

# Rentokil Initial

## Notice of Annual General Meeting

13 May 2020

2:00pm

### **Annual General Meeting (AGM)**

#### **ACTION REQUIRED**

**This document is important and requires your immediate attention.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other appropriate independent professional adviser. If you have sold or otherwise transferred your Rentokil Initial plc shares please pass this Notice of AGM together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to whoever now holds the shares.

## Dear Shareholder

I have pleasure in enclosing the notice of the AGM of Rentokil Initial plc (the Company) which will be held at the Company's offices at Compass House, Manor Royal, Crawley RH10 9PY on Wednesday 13 May 2020 at 2:00pm.

This is my first AGM as Chairman of the Company, having succeeded John McAdam who retired at our AGM last year, and I am honoured to have been appointed. Cathy Turner will also be joining us for her first AGM as she is due to join the Board as a Non-Executive Director on 1 April 2020. Cathy has a wealth of executive and Board experience at leading organisations and will I am sure be a great addition to the Board. As Cathy will have been appointed as a Non-Executive Director since the last AGM she will retire and stand for election for the first time.

All other Directors will be standing for re-election this year. Biographical details of the Directors seeking election and re-election are set out in the notes to the resolutions which follow the notice of meeting. The Board recommends to shareholders the election or re-election, as relevant, of all Directors on the basis that they are all experienced Directors, meet the independence requirements in the UK Corporate Governance Code, and demonstrate the appropriate level of effectiveness and commitment to the role.

We note the current issues surrounding COVID-19 (coronavirus) and the rapidly developing public health guidance in the UK at the time of writing. This includes the stringent requirements announced on 23 March 2020, which require UK nationals to stay at home except in tightly defined circumstances (which do not include attending an AGM), the social distancing and shielding guidance for those over the age of 70 or with underlying medical conditions, and the ban on all non-essential travel. The health and safety of our shareholders and colleagues is always our utmost priority. We have therefore taken the decision to hold the meeting in our offices rather than the Hilton Hotel at Gatwick Airport as previously announced and as stated in the 2019 Annual Report. If the public health guidance remains unchanged, we regretfully will not be running an AGM event as in previous years, but a closed meeting, and shareholders will not therefore be able to attend in person. We will continue to monitor the situation and the latest available public health guidance, and will provide updates in relation to our AGM on our website at [rentokil-initial.com/investors/shareholder-centre/agm-page](http://rentokil-initial.com/investors/shareholder-centre/agm-page).

In the light of the above, we strongly encourage you to consider ensuring your vote is counted by submission of the proxy form online or by post. Please complete and submit your form of proxy online or complete the paper proxy that accompanies this notice and return it to the Company's Registrar, Equiniti. All proxy forms must be received by no later than 2:00pm on Monday 11 May 2020. Information about how to appoint a proxy electronically is given in note 4 on page 9 of this document.

Further, in the current circumstances relating to COVID-19, and as indicated in the trading update issued on 25 March 2020, the directors will not be recommending the payment of the final dividend as announced with the Preliminary Results on 27 February 2020. Accordingly, no dividend resolution is now being put to the AGM and no final dividend will be paid.

Shareholders should be aware that when the Company resumes paying dividends we will no longer be paying these by cheque. Any shareholders who were receiving dividends by cash and have not completed the dividend mandate form sent to them with their last dividend cheque should complete the Dividend Mandate Form enclosed with this notice of meeting (see page 10 for more information). If you have already successfully registered to receive your dividends into your UK bank or building society account, no Dividend Mandate Form is enclosed in this mailing and no further action is required.

The Board believes that all of the resolutions to be put to the meeting are in the best interests of the Company's members as a whole and will promote the success of the Company for their and its other stakeholders' benefit. The Board unanimously recommends that you vote in favour of the resolutions to be put to the meeting, as members of the Board intend to do in respect of their own beneficial shareholdings. Explanatory notes on all the resolutions are set out on pages 5 to 8 of this notice of meeting. All resolutions will be put to a poll and the voting results will be published via a Regulatory Information Service and on the Company's website as soon as possible following the AGM.

If you have any questions please do not hesitate to contact me by email at [chairman@rentokil-initial.com](mailto:chairman@rentokil-initial.com).

Yours faithfully



**Richard Solomons**  
Chairman  
26 March 2020

Rentokil Initial plc  
Riverbank, Meadows Business Park  
Blackwater, Camberley  
Surrey GU17 9AB

Tel: +44 (0)1276 607444  
Registered office: as above  
Registered in England and Wales; Company No. 5393279

[rentokil-initial.com](http://rentokil-initial.com)

# Notice of AGM 2020

Notice is hereby given that the AGM of Rentokil Initial plc (the Company) will be held at the Company's offices at Compass House, Manor Royal, Crawley RH10 9PY on Wednesday 13 May 2020 at 2:00pm for the purposes listed below. Resolutions 1 to 13 and 17 will be proposed as ordinary resolutions and resolutions 14, 15, 16 and 18 will be proposed as special resolutions.

## Report and Financial Statements

1. To receive the audited financial statements of the Company for the year ended 31 December 2019, the strategic report and the reports of the Directors and auditor thereon.

## Remuneration Report

2. To approve the Directors' Remuneration Report (including the Remuneration Committee Chair's statement but excluding that part containing the Directors' Remuneration Policy) as set out in the Annual Report and Financial Statements of the Company for the year ended 31 December 2019.

## Directors

3. To elect Cathy Turner, with effect from the end of the meeting, as a Director in accordance with the Company's Articles of Association.
4. To re-elect John Pettigrew, with effect from the end of the meeting, as a Director of the Company.
5. To re-elect Andy Ransom, with effect from the end of the meeting, as a Director of the Company.
6. To re-elect Angela Seymour-Jackson, with effect from the end of the meeting, as a Director of the Company.
7. To re-elect Richard Solomons, with effect from the end of the meeting, as a Director of the Company.
8. To re-elect Julie Southern, with effect from the end of the meeting, as a Director of the Company.
9. To re-elect Jeremy Townsend, with effect from the end of the meeting, as a Director of the Company.
10. To re-elect Linda Yueh, with effect from the end of the meeting, as a Director of the Company.

## Auditor

11. To re-appoint KPMG LLP as the Company's auditor to hold office until the conclusion of the next general meeting of the Company at which accounts are laid before the Company.
12. To authorise the Directors to agree the auditor's remuneration.

## Directors' authority to allot shares

13. That
  - (a) pursuant to Article 9 of the Company's Articles of Association, the Board be generally and unconditionally authorised to allot relevant securities (as defined in s.551 of the Companies Act 2006) and to grant rights to subscribe for or to convert any security into shares in the Company:
    - (i) up to an aggregate nominal amount of £6,164,000; and
    - (ii) comprising equity securities (as defined in s.560(1) of the Companies Act 2006) up to an aggregate nominal amount of £12,328,000 (including within such limit any shares issued or rights granted under (a)(i) above) in connection with an offer by way of a rights issue:
      - (A) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
      - (B) to holders of other equity securities if this is required by the rights of those securities or, as the Directors otherwise consider it necessary, as permitted by the rights of those securities,

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

Such authorities shall apply (unless previously renewed, varied or revoked by the Company in general meeting) until the end of the AGM of the Company to be held in 2021 (or, if earlier, 15 months from the date of this resolution) but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require relevant securities to be allotted after the authority ends and the Board may allot relevant securities under any such offer or agreement as if the authority had not ended;

- (b) subject to paragraph (c), all existing authorities given to the directors pursuant to s.551 of the Companies Act 2006 be revoked by this resolution; and
- (c) paragraph (b) shall be without prejudice to the continuing authority of the Directors to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

## Disapplication of pre-emption rights

14. That if resolution 13 is passed, and in place of the power given to them pursuant to the special resolution of the Company passed on 8 May 2019, the Board be generally and unconditionally authorised to allot equity securities (as defined in the Companies Act 2006) for cash pursuant to the authority given by resolution 13 as if s.561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority:
  - (a) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 13(a)(ii), by way of a rights issue only):
    - (i) to the ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to people who hold other equity securities, if this is required by the rights of those securities or, if the Board considers it necessary, as permitted by the rights of those securities,

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

- (b) in the case of the authority granted under resolution 13(a)(i) shall be limited to the allotment of equity securities for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount of £924,000; and
- (c) to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next AGM of the Company (or, if earlier, 15 months from the date of this resolution) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of s.560(3) of the Companies Act 2006 as if in the first paragraph of this resolution the words 'pursuant to the authority given by resolution 13' were omitted.

# Notice of AGM 2020

continued

15. That if resolutions 13 and 14 are passed, and in addition to any authority granted under resolution 14, the Board be generally and unconditionally authorised to allot equity securities (as defined in the Companies Act 2006) for cash pursuant to the authority given by resolution 13 as if s.561(1) of the Companies Act 2006 did not apply to any such allotment or sale, such authority to:
- (a) in the case of the authority granted under resolution 13(a)(i), be:
    - (i) limited to the allotment of equity securities up to an aggregate nominal amount of £924,000; and
    - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines 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
  - (b) to expire (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next AGM of the Company (or, if earlier, 15 months from the date of this resolution) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of s.560(3) of the Companies Act 2006 as if in the first paragraph of this resolution the words 'pursuant to the authority given by resolution 13' were omitted.

## Directors' authority to make market purchases of own shares

16. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s.693(4) of the Companies Act 2006) of its ordinary shares of 1p each in the capital of the Company, subject to the following conditions:
- (a) the maximum number of ordinary shares authorised to be purchased under this authority is 184,900,000;
  - (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 1p (being the nominal value of an ordinary share);
  - (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
    - (i) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; 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 as derived from the London Stock Exchange Trading System (SETS);
  - (d) this authority shall expire at the close of the AGM of the Company to be held in 2021 (or, if earlier, 15 months from the date of this resolution); and
  - (e) a contract to purchase shares under this authority may be made prior to the expiry of this authority, and concluded in whole or in part after the expiry of this authority.

## Directors' authority to make political donations

17. That, in accordance with s.336 of the Companies Act 2006 the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates be and is hereby generally authorised to:
- (a) make donations to political parties and independent election candidates;
  - (b) make donations to political organisations other than political parties; and
  - (c) incur political expenditure, during the period commencing on the date of this resolution and ending at the close of the AGM of the Company to be held in 2021, provided that in each case any such donations and expenditure made by the Company or by any such subsidiary shall not exceed £50,000 per company and together with those made by any such subsidiary and the Company shall not in aggregate exceed £100,000.

Any terms used in this resolution which are defined in Part 14 of the Companies Act 2006 shall bear the same meaning for the purposes of this resolution.

## Notice period for general meetings, other than annual general meetings

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

By order of the Board



**Daragh Fagan**  
Company Secretary  
26 March 2020

Registered office:

Rentokil Initial plc  
Riverbank, Meadows Business Park  
Blackwater, Camberley  
Surrey GU17 9AB

Registered in England and Wales; Company No. 5393279

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## Explanatory notes

Resolutions 1 to 13 and 17 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 14, 15, 16 and 18 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### Receiving the reports and accounts (resolution 1)

The Directors must present the report of the Directors and the accounts of the Company for the year ended 31 December 2019 to shareholders at the AGM. These include the financial statements, together with the Strategic Report, the reports of the Directors and the auditor and those parts of the Directors' Remuneration Report that are capable of being audited. These are all contained in the Annual Report 2019.

### Approval of Directors' Remuneration Report (resolution 2)

Shareholders are invited to approve the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, which may be found on pages 92 to 108 of the Annual Report 2019. It sets out the pay and benefits received by each of the Directors for the year ended 31 December 2019. In line with legislation this vote will be advisory and in respect of the overall remuneration package.

### Election of Director (resolution 3)

Cathy Turner will be appointed as a Director to the Board on 1 April 2020. As the appointment is since the last AGM, resolution 3 proposes her election as required by the Company's Articles of Association. She now stands for election by shareholders.

Cathy's biography is detailed on page 6 of this notice of AGM. The Board believes this information is sufficient to enable shareholders to make an informed decision in respect of her appointment.

The Nomination Committee, which is the Committee of the Board that considers the balance of the Board and the mix of skills, knowledge and experience of its members, gave detailed consideration to the performance and skills of Cathy prior to her appointment. In reviewing the recommendation of the Nomination Committee concerning this election the Board concluded that Cathy is independent in character and judgement and is expected to make an effective and valuable contribution to the Board and demonstrate commitment to the role. Accordingly, the Board unanimously recommends her appointment.

### Re-election of Directors (resolutions 4 to 10)

The Directors shall retire and stand for re-election on an annual basis in accordance with the Company's Articles of Association and the UK Corporate Governance Code. Resolutions 4 to 10 (inclusive) propose such re-election of each of the Directors of the Company (other than Cathy Turner, who will be subject to election under resolution 3), which will take effect at the conclusion of the AGM. The Board is content that each Non-Executive Director proposed for re-election is independent in character and there are no relationships or circumstances likely to affect their character or judgement.

All of the Directors seeking re-election have wide business knowledge and bring valuable skills and experience to the Board. Following the annual evaluation exercise conducted during the year, details of which can be found on page 79 of the Annual Report 2019, the Board considers that each of the Directors proposed for re-election continues to make an effective and valuable contribution and demonstrate commitment to the role. Separate resolutions will be proposed for each of these re-elections. Details of all Directors can be found below and on page 6 of this notice of AGM and in the Company's Annual Report for 2019, with their skills and experience illustrating why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success. The Board believes this information is sufficient to enable shareholders to make an informed decision on their re-election.

### John Pettigrew Senior Independent Director

**Appointed:** January 2018 and became Senior Independent Director in May 2019

#### Skills and experience

John is Chief Executive of National Grid with a strong economic background and engineering leadership experience. John has a strong track record of developing and implementing global strategies for profitable growth at National Grid. His skillset includes service provision to a large customer base, delivering world-class levels of safety performance and driving transformational change in highly regulated environments.

He has significant experience of the US market, having led the generation and distribution businesses of National Grid in North America. John holds a BSc in Economics, an MSc in International Economics, is a fellow of the Institute of Engineering and Technology and sits on the Presidents Committee of the CBI.

#### Current external commitments

📍 Chief Executive, National Grid

### Andy Ransom Chief Executive

**Appointed:** May 2008

#### Skills and experience

Andy has broad commercial experience gained in senior executive positions and legal roles. He joined Rentokil Initial from ICI where he held various management positions as a senior lawyer and head of the mergers and acquisitions team since 1987. In 2005, he was appointed to the executive management team and had operational responsibility for ICI's Regional and Industrial Division.

During his career with ICI he spent several years working in its businesses in the US and Canada. Andy joined Rentokil Initial in 2008 as the Executive Director of the global Pest Control business and became Chief Executive in October 2013. Andy is a graduate of the University of Southampton and a qualified solicitor. He is a patron of Malaria No More UK.

#### Current external commitments

📍 Vice Chair of Street League

# Explanatory notes

continued

## Angela Seymour-Jackson

Non-Executive Director

**Appointed:** March 2012

### Skills and experience

Angela is a qualified marketing professional and a member of the Chartered Institute of Marketing. She brings to the Board experience of leading highly customer-focused businesses and improving processes and functions for a mobile workforce gained in various executive and other senior roles at RAC Motoring Services, Aviva UK Life, Aegon UK plc and Norwich Union Insurance. She has over 20 years of experience in retail financial services. Angela holds an MSc in Marketing.

### Current external commitments

- Deputy Chair and Senior Independent Director, GoCo Group plc
- NED, Janus Henderson Group plc
- NED, PageGroup plc
- NED, Trustpilot A/S (Denmark)
- Deputy Chair, Pkl Insurance Services Limited

## Richard Solomons

Non-Executive Director

**Appointed:** March 2019 and became Chairman in May 2019

### Skills and experience

Richard brings to the Board deep operational and financial expertise combined with a strong commercial and strategic development track record. As former Chief Executive Officer of InterContinental Hotels Group plc (IHG), and prior to that Chief Financial Officer, he has broad experience of leading a successful multinational, as well as delivering growth in North America and Greater China, and the effective use of digital tools in service-led global businesses. Richard has a BA in Economics from the University of Manchester, trained as a Chartered Accountant with KPMG, and has seven years investment banking experience in New York and London with Hill Samuel.

### Current external commitments

- Senior Independent Director, Aston Martin Lagonda Global Holdings plc (stepping down effective 3 June 2020)
- Member of the Board of Governors and the Finance Committee at the University of Manchester
- NED and Chairman of the Advisory Committee, Hotelbeds Group S.L.U. (Spain)

## Julie Southern

Non-Executive Director

**Appointed:** July 2014

### Skills and experience

Julie has extensive financial experience having had a long, successful career in a number of commercially oriented finance and related roles working for some of the world's best known consumer brands. Julie, through her role as Chief Commercial Officer at Virgin Atlantic Ltd and her various non-executive roles, has gained significant exposure to commercial, legal, HR and operational challenges and responsibilities.

Julie is a Chartered Accountant, having trained with Price Waterhouse, and has a BSc in Economics from Cambridge University.

### Current external commitments

- NED, NXP Semiconductors N.V. (Netherlands)
- NED, easyJet plc
- NED, Ocado Group plc

## Jeremy Townsend

Chief Financial Officer

**Appointed:** August 2010

### Skills and experience

Jeremy has extensive experience in audit and corporate finance gained in various senior and executive roles at Ernst & Young LLP, J Sainsbury plc and Mitchells & Butlers plc. Jeremy has a degree in Management Sciences from the University of Manchester and is a fellow of the Institute of Chartered Accountants of England and Wales and a former member of the Accounting Council of the Financial Reporting Council.

### Current external commitments

- NED, parkrun Trading Limited and parkrun Global Limited
- NED, Galliford Try plc
- NED, PZ Cussons plc (with effect from 1 April 2020)

## Cathy Turner

Non-Executive Director

**Appointed:** April 2020

### Skills and experience

Cathy has significant senior executive experience in banking and financial services following 15 years at Lloyds Banking Group plc and Barclays plc. Cathy was Chief Administrative Officer for Lloyds Banking Group and before that Group HR Director and Executive Committee member at Barclays. At Barclays her responsibilities also included strategy, investor relations, corporate affairs, brand and marketing. Her earlier career as a consultant included roles with major audit and consultancy firms. Cathy graduated in Economics from Lancaster University.

### Current external commitments

- NED, Aldermore Group plc
- NED, Quilter plc (stepping down effective 14 May 2020)
- NED, Spectris plc
- Partner, Manchester Square Partners
- Trustee, Gurkha Welfare Trust

## Linda Yueh

Non-Executive Director

**Appointed:** November 2017

### Skills and experience

As an economist, corporate lawyer and financial broadcaster, Linda brings a diverse range of skills to the Board, including strong commercial experience gained through her work in corporate law and previous non-executive positions. Linda has acted in various advisory roles, including for the World Bank and the European Commission. Linda has obtained a BA at Yale; Master's at Harvard; Juris Doctorate at New York University; and an MA and doctorate at Oxford. Linda is a member of the Policy Committee of the Centre for Economic Performance at the London School of Economics (LSE); Visiting Professor at LSE IDEAS; and Chair of the LSE Economic Diplomacy Commission.

### Current external commitments

- Trustee of Malaria No More UK and The Coutts Foundation
- Chair of the Royal Commonwealth Society
- Chair of The Schiehallion Fund Limited
- NED, Fidelity China Special Situations plc

## Key

NED Non-Executive Director

## Appointment of auditor (resolution 11)

The auditor of a company must be re-appointed at each general meeting at which accounts are laid, to hold office until the conclusion of the next general meeting at which the accounts are laid. Resolution 12 proposes the appointment of KPMG LLP, who have been in office since 2009, as auditor until the conclusion of the next general meeting of the Company at which the accounts are laid. The Audit Committee has recommended the re-appointment of KPMG LLP pursuant to resolution 11.

## Auditor's remuneration (resolution 12)

This resolution gives authority to the Directors, in accordance with standard practice, to determine the auditor's remuneration. The Directors will delegate this authority to the Audit Committee.

## Authority to allot shares (resolution 13)

The Company's Directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders. The authority conferred on the Directors at last year's AGM under s.551 of the Companies Act 2006 to allot shares expires on the date of the forthcoming AGM.

Accordingly, this resolution 13 seeks to renew the existing authority under s.551 of the Companies Act 2006 which would otherwise expire at the AGM to, in the case of paragraph (a)(i), give the Board authority to allot the Company's shares or grant rights to subscribe for such shares up to a maximum nominal amount of £6,164,000 and, in the case of paragraph (a)(ii), to give the Board authority to allot ordinary shares (including the shares referred to in paragraph (a)(i)) up to a nominal amount of £12,328,000 in connection with a pre-emptive offer to existing shareholders by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas shareholders to whom the rights issue cannot be made due to legal and practical problems). This is in accordance with the latest guidance published by the Investment Association. The amount of £6,164,000 represents approximately one third of the Company's issued ordinary share capital (excluding treasury shares) as at 11 March 2020, being the last practicable date prior to publication of this notice (the Latest Practicable Date). The amount of £12,328,000 represents approximately two thirds of the Company's issued ordinary share capital (excluding treasury shares) as at the Latest Practicable Date. This renewed authority will remain in force until the AGM to be held in 2021 (or, if earlier, 15 months from the date of this resolution). The Board has continued to seek annual renewal of this authority in accordance with best practice and intends to continue to do so. The Company does not hold any treasury shares as at the Latest Practicable Date.

The Board has no present intention to exercise this authority (other than in connection with the allotment of shares under employee share schemes). However, renewal of this authority will ensure that the Board has flexibility in managing the Company's capital resources so that the Board can act in the best interests of shareholders generally.

## Disapplication of pre-emption rights (resolutions 14 and 15)

Under s.561(1) of the Companies Act 2006, if the Directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Companies Act 2006 unless the shareholders have first given a limited waiver of their pre-emption rights. Resolutions 14 and 15, which will be proposed as special resolutions, seek to replace the authority given to the Board at the last AGM which would otherwise expire at the AGM, to allot equity securities for cash on a non-pre-emptive basis without first offering them to existing shareholders in proportion to their existing shareholdings.

Resolutions 14 and 15 ask shareholders to grant this limited waiver.

Resolution 14 contains a two-part waiver. The first is limited to the allotment of shares for cash in connection with a rights issue to allow the Directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders. The second is limited to the allotment of shares for cash up to an aggregate nominal value of £924,000 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents approximately 5% of the issued ordinary share capital as at the Latest Practicable Date.

The waiver granted by resolution 15 is in addition to the waiver granted by resolution 14. It is limited to the allotment of shares for cash up to an aggregate nominal value of £924,000 (which includes the sale on a non-pre-emptive basis of any shares held in treasury), which represents a further 5% (approximately) of the issued ordinary share capital as at the Latest Practicable Date. This further waiver may only be used for an allotment of shares for cash for the purposes of financing (or refinancing, if the waiver is used within six months of the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's March 2015 Statement of Principles (PEG Principles).

The PEG Principles indicate that, in addition to the standard annual disapplication of pre-emption rights up to a maximum equal to 5 per cent of issued ordinary share capital (requested in resolution 14), the PEG is supportive of extending the general disapplication authority by an additional 5 per cent in certain specified circumstances. The PEG has recommended that companies request this additional disapplication authority in a separate resolution. The Board is therefore seeking authority for a combined limit of 10% under two separate resolutions in accordance with the PEG Principles. The Board intends to adhere to the provisions in the PEG Principles.

The Board has continued to seek an annual disapplication of the pre-emption rights in accordance with best practice.

The Directors have no present intention of exercising this authority, but this authority will ensure that the Board has flexibility in managing the Company's capital resources so that the Board can act in the best interests of shareholders generally.

The Directors have no current intention to allot shares on a non-pre-emptive basis except in connection with employee share schemes. The Company has issued 17,000,000 ordinary shares in the past three years, on a non-pre-emptive basis, which represents 0.92% of issued share capital. This is in line with the PEG Principles, which state that companies should not issue more than 7.5% of their issued share capital on a non-pre-emptive basis over a rolling three-year period without prior consultation with shareholders.

This authority sought will remain in force until the AGM to be held in 2021 (or, if earlier, 15 months from the date of this resolution).

## Authority to purchase own shares (resolution 16)

Resolution 16, which will be proposed as a special resolution, gives the Company authority to buy back its own ordinary shares in the market as permitted by the Companies Act 2006. This renews the authority granted at last year's AGM which expires on the date of the AGM. The authority limits the number of shares that could be purchased to a maximum of 184,900,000 (representing approximately 10% of the issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date and sets minimum and maximum prices. This authority will expire at the conclusion of the AGM of the Company in 2021 (or, if earlier, 15 months from the date of this resolution).

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the cash reserves of the Company, the Company's share price and other investment opportunities. The authority will be exercised only if the Directors believe that to do so will result in an increase in earnings per share and will be in the interests of shareholders generally. Furthermore, any Director with a conflict of interest in respect of a particular exercise of the Company's

# Explanatory notes

continued

power to purchase its own shares will not be involved in the decision to so exercise such power.

Any purchases of ordinary shares under this authority will be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employee share schemes. As at the Latest Practicable Date, there were options over 18.0 million ordinary shares in the capital of the Company which represent 0.98% of the Company's issued ordinary share capital (excluding treasury shares).

If the authority to purchase the Company's ordinary shares was exercised in full, these options would thereafter represent 1.08% of the Company's issued ordinary share capital (excluding treasury shares). The authority will only be valid until the conclusion of the next AGM in 2021 (or, if earlier, 15 months from the date of this resolution). The Company has sought the authority of the shareholders to purchase its own shares by way of special resolution.

## Authority to make political donations (resolution 17)

It is not proposed or intended to alter the Company's policy of not making political donations, within the normal meaning of that expression. However, given the breadth of the relevant provisions in the Companies Act 2006 it may be that some of the Company's activities may fall within the wide definitions under the Companies Act 2006 and, without the necessary authorisation, the Company's ability to communicate its views effectively to political audiences and to relevant interest groups could be inhibited. Such activities may include briefings at receptions or conferences – when the Company seeks to communicate its views on issues vital to its business interests – including, for example, conferences of a party political nature or of special interest groups. Accordingly, the Company believes that the authority contained in resolution 17 is necessary to allow it (and its subsidiaries) to fund activities which it is in the interests of shareholders that the Company should support. Such authority will enable the Company and its subsidiaries to be sure that they do not, because of any uncertainty as to the bodies or the activities covered by the Companies Act 2006, unintentionally commit a technical breach of the Companies Act 2006. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's Annual Report.

## Notice of general meetings (resolution 18)

This resolution, which will be proposed as a special resolution, is required to reflect the Shareholders' Rights Regulations which had the effect of implementing the Shareholder Rights Directive and increasing the notice period for general meetings of the Company under the Companies Act 2006 to 21 days unless shareholders approve a shorter notice period, which cannot, however, be less than 14 clear days' notice (other than an AGM which will continue to be held on 21 clear days' notice). Before the Shareholders' Rights Regulations came into force in 2009, the Company was able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability to do so in future, but shareholders must have approved the calling of meetings on 14 clear days' notice. Resolution 18 seeks such approval.

The approval will be effective until the Company's next AGM in 2021, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Shareholders' Rights Regulations before it can call a general meeting on 14 clear days' notice. It is intended that the shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.



# General notes

## 1. Documents enclosed

This notice of meeting is being sent to all shareholders who have requested to receive shareholder communications in paper form. It is also available on the Company's website at [rentokil-initial.com](http://rentokil-initial.com). A proxy form incorporating an admission card is enclosed with this notice.

## 2. Admission card

If you are attending the meeting, you should bring the white paper admission card with you.

## 3. Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered in the register of members of the Company as at 6:30pm on 11 May 2020, or, if this meeting is adjourned, in the register of members as at 6:30pm two days, excluding non-business days, before any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to the entries in the register of members after 6:30pm on 11 May 2020, or, if this meeting is adjourned, in the register of members after 6:30pm two days, excluding non-business days, before any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

In the case of joint holders of a share, the vote of the senior shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the register.

## 4. Proxies, corporate representatives and nominated persons

### Proxies

Registered shareholders who are unable to attend the meeting may appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM. 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. A proxy need not be a shareholder of the Company (but must attend the meeting on your behalf) and may be appointed by:

- (a) completing and returning the proxy form that accompanies this notice;
- (b) going to [sharevote.co.uk](http://sharevote.co.uk) and following the instructions provided; or
- (c) if you are a user of the CREST system (including CREST Personal Members), having an appropriate CREST message transmitted.

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, by following the procedures described in the CREST manual available at [www.euroclear.com](http://www.euroclear.com), the CREST message must be received by the issuer's agent RA19 by 2:00pm on Monday 11 May 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**IMPORTANT:** To be effective your proxy form must be received by the Company's Registrar no later than 2:00pm on Monday 11 May 2020. Further details regarding the appointment of proxies are given in the notes to the proxy form. The rights of shareholders in relation to the appointment of proxies as stated above do not apply to a person nominated under s.146 of the Companies Act 2006 to enjoy information rights (a Nominated Person). Such rights can only be exercised by shareholders of the Company.

### Corporate representatives

Corporate shareholders may appoint one or more corporate representatives, who may exercise on its behalf all its powers, provided that if two or more representatives are appointed either:

- (a) each corporate representative is appointed to exercise the rights attached to a different share or shares held by that shareholder; or
- (b) the corporate representatives vote in respect of the same shares, the power is treated as exercised only if they purport to exercise the power in the same way as each other (in other cases, the power is treated as unexercised).

### Nominated Person(s)

Any Nominated Person to whom this notice has been sent may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

## 5. AGM business

Shareholders attending the meeting have a right to ask questions at the AGM relating to the business of the meeting and the Company must cause such questions to be answered, unless such answers would interfere unduly with the preparation of the meeting, involve the disclosure of confidential information, the answer has already been published on the Company's website or it is not in the interests of the Company or the good order of the meeting that the question be answered.

## 6. Website publication of audit concerns

Under s.527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to request publication on the Company's website of any concerns that they propose to raise at the meeting relating to:

- (a) the audit of the Company's accounts (including the auditor's report and conduct of the audit) that are to be submitted to the meeting; or
- (b) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM of the Company. The Company will publish the statement if sufficient requests have been received in accordance with s.527(2) of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with s.527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under s.527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the Company has been required under s.527 of the Companies Act 2006 to publish on a website.

# Explanatory notes

continued

## 7. Members' resolutions and matters under sections 338 and 338A of the Companies Act 2006

Under sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution to be moved at the meeting, and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective, (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 1 April 2020, being the date six weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

## 8. Dividends

Shareholders should be aware that when the Company resumes paying dividends we will no longer be paying these by cheque and all future dividends will be credited directly into a shareholder's UK bank or building society account. Shareholders who historically received dividends by cheque will find a Dividend Mandate Form and FAQs enclosed in this correspondence and should refer to this for details of the action now required. For any shareholder who has not submitted their dividend mandate by the deadline of 28 April 2020, cash will be held in an account and they will need to contact our Registrar (see Note 13 below for contact details) for cash to be distributed to their UK bank or building society account. If you do not have a UK bank or building society account you may be able to arrange for payments to be converted and paid in your local currency. Please contact our Registrar for more information.

## 9. Total voting rights

As at the Latest Practicable Date, the Company's issued share capital consisted of 1,849,332,965 ordinary shares, carrying one vote each.

## 10. Sending documents relating to the meeting to the Company

Any documents or information relating to the proceedings at the meeting may only be sent to the Company in one of the ways set out in this notice of meeting.

## 11. Documents available on website

In accordance with s.311A of the Companies Act 2006, a copy of this notice, and other information required by such section, is available on the Company's website at [rentokil-initial.com](http://rentokil-initial.com).

## 12. Voting outcome

The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website [rentokil-initial.com](http://rentokil-initial.com) as soon as possible following the meeting.

## 13. Shareholder enquiries

Any enquiries in relation to shareholdings, dividends, or regarding the appointment of a proxy should be directed to the Company's Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by telephone on 0333 207 6581 or +44 121 415 0077 if calling from overseas. Lines are open between 8:30am and 5:30pm, Monday to Friday excluding public holidays in England and Wales. Any other enquiries in relation to the AGM should be directed to the office of the Company Secretary at [secretariat@rentokil-initial.com](mailto:secretariat@rentokil-initial.com).



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