

# Dignity plc

## Notice of Annual General Meeting 2019

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

If you are in any doubt as to any aspects of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000.

If you have recently sold or otherwise transferred all of your Ordinary Shares in Dignity plc ('the Company'), please send this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

**DIGNITY PLC**  
(company number 04569346)

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice of the 2019 Annual General Meeting ('AGM') of Dignity plc to be held at DLA Piper UK LLP, Victoria Square House, Victoria Square, Birmingham, West Midlands, B2 4DL on Thursday 13 June 2019 at 11.00 a.m. is set out on pages 7 to 9 of this document. Shareholders are requested to complete and return the enclosed form of proxy, whether or not they intend to be present at the meeting, so as to be received no later than 11.00 a.m. on 11 June 2019.

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### **Expected timetable of events**

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Latest time and date for receipt of forms of proxy – 11.00 a.m. on 11 June 2019

AGM – 11.00 a.m. on 13 June 2019

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If any of the above times and/or dates change, the revised times and/or dates will be notified to shareholders by announcement through the Regulatory News Service of the London Stock Exchange.

# Letter from the Chairman of Dignity plc

**Dignity plc**  
Registered in England and Wales No. 04569346  
4 King Edwards Court  
King Edwards Square  
Sutton Coldfield  
West Midlands  
B73 6AP

## Directors

Peter Hindley, Non-Executive Chairman  
Mike McCollum, Chief Executive  
Richard Portman, Corporate Services Director  
Steve Whittern, Finance Director  
David Blackwood, Senior Independent Non-Executive Director  
Jane Ashcroft, Non-Executive Director  
Mary McNamara, Non-Executive Director  
James Wilson, Non-Executive Director

2 May 2019

**Dear Shareholder**

## ANNUAL GENERAL MEETING 2019

I am pleased to send you details of our 2019 Annual General Meeting ('AGM'), which will be held at DLA Piper UK LLP, Victoria Square House, Victoria Square, Birmingham, West Midlands B2 4DL on 13 June 2019 at 11.00 a.m. Shareholder registration will be available from 10.30 a.m. I hope that you will be able to attend.

The formal notice of the AGM, which is set out on pages 7 to 9 of this document ('Notice'), sets out the business to be considered at the AGM. The purpose of this letter is to provide you with further details about those items of business.

This year, shareholders will be asked to approve 20 resolutions. Resolutions 1 to 16 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent of the votes cast must be in favour of the resolution. Resolutions 17 to 20 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent of the votes cast must be in favour of the resolution.

### Resolution 1: Annual report and accounts

The Directors must present the Company's annual accounts, strategic report and Directors' and auditors' reports to shareholders at a general meeting. Those to be presented at the AGM are in respect of the 52 week period ended 28 December 2018, and are called the Annual Report 2018 ('Annual Report').

The Annual Report is available on the Company's website ([www.dignityfunerals.co.uk/corporate](http://www.dignityfunerals.co.uk/corporate)). If you have elected to receive correspondence in hard copy, a copy of the Annual Report will accompany this document.

### Resolution 2: Directors' remuneration report

The Company is seeking shareholder approval for those parts of its Directors' remuneration report which describe how the Company's Directors' remuneration policy has been implemented during the previous financial year.

The relevant parts of the Directors' remuneration report are set out on pages 74 to 89 of the Annual Report.

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

### Resolution 3: Directors' remuneration policy

In addition to the annual vote on the implementation of its remuneration policy, the Company is required to seek shareholder approval for the Directors' remuneration policy itself at least once every three years. The Directors' remuneration policy is set out on pages 76 to 81 of the Annual Report. The Directors' remuneration policy was last approved by shareholders at the 2016 AGM: the Remuneration Committee has carried out a comprehensive review of Executive Directors' remuneration and a new Remuneration Policy is being put to a vote at this AGM.

The vote is binding, therefore, once the Directors' remuneration policy is approved all remuneration payments made to Directors must be consistent with this policy.

In addition, a resolution is proposed to adopt a new Long-Term Incentive Plan (see resolution 16 below).

### Resolutions 4 to 10: Election and Re-election of Directors

All Directors, other than myself as I will stand down at the AGM, are standing for election or re-election, as applicable, in accordance with the provisions of the UK Corporate Governance Code.

Resolutions 4 to 10 therefore propose the election and re-election of the Directors.

Biographies of each of the Directors, with the exception of James Wilson, who stands for election, are set out on pages 62 and 63 of the Annual Report. The Directors have served the Company with skill and diligence since their appointment and, following a formal evaluation, the Board considers that they continue to perform effectively and that the Directors have appropriate qualifications and experience to be re-elected as Directors of the Company.

James Wilson stands for election as a Director following his appointment to the Board on 1 May 2019. James' biography was set out in the announcement published by the Company on 2 May 2019 and is replicated for ease, in Note 22 of this Notice of AGM.

James is a partner at Phoenix Asset Management Partners Limited which at 4 April 2019 held 26.7 per cent of the Company's shares.

#### **Resolutions 11 and 12: Reappointment and remuneration of auditors**

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. Therefore, resolution 11 proposes the reappointment of Ernst & Young LLP as auditors (to hold office until the next such meeting), and, in accordance with normal practice, resolution 12 authorises the Directors to determine the auditors' remuneration.

#### **Resolution 13: Final dividend**

The Directors are proposing a final dividend for the period ended 28 December 2018 of 15.74 pence per Ordinary Share. If approved, the final dividend will be paid on 28 June 2019 to shareholders whose names appear on the register at the close of business on 17 May 2019.

#### **Resolution 14: Authority to allot shares**

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

Resolution 14 renews a similar authority given at last year's AGM and is in two parts.

In line with guidance issued by the Investment Association, if passed, part (a) of resolution 14 will authorise the Directors to allot Ordinary Shares in the Company (and to grant rights to subscribe for, or to convert any security into, Ordinary Shares in the Company) in connection with a rights issue only up to an aggregate nominal amount of £4,112,623 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (b) of resolution 14). This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 26 April 2019, being the last practicable date before the publication of this document.

If passed, part (b) of resolution 14 will authorise the Directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £2,056,311 (as reduced by the aggregate nominal value of any shares allotted or rights granted under part (a) of resolution 14 in excess of £2,056,311). This amount (before any reduction) represents approximately one third of the issued ordinary share capital of the Company as at 26 April 2019, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next AGM or on 13 September 2020 (whichever is the earlier). It is the Directors' intention to renew the allotment authority each year.

As at the date of this document, no Ordinary Shares are held by the Company in treasury.

The Directors have no current intention to exercise either of the authorities sought under resolution 14. However, the Directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

#### **Resolution 15: Political donations and political expenditure**

It is not the Company's policy to make donations to political parties, or to make other political donations within the normal meaning of that expression, and the Directors have no intention of changing that policy.

However, as a result of the wide definitions of political expenditure, political donations and political organisations in the Companies Act 2006 ('Act'), normal business activities and expenditure which might not be thought to be political expenditure or a political donation to a political organisation in the usual sense may fall within the restrictions of the Act. For example, sponsorship of industry forums, funding of seminars and other functions to which politicians are invited, matching employees' donations to certain charities, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community, and communicating with the Government and political parties at local, national and European level might be construed as political expenditure or as a political donation to a political organisation.

Resolution 15 does not purport to authorise any particular donation or expenditure, but is expressed in general terms, as required by the Act, and is intended to authorise normal donations and expenditure while avoiding inadvertent infringement of the Act. If passed, resolution 15 would allow the Company and its subsidiaries to make political donations to political parties, other political organisations and independent election candidates and to incur political expenditure up to an aggregate limit of £100,000 in the period beginning with the date on which resolution 15 is passed and ending at the conclusion of the next AGM of the Company. The authority will not be used to make political donations within the normal meaning of that expression.

## Letter from the Chairman of Dignity plc continued

If the Company uses the authority given under resolution 15, then separate authorisation will be sought at the next AGM of the Company. It is the Directors' intention to renew this authority each year.

### **Resolution 16: Dignity plc 2019 Long-Term Incentive Plan**

Resolution 16 is to approve the Company's new 2019 Long-Term Incentive Plan. The new plan is intended to replace the Company's previous long-term incentive plan, which expired in early 2019. It provides for the making of awards (taking the form of share options or contingent share awards) pursuant to which participants will be entitled to acquire shares in the Company for no (or a nominal) price. Further details of this plan are contained in Appendix 1 to this Notice. A copy of the Rules of the 2019 Long-Term Incentive Plan will be available for inspection at the Company's registered office and at the offices of DLA Piper, 160 Aldersgate Street, London EC1A 4HT from 9.00 a.m. to 5.00 p.m. on any weekday (Saturdays, Sundays and public holidays excluded) until the close of the AGM and will also be available at the place of the AGM for at least 15 minutes before and after the meeting.

### **Resolutions 17 and 18: Disapplication of pre-emption rights**

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

Resolutions 17 and 18, which will be proposed as special resolutions, renew a similar power given at last year's AGM and, if passed, will enable the Directors to allot equity securities for cash up to a maximum aggregate nominal amount of £4,112,623 without having to comply with statutory pre-emption rights.

The powers proposed under resolution 17 will be limited to allotments:

- (a) up to an aggregate nominal amount of (i) £4,112,623 in connection with a rights issue or (ii) £2,056,311 in connection with an open offer or other pre-emptive offer, in each case to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the Directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the Directors consider necessary; and
- (b) in any other case, up to an aggregate nominal amount of £308,447 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 26 April 2019, being the last practicable date before the publication of this document).

The powers proposed under resolution 18 will be limited to allotments:

- (a) up to an aggregate nominal amount of £308,447 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 26 April 2019, being the last practicable date before the publication of this document); and
- (b) used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this notice.

The Directors intend to adhere to the Statement of Principles issued by The Pre-emption Group, as updated in March 2015, and not allot shares on a non-pre-emptive basis pursuant to the authorities in resolutions 17 and 18:

- in excess of an amount equal to five per cent of the total issued ordinary share capital of the Company (excluding treasury shares); or
- in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company (excluding treasury shares) within a rolling three year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

### **Resolution 19: Purchase by the Company of its own shares**

Resolution 19, which will be proposed as a special resolution, renews a similar authority given at last year's AGM. If passed, it will allow the Company to purchase up to 5,000,894 Ordinary Shares in the market (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 26 April 2019, being the last practicable date before the publication of this document). The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM or on 13 September 2020 (whichever is the earlier). It is the Directors' intention to renew this authority each year.

The Directors have no current intention to exercise the authority sought under resolution 19 to make market purchases, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base. If passed, the Directors will only exercise this authority if they believe that to do so would result in an increase in earnings per share and would be in the best interests of the Company and of its shareholders generally.

The Company is permitted to hold shares it has purchased in treasury, as an alternative to cancelling them. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy options exercised under the Company's share schemes. While held in treasury, the shares are not entitled to receive any dividend or dividend equivalent (apart from any issue of bonus shares) and have no voting rights. The Directors believe that it is appropriate for the Company to have the option to hold its own shares in treasury if, at a future date, the Directors exercise this authority, in order to provide the Company with additional flexibility in the management of its capital base. However, the Directors currently intend to cancel any shares purchased under this authority. The Directors will have regard to institutional shareholder guidelines which may be in force at the time of any such purchase, holding or re-sale of shares held in treasury.

As at 26 April 2019 (being the last practicable date before the publication of this document), there were warrants and options outstanding over 552,358 Ordinary Shares in the Company (which represent 1.1 per cent of the issued ordinary share capital of the Company at that date. If the authority to purchase the Company's Ordinary Shares was exercised in full and those shares were subsequently cancelled, these warrants and options would represent 1.2 per cent of the issued ordinary share capital of the Company.

#### **Resolution 20: Notice period for general meetings**

Resolution 20 will be proposed as a special resolution to allow the Company to call general meetings (other than an AGM) on 14 clear days' notice.

The Act provides that the minimum notice period required for general meetings of the Company is 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. AGMs will continue to be held on at least 21 clear days' notice.

If the resolution is passed, the shorter notice period would only be used where it is merited by the business of the meeting and is considered to be in the interests of shareholders as a whole. Note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

If passed, the resolution will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

#### **Recommendation**

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

#### **Action to be taken**

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

- by completing the Proxy Form sent to you with this document, and returning it to our registrars; or
- electronically by logging on to the website [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your voting reference numbers (the voting ID, Task ID and shareholder reference number shown on your form of proxy). Alternatively, if you have registered for a Shareview portfolio, please access the Equiniti shareview website at [www.shareview.co.uk](http://www.shareview.co.uk) and log onto your portfolio using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions; or
- (if you are a CREST member) using the CREST electronic proxy appointment service.

Your proxy appointment must be received by **11.00 a.m. on 11 June 2019**. Further details relating to voting by proxy are set out in the notes to the Notice on pages 10 to 13 of this document and in the Proxy Form.

## Letter from the Chairman of Dignity plc continued

### **Chairman**

Finally, it was announced in May 2018 that I had decided to retire from the Board in 2019. The process of identifying my successor began in the summer of last year and the Board made good progress with the view to announcing the proposed candidate. However, given the significant changes that are being made to the operating model of the Company and the current level of uncertainty surrounding the funeral industry, and after consulting with major shareholders, the Board has concluded that the role and experience needed for such successor had changed and accordingly the search process to select a new Chairman was amended. The Board had hoped to be in a position to announce my replacement at this AGM on 13 June but it looks unlikely that will be achieved.

Accordingly, I have decided to retire from the Board at this years' AGM. The Board has agreed that David Blackwood, the current Senior Independent Director, will be appointed Interim Chairman until a permanent successor is found.

I would like to thank all my colleagues at Dignity for their support and counsel over my 28 years of service to the Company and to wish the Board, our new Non-Executive Director, James Wilson, and all the Dignity family much success in the coming years.

Yours sincerely

**Peter Hindley**  
Chairman

## Dignity plc – Notice of Annual General Meeting

**Notice is hereby given that the 2019 Annual General Meeting of Dignity plc ('the Company') will be held at DLA Piper UK LLP, Victoria Square House, Victoria Square, Birmingham, West Midlands, B2 4DL on 13 June 2019 at 11.00 a.m. for the following purposes:**

### Ordinary Resolutions

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

1. To receive and consider the Group's financial statements, the strategic report, and the reports of the Directors and auditors thereon for the 52 week period ended 28 December 2018.
2. To approve the Report on Directors' remuneration (other than the part that contains the Directors' remuneration policy) for the 52 week period ended 28 December 2018 as set out on pages 74 to 89 of the Annual Report 2018.
3. To approve the Directors' Remuneration Policy contained in the Report on Directors' Remuneration.
4. To re-elect Mike McCollum as a Director of the Company.
5. To re-elect Richard Portman as a Director of the Company.
6. To re-elect Steve Whittern as a Director of the Company.
7. To re-elect Jane Ashcroft as a Director of the Company.
8. To re-elect David Blackwood as a Director of the Company.
9. To re-elect Mary McNamara as a Director of the Company.
10. To elect James Wilson as a Director of the Company.
11. To re-appoint Ernst & Young LLP as auditors of the Company to hold office from conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company.
12. To authorise the Directors to fix the remuneration of the auditors.
13. To declare the final dividend of 15.74 pence per Ordinary Share to be paid on 28 June 2019 to shareholders on the register of members at the close of business on 17 May 2019.
14. That the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ('the Act'), to exercise all powers of the Company to allot Relevant Securities:
  - (a) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £4,112,623 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (b) of this resolution) in connection with a rights issue:
    - (i) to holders of Ordinary Shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them; and
    - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,
 but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - (b) otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £2,056,311 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (a) of this resolution in excess of £2,056,311),

provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 13 September 2020 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, 'Relevant Securities' means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

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

## Dignity plc – Notice of Annual General Meeting continued

15. That, pursuant to section 366 of the Companies Act 2006 ('the Act'), the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution is effective be and are authorised, in aggregate:

- (a) to make political donations to political parties and/or to independent election candidates not exceeding £100,000;
- (b) to make political donations to political organisations other than political parties not exceeding £100,000 in total; and
- (c) to incur political expenditure not exceeding £100,000 in total,

in each case, during the period beginning with the date on which this resolution is passed and ending at the conclusion of the next annual general meeting of the Company held after such date, provided that (i) the aggregate amount of political donations made and political expenditure incurred by the Company and its subsidiaries pursuant to this authority shall not exceed £100,000; and (ii) each of the amounts referred to in this resolution may comprise one or more sums in different currencies which, for the purposes of calculating any such amount, shall be converted at such rate as the Directors may, in their absolute discretion, determine to be appropriate.

In this resolution, the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Act.

16. That the Rules of the Dignity plc 2019 Long-Term Incentive Plan ('2019 Long-Term Incentive Plan') in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be and they are hereby approved and the Directors of the Company be and they are hereby authorised to adopt the 2019 Long-Term Incentive Plan and to do all acts or things which they may, in their discretion, consider necessary or expedient to give effect to the 2019 Long-Term Incentive Plan.

### Special Resolutions

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

17. That, subject to the passing of resolution 14 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 14 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph (a) of resolution 14, such power shall be limited to the allotment of equity securities in connection with a rights issue):
  - (i) to holders of Ordinary Shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them; and
  - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) the allotment of equity securities pursuant to the authority granted by paragraph (b) of resolution 14 (otherwise than pursuant to paragraph (a) of this resolution) up to an aggregate nominal amount of £308,447,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 13 September 2020 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

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

18. That, subject to the passing of resolution 14, the Directors be and are generally empowered in addition to any authority granted under resolution 18 to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 14 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) up to an aggregate nominal amount of £308,447; and
- (b) used only for the purposes of financing (or refinancing, if such refinancing occurs within six months of the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre Emption Rights most recently published by the Pre Emption Group prior to the date of this notice,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 13 September 2020 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.



19. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of Ordinary Shares, subject as follows:
- (a) the maximum aggregate number of Ordinary Shares which may be purchased is 5,000,894;
  - (b) the minimum price (including expenses) to be paid for each Ordinary Share shall be the nominal value of the Ordinary Share;
  - (c) the maximum price to be paid for an Ordinary Share is the higher of:
    - (i) an amount equal to 105 per cent of the average of the middle market quotations for the Company's Ordinary Shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately prior to the day on which the purchase is made; and
    - (ii) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out.

Unless previously revoked, varied or renewed the authority conferred by this resolution shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 13 September 2020 (whichever is earlier), except in relation to the purchase of shares the contract for which was entered into before the expiry of such authority and such purchase will or may be executed or completed wholly or partly after such expiry and accordingly the Company may make a purchase of Ordinary Shares pursuant to any such contract as if this authority had not expired.

20. That a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.

Registered office:  
4 King Edwards Court  
King Edwards Square  
Sutton Coldfield  
West Midlands B73 6AP

By order of the Board

**Tim George**  
Company Secretary  
2 May 2019

## Dignity plc – Notice of Annual General Meeting continued

### Notes:

1. Save in respect of James Wilson's interest in 26.7 per cent of the Company's issued share capital by virtue of his partnership at Phoenix Asset Management Partners Limited and 1,000 shares owned by his wife, it is confirmed that to the date of this Notice of Meeting there has been no change to the Directors' interest in shares as detailed on page 86 of the Annual Report 2018, for the purposes of Listing Rule 9.8.6R(1).
2. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.30 p.m. on 11 June 2019 (or, if the meeting is adjourned, 6.30 p.m. on the date which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
3. A member of the Company entitled to attend and to vote may appoint, one or more proxies to attend and vote instead. A proxy need not be a member of the Company. A proxy form is enclosed. Completed proxy forms must be received by the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 11.00 a.m. on 11 June 2019 or in the event the meeting is adjourned, no later than 48 hours (excluding any part of the day that is not a working day) before the time of any adjourned meeting. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's Registrar on 0371 384 2674 if calling from within the UK, or +44 (0) 121 415 7047 (lines are open Monday to Friday from 8.30 a.m. to 5.30 p.m. excluding public holidays in England and Wales) if calling from outside the UK or you may photocopy the proxy form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. The right of a member under section 324 of the Companies Act 2006 ('the Act') to appoint a proxy does not apply to a person nominated to enjoy information rights under section 146 of the Act.
4. The appointment of a proxy will not preclude a member of the Company from attending, speaking and voting in person at the meeting if he or she so wishes.
5. The following are available for inspection at the Company's registered office during normal business hours from the date of this notice until the time of the meeting. They will be available for at least 15 minutes prior to, and during, the Annual General Meeting:
  - (a) copies of the Directors' service contracts and letters of appointment; and
  - (b) a copy of the Company's articles of association.
6. Biographical details of those Directors who are offering themselves for re-election at the meeting are set out on pages 62 and 63 of the Annual Report 2018.
7. Total Voting Rights: As at 26 April 2019 (being the last practicable date before the publication of this notice), the Company's issued share capital consists of 50,008,939 Ordinary Shares of 12 48/143 pence (carrying one vote each). The Company does not hold any Ordinary Shares in treasury.
8. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the Act. The Company must answer any such question unless:
  - (a) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
9. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at **[www.dignityfunerals.co.uk/corporate](http://www.dignityfunerals.co.uk/corporate)**.

10. Members can appoint proxies electronically by logging on to the website [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your voting reference numbers (the voting ID, Task ID and shareholder reference number shown on your form of proxy). Alternatively, if you have registered for a Shareview portfolio, please access the Equiniti shareview website at [www.shareview.co.uk](http://www.shareview.co.uk) and log onto your portfolio using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions. For an electronic proxy appointment to be valid, the appointment must be received by no later than 11.00 a.m. on 11 June 2019 (or if the meeting is adjourned no later than 48 hours (excluding any part of the day that is not a working day) before the time of the adjourned meeting).
11. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such 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 the issuer's agent (ID RA 19) by no later than 11.00 a.m. on 11 June 2019 (or if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular 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 or her 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 Uncertificated Securities Regulations 2001.

12. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under section 146 of the Act ('Nominee'):
  - (a) the Nominee may have a right under an agreement between the Nominee and the member by whom he was nominated, to be appointed, or to have someone else appointed, as a proxy for the meeting; or
  - (b) if the Nominee does not have any such right or does not wish to exercise such right, the Nominee may have a right under any such agreement to give instructions to the member as to the exercise of voting rights.

The statement of the rights of the shareholders in relation to the appointment of proxies in notes 3, 4, 10 and 11 does not apply to a Nominee. The rights described in such notes can only be exercised by shareholders of the Company.

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

## Dignity plc – Notice of Annual General Meeting continued

14. A shareholder or shareholders meeting the qualification criteria set out in note 17 below may require the Company to give shareholders notice of a resolution which may properly be proposed and is intended to be proposed at the meeting in accordance with section 338 of the Act.

A resolution may properly be proposed unless (i) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (ii) it is defamatory of any person, or (iii) it is frivolous or vexatious.

The business which may be dealt with at the meeting includes a resolution circulated pursuant to this right.

Any such request must:

- (a) identify the resolution of which notice is to be given, by either setting out the resolution in full or, if supporting a resolution requested by another shareholder, clearly identifying the resolution which is being supported;
  - (b) set out the grounds for the request;
  - (c) comply with the requirements set out in note 18 below; and
  - (d) be received by the Company no later than six weeks before the meeting or, if later, the time at which notice is given of that meeting.
15. A shareholder or shareholders meeting the qualification criteria set out in note 17 below may require the Company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business in accordance with section 338A of the Act.

A matter may properly be included unless (i) it is defamatory of any person, or (ii) it is frivolous or vexatious.

Any such request must:

- (a) identify the matter to be included in the business, by either setting out the matter in full or, if supporting a matter requested by another shareholder, clearly identifying the matter which is being supported;
  - (b) set out the grounds for the request;
  - (c) comply with the requirements set out in note 18 below; and
  - (d) be received by the Company no later than six weeks before the meeting or, if later, the time at which notice is given of that meeting.
16. A shareholder or shareholders who meet the qualification criteria set out in note 17 below may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to either the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting of the Company in accordance with section 527 of the Act.

Any such request must:

- (a) identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;
- (b) comply with the requirements set out in note 18 below; and
- (c) be received by the Company at least one week before the meeting.

Where the Company is required to publish such a statement on its website:

- (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
- (ii) it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website; and
- (iii) the statement may be dealt with as part of the business of the meeting.

17. In order to require the Company (i) to circulate a resolution to be proposed at the meeting as set out in note 14, (ii) to include a matter in the business to be dealt with at the meeting as set out in note 15, or (iii) to publish audit concerns as set out in note 16, the relevant request must be made by:
  - (a) a shareholder or shareholders having a right to vote at the meeting and each holding at least five per cent of the total voting rights of the Company; or
  - (b) at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total voting rights of the Company, see note 7 above and the website referred to in note 9 above.
18. Any request by a shareholder or shareholders to require the Company (i) to circulate a resolution to be proposed at the meeting as set out in note 14, (ii) to include a matter in the business to be dealt with at the meeting as set out in note 15, or (iii) to publish audit concerns as set out in note 16:
  - (a) may be made either:
    - (i) in hard copy, by sending it to Dignity plc, 4 King Edwards Court, King Edwards Square, Sutton Coldfield B73 6AP; or
    - (ii) in electronic form, by faxing it to +44 (0) 121 321 5644, marked for the attention of the Company Secretary or by e-mail to [CompanySecretary@dignityuk.co.uk](mailto:CompanySecretary@dignityuk.co.uk) (please state "Dignity plc: AGM" in the subject line of the email);
  - (b) must state the full name(s) and address(es) of the shareholder(s); and
  - (c) (where the request is made in hard copy form) must be signed by the shareholder(s).
19. Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so using the following means:
  - (a) calling our shareholder helpline on 0371 384 2674; or
  - (b) by post, by sending it to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.
20. You may not use any electronic address provided in either this Notice of General Meeting or any related documents (including the proxy form) to communicate with the Company for any purpose other than those expressly stated.
21. No other methods of communication will be accepted. Any electronic communication sent by a shareholder to the Company or Equiniti which is found to contain a virus will not be accepted by the Company.
22. James Wilson joined Phoenix Asset Management Partners Limited in 2013. Before Phoenix, James spent three years at Aviva Investors in the Pan-European equity team. James holds a masters degree in Civil Engineering from the University of Durham and is a Chartered Financial Analyst. James is a Non-Executive Director of Hornby Plc.

## Appendix 1: Summary of the 2019 Long-Term Incentive Plan

The 2019 Long-Term Incentive Plan ("**LTIP**") is proposed to be adopted by the Company in order to give effect to the making of long-term incentive plan awards from 2019 onwards. Broadly speaking, the plan provides for employees to be granted the right to acquire shares in the Company by way of the making of conditional share awards or the grant of share options. Awards generally will not be capable of vesting until three years from the date of their grant. Performance conditions will generally apply to determine the extent to which awards vest.

Further details of the LTIP are set out below.

### **Eligibility**

Any employee or Executive Director of the Dignity Group may be selected by the Remuneration Committee to participate in the LTIP.

### **Grant of awards**

Awards may only be granted within the six week period after adoption of the LTIP or after the end of any closed period under the EU Market Abuse Directive. Awards may also be granted at any other time if circumstances arise which the Remuneration Committee deem to be sufficiently exceptional to justify the granting of an award. If the Company is prohibited from making awards during any such period, awards may be granted within the six week period from the lifting of the prohibition.

No award may be granted more than 10 years after the LTIP is adopted by shareholders.

### **Overall limit**

The number of shares which may be issued under the LTIP, when aggregated with the number of shares which may be issued under the Company's Deferred Annual Bonus Plan and previous Directors and Senior Executive Long-Term Incentive Plan cannot exceed 5% of the issued share capital of the Company in any ten year period (or 10% when aggregated with the number of shares that may be issued in respect of save as you earn scheme awards for the same period).

### **Individual limit**

The maximum total market value of shares in respect of which an award may be granted to an employee in any particular financial year cannot exceed 150% of the employee's annual base salary.

### **Form of awards**

Awards under the LTIP may take the form of an option to acquire shares at no (or only a nominal) cost or a conditional share award (whereby the award holder is granted a conditional right to acquire shares at no or only a nominal cost). The Company anticipates that awards will generally be granted in the form of share options.

### **Vesting period and performance conditions**

Awards under the LTIP will generally vest on the third anniversary of the date of grant. Awards structured as options are exercisable from the date of vesting until the ten year anniversary of the grant date. The LTIP provides for vesting of options to be dependent upon the extent to which performance conditions, imposed by the Remuneration Committee, are satisfied. The period over which performance conditions are measured will also be determined by the Remuneration Committee (the current expectation being that a three year measurement period would apply to awards and a three year measurement period would apply to all awards made to Executive Directors).

The Remuneration Committee may vary or waive performance conditions, provided that any varied performance condition is a fairer measure of performance and is not more difficult to satisfy (nor materially easier to satisfy) than the original condition. The Remuneration Committee cannot use this power to generally waive performance conditions in the event of cessation of employment or the occurrence of corporate events.

Any shares to be delivered to a participant in respect of an award will ordinarily be delivered within 30 business days of vesting in the case of conditional share awards or, in the case of options, exercise.

### **Holding requirement**

When granting awards under the LTIP, the Remuneration Committee can determine that a holding requirement should apply to any shares that may be acquired pursuant to the award. Where a holding requirement is imposed, relevant award holders agree not to dispose of their shares for a period of two years following the normal vesting date of the award. The holding requirement does not apply to shares that are sold to fund tax liabilities (and falls away on an employee's death or in the event of takeover and similar events). The Remuneration Committee has the discretion to permit shares to be sold notwithstanding any holding requirement imposed.

### **Remuneration Committee discretion**

The Remuneration Committee has the discretion to reduce the number of shares in respect of which awards would otherwise vest, where it considers that ordinary vesting is excessive taking account of facts and circumstances it considers appropriate. These factors might include the underlying financial performance of the Company, the remuneration outcomes for the wider workforce and the investment return of investors.

**Malus and clawback**

At any time before the second anniversary of the date on which an award vests, the Remuneration Committee may determine that some of the value of the award should be recovered (either by reducing the number of shares to which that or certain other awards held by the individual relates, by reducing or cancelling future bonuses or by recovering value that has already been delivered to the award holder). The amount due from the award holder will be reduced to take account of any tax and national insurance contributions incurred on the award (although the award holder may be required to attempt to obtain a repayment of such amounts from the tax authority).

These rights may be applied in the following circumstances, to the extent that the Remuneration Committee would have not granted the award (or would have granted the award, or treated it as vesting, over a smaller number of shares than it actually did) had the circumstances been known at the date of grant or vesting:

- (a) the accounts having been materially misstated or there having been a miscalculation of the extent to which performance conditions have been achieved as a result of error or inaccurate or misleading information or assumptions;
- (b) there being circumstances that have a sufficiently significant impact on the Company's reputation to justify the application of these provisions, there having been a material failure of risk management in a Dignity group company or business unit the award holder is or was employed in (or for which the award holder was responsible) or the Company or another member of its group having been the subject of a material corporate failure;
- (c) the award holder's conduct having been such that the application of the malus and clawback provisions is warranted (for example, because significant losses have been incurred by a member of the Company's group as a result of the award holder's actions, the award holder having failed to meet appropriate standards of fitness and propriety, it being believed that the award holder has acted fraudulently or dishonestly or that there has been a material wrongdoing on the part of the award holder, the award holder's behaviour having been likely to bring a member of the Company's group into disrepute or being adverse to the interests of a member of the Company's group and/or the award holder having breached a fiduciary duty to a member of the Company's group or having breached his/her employment contract in circumstances which are potentially fair reasons for dismissal).

Awards under the LTIP may equally be reduced as a result of similar provisions in other incentive arrangements operated by the Company.

**Cessation of employment**

If a participant leaves employment after the third anniversary of an award's grant, he/she will be entitled to retain any part of it that has vested.

If, prior to the third anniversary of grant, a participant leaves employment with the Company's group by virtue of death, ill health, injury or disability, redundancy, retirement, by reason of a transfer of his employment (or employing company) out of the Company's group or for any other reason at the Remuneration Committee's discretion, he/she will also be entitled to retain his award. The extent to which the award vests will be determined in the usual manner based on the achievement of the applicable performance conditions, with the resulting number of shares pro-rated down to reflect that part of the measurement period during which the award holder remained employed unless the Remuneration Committee decides to allow the award to vest to a greater extent. The Remuneration Committee may alternatively determine that vesting should be accelerated to the cessation date (in which event they would also determine how to apply the relevant performance conditions).

A participant leaving employment in other circumstances prior to the third anniversary of grant will lose their award.

**Suspension of awards**

Awards will not vest or be capable of exercise whilst disciplinary proceedings are underway against the award holder or if the award holder's conduct is being investigated in circumstances where disciplinary proceedings may result.

**Corporate events**

In the event of a change of control or winding up of the Company, the vesting of awards will be accelerated such that the individuals may participate in that event. The Remuneration Committee will assess the achievement of the applicable performance conditions over the shorter measurement period to the date of a transaction. The resulting number of shares will then be pro-rated down to reflect the proportion of the measurement period that has passed at the time the relevant event occurs (unless the Remuneration Committee decides to allow vesting to a greater extent). In certain circumstances, awards may alternatively be exchanged for other awards over (or altered to relate to) shares in an acquiring company.

The terms of an award may be altered by the Remuneration Committee in the context of a demerger, special dividend or any other event or transaction in the nature of a reorganisation or reconstruction which they consider would materially affect the current or future value of the award. The intent of such alterations would be to preserve the overall value of the award.

## Appendix 1: Summary of the 2019 Long-Term Incentive Plan continued

### **Dividend equivalents**

Award holders may be entitled to receive additional shares (or cash in exceptional circumstances) equal to the value of the dividends that would have been paid on award shares over the three year vesting period (plus, in the case of unexercised options, up to the end of any applicable holding period). This may assume the reinvestment of dividends on a cumulative basis.

### **Terms of awards**

Awards may be satisfied using newly issued shares, treasury shares or shares held by the Company's employee benefit trust. Awards are not transferrable (other than on death). No payment will be required for the grant of an award. Awards will not form part of pensionable earnings.

### **Adjustments**

In the event of any increase or variation of the share capital of the Company by way of capitalisation, rights issue, sub-division, consolidation, reduction of shares or otherwise, the Remuneration Committee may make such adjustments to the number or description of shares subject to the award (or the award price) as it deems appropriate.

### **Alterations and termination**

The Remuneration Committee has the power to make alterations to the LTIP. Shareholder approval will be required to changes that are to the advantage of participants relating to eligibility, limits on the aggregate number of shares that awards may be granted over, individual limits on the number of shares that awards may be granted over, award price or the impact of variations of capital. However, minor amendments to benefit the administration of the LTIP and amendments to take account of changes in legislation or statutory regulations or to obtain or maintain favourable tax, exchange control or regulatory treatment may be made without shareholder approval.

No alteration may be made which would materially increase the liability of a participant or materially decrease the value of an award without the relevant person's consent.

The LTIP will terminate on the tenth anniversary of its adoption, but without prejudice to any awards that are granted prior to that date.