association with the Companies Act 2014 Articles of Association upon the commencement of the Companies Act 2014.

### 2. Form

The New Ordinary Shares are not renounceable and the New Ordinary Shares will be transferable by an instrument of transfer in usual or common form. The B Shares and Deferred Shares are not renounceable or generally transferable. The New Ordinary Shares, B Shares and Deferred Shares will be in registered form. The Company will apply for the New Ordinary Shares to be admitted to CREST with effect from Listing. Accordingly, settlement of transactions in the New Ordinary Shares may take place within the CREST system in respect of general market transactions.

### 3. CREST

If the B Shares in respect of any election made on the Form of Election are issued in certificated form pursuant to the Capital Reorganisation and are subsequently “dematerialised” into uncertificated form (i.e. held as interim CREST entitlements to B Shares in CREST) after the relevant Form of Election has been submitted but before the Election Deadline, such election will become invalid. Shareholders who subsequently hold such B Shares as an interim CREST entitlement in uncertificated form will need to give a valid USE Instruction in place of the submitted Form of Election by the Election Deadline. If they do not, they will be deemed to have elected for the Redemption Option in respect of their entire entitlement under the Return of Cash.

If the interim CREST entitlements to B Shares to which any USE Instruction relates are issued in CREST pursuant to the Capital Reorganisation and are subsequently re-materialised into certificated form after the relevant USE Instruction has been given but before the Election Deadline, such USE Instruction will become ineffective. Shareholders who subsequently hold their B Shares in certificated form will need to submit a valid Form of Election bearing details of the new shareholding account in place of the USE Instruction on or before the Election Deadline. Forms of Election can be obtained by telephoning Computershare on 01 4475105 (or +353 1 447 5105 if calling from outside Ireland) between 9.00 a.m. and 5.00 p.m. on any Business Day. Calls to +353 1 447 5105 from outside Ireland are charged at applicable international rates. Please note that calls may be monitored or recorded and that Computershare will not provide advice on the merits of the Return of Cash nor give any financial or tax advice.

#### **4. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (public holidays excepted) at the registered office of the Company at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, from the date of this document up to and including the date of the Annual General Meeting, and will also be available for inspection at the Annual General Meeting for at least 15 minutes prior to and during that meeting:

- (i) this Circular;
- (ii) the Existing Articles of Association;
- (iii) the B Share Articles of Association (including a redline of the B Share Articles of Association against the Existing Articles of Association);
- (iv) the Companies Act 2014 Articles of Association (including a redline of the Companies Act 2014 Articles of Association against the Existing Articles of Association); and
- (v) copies of the Directors' service contracts and letters of appointment.

## PART IX—DEFINITIONS

The following definitions apply throughout this Circular unless the context requires otherwise:

<b>“Annual General Meeting” or “AGM”</b>	the annual general meeting of the Company to be held at 11.00 a.m. on 14 May 2015, notice of which is set out in Part X of this document
<b>“Articles of Association”</b>	the Existing Articles of Association, B Share Articles of Association or the Companies Act 2014 Articles of Association, as the context requires
<b>“B Share Articles of Association”</b>	the articles of association of the Company to be adopted subject to approval of resolution 14 to be proposed at the Annual General Meeting
<b>“B Share Choices”</b>	the Redemption Option and the B Share Dividend
<b>“B Share Dividend”</b>	the dividend of €8.00 per B Share
<b>“B Share Dividend Record Time”</b>	6.00 p.m. on 27 May 2015
<b>“B Shares”</b>	non-cumulative preference shares of €0.019 each in the capital of the Company carrying the rights and restrictions set out in Part V of this Circular
<b>“Board”</b>	the board of Directors of the Company
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Dublin
<b>“Capital Reorganisation”</b>	the reorganisation of the Company’s share capital, comprising the Existing Ordinary Share Sub-division and the Share Consolidation
<b>“Capital Reorganisation Record Date”</b>	6.00 p.m. on 15 May 2015 (or such other time or date as the Directors may determine)
<b>“certificated” or “certificated form”</b>	Ordinary Shares not in uncertificated form
<b>“Chairman”</b>	Nigel Northridge, the chairman of the Company
<b>“Circular”</b>	this document
<b>“Companies Acts” or the “Act”</b>	the Companies Acts 1963 to 2013
<b>“Companies Act 2014 Articles of Association”</b>	the new articles of association of the Company to be adopted subject to approval of resolution 13 to be proposed at the Annual General Meeting
<b>“Company”</b>	Paddy Power plc
<b>“Computershare” or the “Registrar”</b>	Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in such regulations)
<b>“CREST Manual”</b>	the manual, as amended from time to time, produced by Euroclear describing the CREST system, and supplied by Euroclear to users and participants thereof
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)



<b>“CREST Proxy Instruction”</b>	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual
<b>“CREST Regulations”</b>	the Companies Act 1990 (Uncertified Securities) Regulations 1996 (SI No. 68/1996) of Ireland (as amended)
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations)
<b>“Deferred Shares”</b>	the unlisted deferred shares of €0.019 each in the capital of the Company, the rights and restrictions of which are set out in Part VI of this document
<b>“Directors”</b>	the directors of the Company, currently Nigel Northridge, Andy McCue, Cormac McCarthy, Tom Grace, Michael Cawley, Danuta Gray, Ulric Jerome, Stewart Kenny, Gary McGann and Pádraig Ó Ríordáin
<b>“Disclosure and Transparency Rules”</b>	the disclosure and transparency rules of the FCA made for the purposes of Part VI of FSMA
<b>“DWT”</b>	dividend withholding tax
<b>“Election Deadline”</b>	4.30 p.m. on 27 May 2015
<b>“Election Period”</b>	the period from 14 May 2015 until the Election Deadline during which time Shareholders (other than Restricted Shareholders) may make elections for one of the B Share Choices
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Existing Articles of Association”</b>	the articles of association of the Company in force as at the date of the Annual General Meeting
<b>“Existing Ordinary Share Sub-division”</b>	the sub-division of each Existing Ordinary Share in the manner set out in resolution 15 in the Notice of Annual General Meeting set out in Part X of this document
<b>“Existing Ordinary Shares”</b>	the issued ordinary shares of €0.10 each in the capital of the Company existing prior to the Capital Reorganisation
<b>“FCA”</b>	the Financial Conduct Authority of the UK
<b>“Final Dividend”</b>	€1.02 per Existing Ordinary Share
<b>“Form of Election”</b>	the form made available to Shareholders by which a Shareholder (other than a Restricted Shareholder) may elect for the B Share Dividend
<b>“Form of Proxy”</b>	the form of proxy made available to Shareholders for use in connection with the Annual General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended



<b>“Group”</b>	the Company and its subsidiary undertakings and associated undertakings from time to time (each within the meaning of the European Communities (Companies: Group Accounts) Regulations 1992 (S.I. No. 201/1992))
<b>“Irish Stock Exchange”</b>	the Irish Stock Exchange plc
<b>“ISIN”</b>	International Security Identification Number
<b>“Intermediate Ordinary Shares”</b>	following the Existing Ordinary Share Sub-division, the intermediate ordinary shares of €0.081 each in the capital of the Company (to be consolidated and divided under the Share Consolidation)
<b>“Listing”</b>	the admission of New Ordinary Shares to the Official Lists becoming effective in accordance with the Listing Rules and the admission to trading of such shares to trading on the Irish Stock Exchange’s and the London Stock Exchange’s main markets for listed securities becoming effective in accordance with the rules of the Irish Stock Exchange and London Stock Exchange
<b>“Listing Rules”</b>	the listing rules of the Irish Stock Exchange and/or where appropriate the UK listing rules made under section 73A of the FSMA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“New Ordinary Shares”</b>	following the Capital Reorganisation, the new ordinary shares of €0.09 each in the capital of the Company
<b>“Notice of Annual General Meeting”</b>	the notice of annual general meeting set out in Part X of this Circular, pursuant to which the Annual General Meeting will be held
<b>“Official List(s)”</b>	the official list of the Irish Stock Exchange and/or, as appropriate, the official list maintained by the UK Listing Authority
<b>“Ordinary Shares”</b>	Existing Ordinary Shares, Intermediate Ordinary Shares or New Ordinary Shares, as the context may require
<b>“Overseas Shareholders”</b>	Shareholders who are not resident in or who are citizens, residents or nationals of a country other than Ireland or who have a registered address which is not in Ireland
<b>“Redemption Option”</b>	the offer expected to be made by the Company to redeem B Shares
<b>“Regulatory Information Service”</b>	any regulatory information service as defined by the Listing Rules
<b>“Remuneration Committee”</b>	the remuneration committee of the Company
<b>“Resolutions”</b>	the resolutions to be proposed at the Annual General Meeting, as set out in the Notice of Annual General Meeting
<b>“Restricted Shareholders”</b>	Shareholders with a registered address in a Restricted Territory or who are resident or located in a Restricted Territory

<b>“Restricted Territories”</b>	United States, Canada, Switzerland, Australia and New Zealand and any other territory where any election for a B Share Choice would violate the laws of that jurisdiction or would require the registration of the B Shares and/or Deferred Shares
<b>“Return of Cash”</b>	the transaction comprising the Capital Reorganisation and the return of €8.00 per Existing Ordinary Share by way of the B Share Choices
<b>“SEPA”</b>	single euro payment area
<b>“Share Consolidation”</b>	the consolidation and division of the Intermediate Ordinary Shares in the manner set out in resolutions 15 and 16 in the notice convening the Annual General Meeting set out in Part X of this document
<b>“Shareholders”</b>	holders of Existing Ordinary Shares, New Ordinary Shares, and/or B Shares, as the context may require, from time to time
<b>“UK Listing Authority”</b>	the FCA in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“uncertificated” or “uncertificated form”</b>	Ordinary Shares which are recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“USE Instruction”</b>	unmatched stock event instruction (as described in the CREST Manual issued by Euroclear)

**PART X—NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE OF ANNUAL GENERAL MEETING**

**of Paddy Power plc**

NOTICE is hereby given that the Annual General Meeting of Paddy Power plc (the “**Company**”) will be held at Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, at 11.00 a.m. on Thursday, 14 May 2015 for the following purposes:

- 1. To receive and consider the financial statements for the year ended 31 December 2014 and the reports of the Directors and Auditors thereon.**
- 2. To declare a final dividend of 102 cent per share for the year ended 31 December 2014.**
- 3. To receive and consider the Remuneration Committee Report on directors’ remuneration for the year ended 31 December 2014.**

**4. To elect by separate resolution:**

Resolution 4(a) Andy McCue as a director who is recommended by the Board for election  
Resolution 4(b) Gary McGann as a director who is recommended by the Board for election

**5. To re-elect by separate resolution:**

Resolution 5(a) Nigel Northridge  
Resolution 5(b) Cormac McCarthy  
Resolution 5(c) Tom Grace  
Resolution 5(d) Michael Cawley  
Resolution 5(e) Danuta Gray  
Resolution 5(f) Ulric Jerome  
Resolution 5(g) Stewart Kenny  
Resolution 5(h) Pádraig Ó Ríordáin

- 6. To authorise the Directors to fix the remuneration of the Auditors for the year ending 31 December 2015.**
- 7. To consider and, if thought fit, pass the following as a special resolution:**

“That it is hereby resolved that the provision in Article 53(a) allowing for the convening of an Extraordinary General Meeting by at least fourteen Clear Days’ notice (where such meetings are not convened for the passing of a special resolution) shall continue to be effective.”

**As Special Business**

**8. To consider and, if thought fit, pass the following as an ordinary resolution:**

“That the Directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act 1983) up to an aggregate nominal amount representing one third of the issued share capital of the Company provided that this authority shall expire at the close of business on the earlier of the date of the next Annual General Meeting of the Company or 13 November 2016 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the reference to Section 20 of the Companies (Amendment) Act, 1983 in this resolution is deemed to refer to Section 1021 of the Companies Act 2014.”

**9. To consider and, if thought fit, pass the following as a special resolution:**

“That for the purposes of Article 8(d) of the Articles of Association of the Company, the Directors are hereby empowered to allot equity securities (as defined in Section 23 of the Companies (Amendment) Act 1983) for cash pursuant to and in accordance with the provisions of their authority pursuant to Section 20 of the Companies (Amendment) Act 1983 as if sub-section (1) of the said Section 23 did not apply to any such allotment provided that, pursuant to Article 8(d)(ii), the

maximum aggregate nominal value of shares to which this authority relates shall be an aggregate nominal value being equivalent to approximately five per cent of the Company's issued ordinary share capital.

With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the references to Sections 20, 23 and 24 of the Companies (Amendment) Act, 1983 in Article 8(d) and in this resolution are deemed to refer to their equivalent provisions in Sections 1021, 1022 and 1023 of the Companies Act 2014."

**10. To consider and, if thought fit, pass the following as a special resolution:**

"That the Company and/or any subsidiary (as defined by Section 155 of the Companies Act, 1963) of the Company be and are hereby generally authorised to make market purchases (as defined by Section 212 of the Companies Act 1990) of shares of any class in the Company (the "**Shares**") on such terms and conditions and in such manner as the Directors may determine from time to time but subject, however, to the provisions of the Companies Act 1990 and to the following restrictions and provisions:

- (a) the maximum number of ordinary shares (as defined in the Articles of Association of the Company) authorised to be acquired pursuant to this resolution shall not exceed 10% of the issued share capital of the Company;
- (b) the minimum price (excluding expenses), which may be paid for any Share shall be an amount equal to the nominal value thereof;
- (c) the maximum price (excluding expenses) which may be paid for any Share in the Company (a "**Relevant Share**") shall be the higher of:
  - (i) the higher of 5 per cent above the average of the closing prices of a Relevant Share taken from the Irish Stock Exchange Daily Official List in Dublin and the average of the closing prices of the shares taken from the Official List of the London Stock Exchange for the five business days prior to the day the purchase is made; and
  - (ii) the amount stipulated by Article 5(1) of the Market Abuse (Buyback and Stabilisation) Regulation (being the value of a Relevant Share calculated on the basis of the higher of the price quoted for:
    - (A) the last independent trade of; and
    - (B) the highest current independent bid or offer for,
    - (C) any number of Relevant Shares on the trading venue where the purchase pursuant to the authority conferred by this resolution will be carried out);
- (d) The authority hereby granted shall expire at the close of business on the date of the next Annual General Meeting of the Company or 13 November 2016, whichever is the earlier, unless previously varied, revoked or renewed by special resolution in accordance with the provisions of Section 215 of the Companies Act, 1990. The Company or any such subsidiary may, before such expiry, enter into a contract for the purchase of Shares which would or might be executed wholly or partly after such expiry and may complete any such contract as if the authority conferred hereby had not expired.

With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the references to Section 155 of the Companies Act, 1963 and Sections 212 and 215 of the Companies Act 1990 in this resolution are deemed to refer to Sections 7, 1072 and 1074 of the Companies Act 2014 respectively."

**11. To consider and, if thought fit, pass the following as a special resolution:**

"That for the purposes of Section 209 of the Companies Act 1990 the re-issue price range at which any treasury shares (as defined by the said Section 209) for the time being held by the Company may be re-issued off-market shall be as follows:

- (a) the maximum price at which a treasury share may be re-issued off-market shall be an amount equal to 120% of the "**Appropriate Price**"; and

- (b) the minimum price at which a treasury share may be re-issued off-market shall be the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme (as defined in the Listing Rules of the Irish Stock Exchange) operated by the Company or, in all other cases, an amount equal to 95% of the “Appropriate Price”.

For the purposes of this resolution the expression “Appropriate Price” shall mean the average of the five amounts resulting from determining whichever of the following (i), (ii) or (iii) specified below in relation to shares of the class of which such treasury share is to be re-issued shall be appropriate in respect of each of the five business days immediately preceding the day on which the treasury share is re-issued, as determined from information published in the Irish Stock Exchange reporting the business done on each of these five business days:

- (i) if there shall be more than one dealing reported for the day, the average of the prices at which such dealings took place; or
- (ii) if there shall be only one dealing reported for the day, the price at which such dealing took place; or
- (iii) if there shall not be any dealing reported for the day, the average of the high and low market guide prices for the day;

and if there shall be only a high (but not a low) or a low (but not a high) market guide price reported, or if there shall not be any market guide price reported, for any particular day, then that day shall not count as one of the said five business days for the purposes of determining the “Appropriate Price”. If the means of providing the foregoing information as to dealings and prices by reference to which the “Appropriate Price” is to be determined is altered or is replaced by some other means, then the “Appropriate Price” is to be determined on the basis of the equivalent information published by the relevant authority in relation to dealings on the Irish Stock Exchange or its equivalent.

The authority hereby conferred shall expire at the close of business on the day of the next Annual General Meeting of the Company or 13 November 2016 whichever is the earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act, 1990.

With the commencement of the Companies Act 2014, the authority conferred by this resolution shall be applied as if the references to Section 209 of the Companies Act, 1990 in this resolution are deemed to refer to Section 1078 of the Companies Act 2014.”

**12. To consider and, if thought fit, pass the following as a special resolution:**

“That with effect from the commencement of any part of the Companies Act 2014:

- (a) the words “for the purposes of Part 17 of the Companies Act 2014” be inserted at the end of Clause 2 of the Memorandum of Association;
- (b) the words “Section 155 of the Companies Act, 1963” in Clause 3(f) of the Memorandum of Association be removed and the words “the Companies Act 2014” be substituted therefor; and
- (c) the words “Section 155 of the Companies Act, 1963 or another subsidiary as defined by the said Section” in Clause 3(v) of the Memorandum of Association be removed and the words “the Companies Act 2014 or another subsidiary as defined by the Companies Act 2014” be substituted therefor.”

**13. To consider and, if thought fit, pass the following as a special resolution:**

- (a) “That, with effect from the later of 31 May 2015 or the commencement of any part of the Companies Act 2014, the Articles of Association, in the form produced to the meeting marked “**Companies Act 2014 Articles of Association**” and initialled by the Chairman for the purposes of identification, be adopted in substitution for, and to the exclusion of, the existing Articles of Association of the Company; and
- (b) that the reference to “€750,000” in Article 75 of the Articles of Association of the Company, be replaced with “€950,000” in the existing Articles of Association, the Companies Act 2014 Articles of Association and the B Share Articles of Association.”

**14. To consider and, if thought fit, pass the following as a special resolution:**

“That, conditional on the passing of Resolutions 15, 16 and 17 and admission of the New Ordinary Shares (as defined below) to the Official Lists and to trading on the Irish Stock Exchange’s and London Stock Exchange’s main markets for listed securities (“**Admission**”) becoming effective by 8.00 a.m. on 18 May 2015 (or such later time and/or date as the Directors may determine), the Articles of Association produced to the meeting marked “**B Share Articles of Association**” and initialled by the chairman of the meeting for the purpose of identification (the “**B Share Articles**”) be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company, such B Share Articles setting out the rights and restrictions attached to the New Ordinary Shares, the B Shares (as defined below) and the deferred shares of €0.019 each in the capital of the Company (the “**Deferred Shares**”).”

**15. To consider and, if thought fit, pass the following as an ordinary resolution:**

“That, conditional on the passing of Resolutions 14, 16 and 17 and on Admission becoming effective by 8.00 a.m. on 18 May 2015 (or such later time and/or date as the Directors may determine), each of the ordinary shares of €0.10 each in the capital of the Company and in issue at 6.00 p.m. on 15 May 2015 (or such other time and date as the Directors may determine) (the “**Capital Reorganisation Record Date**”) shall be sub-divided into one intermediate ordinary share of €0.081 (an “**Intermediate Ordinary Share**”) and one B share of €0.019 (a “**B Share**”) in the capital of the Company.”

**16. To consider and, if thought fit, pass the following as an ordinary resolution:**

“That, conditional on the passing of Resolutions 14, 15 and 17 and on Admission becoming effective by 8.00 a.m. on 18 May 2015 (or such later time and/or date as the Directors may determine), the share capital represented by each holding of Intermediate Ordinary Shares as would have been shown in the register of members of the Company at the Capital Reorganisation Record Date had such register reflected the effect of Resolution 15 at such time and reflected no other changes be consolidated into share capital of the Company with a nominal value equal to the product of €0.081 and the number of Intermediate Ordinary Shares comprised in such holding, and the share capital represented by each such consolidation be divided into ordinary shares of €0.09 each (the “**New Ordinary Shares**”) provided that:

- (a) where such consolidation and division results in a shareholder being entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated with such other fractions into New Ordinary Shares (the “**Fractional Entitlement Shares**”); and
- (b) the Directors be authorised to sell (or appoint another person to sell), on behalf of all the relevant shareholders, all the Fractional Entitlement Shares, at the best price reasonably obtainable, and to pay the proceeds of sale (net of expenses) in due proportion among the relevant shareholders entitled thereto (any fraction of a cent which would otherwise be payable being rounded down to the nearest cent if less than half a cent and rounded up if more than or equal to half a cent and provided that where any relevant shareholder would have been entitled to receive proceeds of less than €5.00, the proceeds attributable to such shareholder will be aggregated and donated to Special Olympics Great Britain (registered charity no. 800329)) and that any person authorised by the Directors of the Company be and is hereby authorised to execute the instrument of transfer in respect of such shares on behalf of the relevant shareholders.”

**17. To consider and, if thought fit, pass the following as a special resolution:**

“That, conditional on the passing of Resolutions 14, 15 and 16 and on Admission becoming effective by 8.00 a.m. on 18 May 2015 (or such later time and/or date as the Directors may determine), the Company be and is hereby authorised to purchase all Deferred Shares for nil consideration pursuant to section 41(2) of the Companies (Amendment) Act 1983 but such authority shall expire at the conclusion of the next annual general meeting of the Company.”

**18. To consider and, if thought fit, pass the following as a special resolution:**

“That, subject to and with the consent of the High Court:

- (a) the share capital of the Company be reduced by the cancellation of €44,969,000 standing to the credit of the Company’s share premium account and the reserve resulting from the cancellation



of the share premium shall be treated as profits available for distribution as defined by Section 45 of the Companies (Amendment) Act, 1983; and

- (b) the Board be and are hereby authorised, on behalf of the Company, to proceed to seek the confirmation of the High Court to a reduction of share capital by €44,969,000.”

**19. To consider and, if thought fit, pass the following as an ordinary resolution:**

“That, in addition to the powers and authorities contained in each of the Company’s share incentive and share based incentive schemes, the Board or the Remuneration Committee of the Company be authorised to make such changes to all or any of such schemes as are necessary to address the impact of the adoption of Resolutions 14, 15, 16 and 17 on the entitlements of participants in those schemes.”

By Order of the Board

**Jack Massey**  
*Company Secretary*

14 April 2015

Registered Office:  
Power Tower  
Belfield Office Park  
Beech Hill Road  
Clonskeagh  
Dublin 4

## Notes

1. Any member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in his/ her place. Completion of a Form of Proxy will not affect the right of a member to attend, speak and vote at the meeting in person. A shareholder may appoint more than one proxy to attend and vote at the meeting provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. Should you wish to appoint more than one proxy, please read carefully the explanatory notes accompanying the Form of Proxy. A member may appoint a proxy or proxies electronically by logging on to the website of the Registrars, Computershare Services (Ireland) Limited: [www.eproxyappointment.com](http://www.eproxyappointment.com). Shareholders will be asked to enter the Shareholder Reference Number, PIN Number and Control Number as printed on your Form of Proxy and agree to certain conditions.
2. As a Shareholder, you have several ways to exercise your right to vote:
  - (a) By attending the Annual General Meeting in person; or
  - (b) By appointing (either electronically or by returning a completed Form of Proxy) the Chairman or another person as a proxy to vote on your behalf; or
  - (c) By appointing a proxy via the CREST System if you hold your shares in CREST.
3. If you are appointing someone other than the Chairman as your proxy, then you must fill in the details of your representative at the meeting in the box located underneath the wording "I/We hereby appoint the Chairman of the AGM OR the following person" on the Form of Proxy. If you appoint the Chairman or another person as a proxy to vote on your behalf, please make sure to indicate how you wish your votes to be cast by ticking the relevant boxes on the Form of Proxy.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members. Completing and returning a Form of Proxy will not preclude you from attending and voting at the meeting should you so wish.

Alternatively, you may appoint a proxy electronically, by visiting the website of the Company's Registrars at [www.eproxyappointment.com](http://www.eproxyappointment.com). You will need your Shareholder Reference Number, PIN Number and Control Number, which can be found on the lower section of your Form of Proxy.

4. To be valid, Forms of Proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with the Company's Registrar, Computershare Services (Ireland) Limited, P.O. Box 954, Sandyford, Dublin 18 not less than 48 hours before the time appointed for the holding of the meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof 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 voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear (UK and 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 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 Computershare Services (Ireland) Limited (ID 3RA50) by 11.00 a.m. on 12 May 2015. 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 Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear (UK and Ireland) Limited 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(s)), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting 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 CREST Regulations.

6. Each of the Directors has been subject to the evaluation process recommended by the 2014 UK Corporate Governance Code. On this basis, the Chairman and Board are pleased to recommend the re-election of those Directors.
7. If you or a group of Shareholders hold at least three per cent of the issued share capital of the Company, you or the group of Shareholders acting together have the right to put an item on the agenda of the AGM. In order to exercise this right, written details of the item you wish to have included in the AGM agenda together with a written explanation why you wish to have the item included in the agenda and evidence of your shareholding must be received by the Company Secretary at Paddy Power plc, Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, Ireland or by email to [info@paddypowerplc.com](mailto:info@paddypowerplc.com) no later than 2 April 2015 (i.e. 42 days before the AGM meeting). An item cannot be included in the AGM agenda unless it is accompanied by the written explanation and received at either of these addresses by this deadline.
8. If you or a group of Shareholders hold at least three per cent of the issued share capital of the Company, you or the group of Shareholders acting together have the right to table a draft resolution for inclusion in the agenda of the AGM subject to any contrary provision in company law. In order to exercise this right, the text of the draft resolution and evidence of your shareholding must be received by post by the Company Secretary at Paddy Power plc, Power Tower, Belfield Office Park, Beech Hill Road, Clonskeagh, Dublin 4, Ireland or by email to [info@paddypowerplc.com](mailto:info@paddypowerplc.com) by no later than 2 April 2015 (i.e. 42 days before the AGM meeting). A resolution cannot be included in the AGM agenda unless it is received at either of these addresses by this deadline. Furthermore, Shareholders are reminded that there are provisions in company law which impose other conditions on the right of shareholders to propose resolutions at the general meeting of a company.
9. Pursuant to Section 134C of the Companies Act 1963, Shareholders have a right to ask questions related to items on the AGM agenda and to have such questions answered by the Company subject to any reasonable measures the Company may take to ensure the identification of Shareholders. An answer is not required if (a) an answer has already been given on the Company's website in the form of a 'Q&A' or (b) it would interfere unduly with preparation for the meeting or the confidentiality or business interests of the Company or (c) it appears to the Chairman that it is undesirable in the interests of good order of the meeting that the question be answered.
10. This AGM notice, details of the total number of shares and voting rights at the date of giving this notice, the documents to be submitted to the meeting, copies of any draft resolutions and copies of the forms to be used to vote by proxy are available on the Company's website at [www.paddypowerplc.com](http://www.paddypowerplc.com). Should you not receive a Form of Proxy, or should you wish to be sent copies of documents relating to the meeting, you may request this by telephoning the Company's Registrars on +353 1 447 5105 or by writing to the Company Secretary at the address set out above.

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