

## Notice of Annual General Meeting

11 May 2016  
12 noon

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### 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 in the Ascot Suite at the Hilton Hotel, Gatwick Airport, South Terminal, Crawley, West Sussex, RH6 OLL on Wednesday 11 May 2016 at 12 noon. A location map is provided on the back page of this notice of meeting and on the form of proxy. An attendance card is also attached which you should bring with you if you attend the meeting. Explanatory notes on all the resolutions accompany this notice of meeting.

This year we undertook a review of the current remuneration framework applying to the Executive Directors and key senior management to ensure that their pay arrangements were consistent with the delivery of strategic business priorities; aligned with the wider colleague population as well as the interests of shareholders; as straightforward to understand as practicable and appropriately reflective of current market practice. We consulted with shareholders representing more than 50% of our shareholder register and therefore propose to amend our Remuneration Policy in 2016 for which shareholder approval is being sought at this forthcoming AGM. These Policy changes include:

- The removal of the individual performance modifier for Executive Directors in the Performance Share Plan (PSP)
- The introduction of a clawback clause – the ability to recover cash paid on a bonus or the value of vested shares under an PSP already vested – in line with the UK Corporate Governance Code 2014 ('the Code')
- Increasing the minimum shareholding for Executive Directors to 200% of salary for the CEO and 150% of salary for the CFO to further align their interests with those of our shareholders.
- To have the flexibility under the proposed Remuneration Policy to structure annual bonus targets so as to permit a payment for threshold annual bonus performance of up to 20% of salary compared to the current 10% of salary. However, we do not propose to increase the threshold payment from 10% in 2016.
- The Company's existing PSP Rules will expire in May 2016 and shareholder approval is being sought at this forthcoming AGM for revised PSP Rules ('2016 PSP'). The existing Plan has been reviewed taking into account the views of our investors and market practice and we have concluded that the basic design and structure of the existing Plan remain fit for purpose with the exception of the introduction of clawback. The 2016 PSP therefore remains substantially the same as the existing PSP Rules approved in 2006.

Biographical details of the Directors seeking re-election are set out in the notes to the resolutions which follow the notice of meeting. The Board recommends to shareholders the re-election of all Directors retiring at the meeting on the basis that they are all effective Directors of the Company and demonstrate the appropriate level of commitment to the role. Peter Bamford, who joined the Board in July 2006 as

a Non-executive Director, will be retiring from the Board at the 2016 AGM and so will not be put forward for re-election. The Board believes that all of the proposed resolutions set out in the following notice of meeting are in the best interests of the Company and the shareholders as a whole and recommends 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.

I hope that you will be able to attend the AGM and raise any questions you may have on the matters to be considered at the meeting. If you would like to vote on the resolutions but cannot come to the meeting, please complete the proxy form sent with this notice and return it to Capita by no later than 12 noon on Monday 9 May 2016. Information about how to appoint a proxy electronically is given in note 4 on page 11 of this document.

All resolutions will be put to a poll rather than a show of hands. This reflects best practice and will ensure that shareholders who are not able to attend the meeting, but who have appointed proxies, have their votes fully taken into account. Shareholders who attend the meeting will have the opportunity to ask questions and form a view on any points raised before voting on each resolution. The poll results will be announced on the day following the AGM.

Yours faithfully,



**John McAdam**

Chairman  
1 April 2016

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# Notice of AGM 2016

Notice is hereby given that the AGM of Rentokil Initial plc ('the Company') will be held in the Ascot Suite at the Hilton Hotel, Gatwick Airport, South Terminal, Crawley, West Sussex, RH6 0LL on Wednesday 11 May 2016 at 12 noon for the purposes listed below. Resolutions 1 to 14, 16 and 19 will be proposed as ordinary resolutions and resolutions 15, 17 and 18 will be proposed as special resolutions.

## Report and Accounts

1. To receive the audited accounts of the Company for the year ended 31 December 2015 and the report of the Directors and auditor thereon.

## Remuneration Policy and Annual Remuneration Report

2. To approve the 2016 Directors' Remuneration Policy Report as set out in the Report and Accounts for the year ended 31 December 2015.
3. To approve the Directors' Annual Remuneration Report, (including the Remuneration Committee Chairman's statement) as set out in the Report and Accounts for the year ended 31 December 2015.

## Revised Performance Share Plan Rules

- 4a. To approve the rules of the Performance Share Plan 2016 (the '2016 PSP'), the main features of which are summarised in the appendix to this Notice of AGM, and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification, and authorise the Directors to modify the 2016 PSP to take account of the requirements of the UK Listing Authority and best practice and to do all such acts and things as they may consider necessary or expedient to carry the 2016 PSP (including as so modified) into effect.
- 4b. To authorise the Directors to establish such additional schedules to the 2016 PSP as they may consider necessary in relation to employees in jurisdictions outside the UK, with such modifications as may be necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any shares made available under such schedules be treated as counting against the relevant limits on individual and overall participation in the 2016 PSP.

## Dividend

5. To declare a final dividend of 2.06p per ordinary share for the year ended 31 December 2015 as recommended by the Directors.

## Directors

To re-elect the following directors who are seeking annual re-election in accordance with the UK Corporate Governance Code:

6. To re-elect John McAdam, who retires with effect from the end of the meeting, as a Director of the Company.
7. To re-elect Richard Burrows, who retires with effect from the end of the meeting, as a Director of the Company.
8. To re-elect Alan Giles, who retires with effect from the end of the meeting, as a Director of the Company.
9. To re-elect Andy Ransom, who retires with effect from the end of the meeting, as a Director of the Company.
10. To re-elect Angela Seymour-Jackson, who retires with effect from the end of the meeting, as a Director of the Company.
11. To re-elect Julie Southern, who retires with effect from the end of the meeting, as a Director of the Company.
12. To re-elect Jeremy Townsend, who retires with effect from the end of the meeting, as a Director of the Company.

## Auditor

13. 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.
14. To authorise the Directors to agree the auditor's remuneration.

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

15. To consider the following resolution as a special resolution:  
"That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice."

## Directors' authority to allot shares and disapplication of pre-emption rights

16. To consider the following resolution as an ordinary resolution:  
"That pursuant to Article 12 of the Company's articles of association, the Board be authorised to allot relevant securities (as defined in s551 of the Companies Act 2006):

- (a) up to a nominal amount of £6,058,410 and
  - (b) comprising equity securities (as defined in s560(1) of the Companies Act 2006) up to a nominal amount of £12,116,821 (including within such limit any shares issued under (a) above in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities 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 until the end of the AGM of the Company to be held in 2017 (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."
17. To consider the following resolution as a special resolution:  
"That if resolution 16 is passed and, pursuant to Article 13 of the Company's articles of association, the Board be given power, pursuant to s.570 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or where the allotment constitutes an allotment of equity securities by virtue of s.560 of the Companies Act 2006, free of the restriction in s.561 of the Companies Act 2006, such power to be limited:
    - (a) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 16(b), by way of a rights issue only):
      - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

- (ii) to people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors 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 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 16(a), to the allotment (otherwise than under 17(a) above) of equity securities up to a nominal amount of £1,819,342.

Such power shall apply until the end of the AGM of the Company to be held in 2017 (or, if earlier, 15 months from the date of this resolution) but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended."

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

18. To consider the following resolution as a special resolution:

"That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s.693 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 is 181,934,245;

- (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 per cent. 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 2017 (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**

19. To consider the following resolution as an ordinary resolution:

"That 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 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 2017, provided that in each case any such donations and expenditure made by the Company and 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 £200,000. 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."

By order of the Board  
Daragh Fagan  
Company Secretary  
1 April 2016

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

Registered in England and Wales  
No. 5393279  
[www.rentokil-initial.com](http://www.rentokil-initial.com)

# Explanatory notes

## Receiving the Directors' report 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 2015 to shareholders at the AGM. The report of the Directors, the accounts, and the report of the Company's auditor on the accounts and on those parts of the Directors' Remuneration Report that are capable of being audited are contained within the Annual Report 2015 and accounts.

## Approval of Directors' 2016 Remuneration Policy Report - (resolution 2)

The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, which came into force in October 2013, required the Directors' Remuneration Policy report ("the Policy report") to be approved by shareholders at a general meeting as well as the Directors' Annual Remuneration Report. The Policy report was last approved at the AGM in May 2014.

As changes are planned to the Company's existing Remuneration Policy in 2016, it will be subject to a shareholder vote at the 2016 AGM. The Company is required to seek shareholder approval for its Policy report at least every three financial years. All payments by the Company to Directors and former Directors must be made in accordance with the Directors' Remuneration Policy (unless a payment is separately approved by shareholder resolution).

## Approval of Directors' Annual Remuneration Report - (resolution 3)

The Directors' Annual Remuneration Report (resolution 3) for the year ended 31 December 2015 contains:

- a statement by the Chairman of the Remuneration Committee, Alan Giles;
- details of the activities of the Remuneration Committee during 2015;
- Details of the intended implementation of Remuneration Policy in 2016; and the Annual Remuneration Report, which sets out the payments made to Directors for the financial year ended 31 December 2015 (together the 'Directors Annual Remuneration Report'). The Directors' Annual Remuneration Report will, as in past years, be put to an annual advisory shareholder vote by ordinary resolution (resolution 3). The Directors' Annual Remuneration Report which may be found on pages 64 to 83 of the

Annual Report 2015 gives details of your Directors' remuneration for the year ended 31 December 2015. Resolution 3 is an advisory resolution in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed.

The Company's auditor, KPMG LLP, has audited those parts of the Directors' Annual Remuneration Report required to be audited and their report may be found on page 84 of the Annual Report 2015.

The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and accordingly, in compliance with the Companies Act 2006 and the Directors' Remuneration Report Regulations, shareholders will be invited to approve the various elements of the Directors' Annual Remuneration Report.

## Approval of the Revised Performance Share Plan Rules (resolutions 4a and 4b)

This resolution approves the revised Performance Share Plan Rules (the '2016 PSP' Rules) the principal terms of which are summarised in the Summary to this Notice of AGM and the Rules of which are produced to the meeting and signed by the Chairman for the purposes of identification, and authorises the Directors to:

- make such modifications to the 2016 PSP Rules as they may consider appropriate to take account of the requirements of the UK Listing Authority and best practice and to adopt the Plan as so modified and to do all such acts and things as they may consider appropriate to implement the 2016 PSP; and
- establish further schedules to 2016 PSP Rules for the benefit of employees outside the UK, based on the 2016 PSP Rules but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the 2016 PSP Rules.

The 2016 PSP Rules and proposed operation of the proposed 2016 PSP would remain the Company's primary long-term incentive arrangement. These 2016 PSP Rules are described in the Summary to this Notice of meeting.

## Declaration of a final dividend - (resolution 5)

Subject to the declaration of the final dividend at the meeting, the dividend will be paid on 18 May 2016 to shareholders on the register at the close of business on 8 April 2016.

## Re-election of Directors - (resolutions 6 to 12)

Resolutions 6 to 12 (inclusive) propose the re-election of each of the Directors of the Company in accordance with best practice as set out in the UK Corporate Governance Code 2014. The re-elections of Directors 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, 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. Biographies of each of the Directors' seeking re-election can be found in the Annual Report 2015 on pages 44 to 45 and are repeated below.

### John McAdam (resolution 6) Chairman (67)

**Date appointed:** May 2008

#### Key strengths

John has extensive experience of senior leadership of global businesses. He brings to the group a deep and strategic understanding of a wide range of industry sectors gained from his career with ICI and Unilever over more than 30 years and his other Board and advisor appointments. He has a strong scientific background with a doctorate in chemical physics and as a former research fellow at Manchester University.

#### Current external commitments

Chairman, United Utilities Group PLC  
SID, J Sainsbury plc  
NED, Rolls-Royce Holdings plc

#### Previous roles

Chief Executive, Imperial Chemical Industries plc (ICI)  
Held senior executive positions at Unilever, including with Birds Eye Walls, Quest International and Unichema International  
Director of Severn Trent plc  
Director of Sara Lee Corporation (USA)

**Richard Burrows (resolution 7)****Non-executive Director (70)****Date appointed:** January 2008**Key strengths**

He has significant international business experience ranging from leading successful manufacturing and service businesses in the drinks industry to banking and financial services roles.

**Current external commitments**

Chairman of British American Tobacco p.l.c. NED, Carlsberg A/S (Denmark)

**Previous roles**

Governor of the Bank of Ireland  
 Joint Chief Executive and latterly NED, Pernod Ricard SA (France)  
 Chairman and Chief Executive of Irish Distillers  
 Chairman of Voicesage Global Holdings Ltd.  
 NED, CityJet Ltd (Ireland)  
 NED, Mey İçki (Turkey)  
 NED, Eurasian Natural Resources Corpn. plc

**Alan Giles (resolution 8)****Non-executive Director (61)****Date appointed:** May 2006**Key strengths**

He has extensive commercial and strategic service industry experience having led two major retail brand businesses through significant periods of change.

**Current external commitments**

NED, Perpetual Income & Growth Investment Trust plc  
 NED, Competition and Markets Authority  
 Chairman, Advisory Board at the Oxford Institute of Retail Management  
 Associate Fellow, Saïd Business School, Oxford University  
 Honorary visiting professor, Cass Business School

**Previous roles**

Chairman of Fat Face Group Limited  
 Chief Executive of HMV Group plc  
 Managing Director of Waterstones  
 Director, WHSmith PLC and Book Tokens Limited  
 NED, The Office of Fair Trading  
 NED, Somerfield plc  
 NED, Wilson Bowden plc

**Andy Ransom (resolution 9)****Chief Executive (52)****Date appointed:** May 2008**Key strengths**

Andy has broad commercial experience gained in senior executive positions and legal roles and is a qualified solicitor. He joined Rentokil Initial in 2008 as the Executive Director of the global Pest Control business region and was also responsible for the Group Legal and M&A functions.

**Current external commitments**

Director and Trustee of Street League

**Previous roles**

Senior executive at ICI, EVP of M&A and General Counsel and Company Secretary  
 Responsible for a number of group functions and international businesses including ICI's regional and industrial divisions

**Angela Seymour-Jackson (resolution 10)****Non-executive Director (49)****Date appointed:** March 2012**Key strengths**

Marketing: member of the Chartered Institute of Marketing with a master's degree in marketing.  
 Financial services: member of the Chartered Insurance Institute.

**Current external commitments**

Managing Director, Corporate Solutions at Aegon UK plc  
 NED, Henderson Group plc  
 NED, esure Group plc

**Previous roles**

Chief Executive of RAC Motoring Services  
 Distribution Director of Aviva UK Life and Norwich Union Insurance

**Julie Southern (resolution 11)****Non-executive Director (56)****Date appointed:** July 2014**Key strengths**

Julie has 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. A Chartered Accountant with a degree in economics.

**Current external commitments**

NED, NXP Semi-Conductors N.V. (NASDAQ)  
 NED, DFS Furniture plc  
 NED, Cineworld Group plc  
 NED, Gate Group Holdings AG

**Previous roles**

Chief Financial Officer (2000–2010) and Chief Commercial Officer (2010–2013) of Virgin Atlantic Limited  
 Held a number of financial and operational roles in Porsche Cars, Great Britain and WHSmith PLC

**Jeremy Townsend (resolution 12)****Chief Financial Officer and Chief Information Officer (52)****Date appointed:** August 2010**Key strengths**

Jeremy joined Rentokil Initial as Chief Financial Officer and, in addition, became Chief Information Officer in November 2013. A Chartered Accountant.

**Current external commitments**

Member of the Accounting Council of the Financial Reporting Council  
 Non-executive Director of parkrun Limited

**Previous roles**

Finance Director of Mitchells & Butlers plc  
 A senior executive at J Sainsbury plc (various finance roles including Group Financial Controller, Corporate Finance Director and Strategy Director)  
 Ernst & Young, working in audit and corporate finance

**Appointment of auditor - (resolution 13)**

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 Company general meeting at which the accounts are laid.

Resolution 13 proposes the appointment of KPMG LLP as auditor until the conclusion of the next general meeting of the Company at which the accounts are laid.

**Auditors' remuneration - (resolution 14)**

This resolution gives authority to the Directors, in accordance with standard practice, to determine the auditor's remuneration.

### **Notice of general meetings - (resolution 15)**

This resolution is required to reflect the Shareholder 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 Shareholder 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 15 seeks such approval.

The approval will be effective until the Company's next AGM in 2017, 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 Shareholder Rights Directive 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.

### **Authority to allot shares - (resolution 16)**

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 16 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) give the Board authority to allot the Company's unissued shares up to a maximum nominal amount of £6,058,410 and, in the case of paragraph (b), to give the Board authority to allot ordinary shares (including the shares referred to in paragraph (a)) up to a nominal amount of £12,116,821 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). The amount of £6,058,410 represents approximately 33.3 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 1 April 2016, being the last practicable date prior

to publication of this notice. The amount of £12,116,821 represents approximately 66.6 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 1 April 2016, being the last practicable date prior to publication of this notice. This renewed authority will remain in force until the AGM to be held in 2017 (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 as set out in the latest institutional guidelines published by the Association of British Insurers. The Company holds 3,490,956 treasury shares as at 1 April 2016, being the last practicable date prior to publication of this notice. This amount represents 0.192 per cent. of the Company's issued ordinary share capital (calculated excluding treasury shares) as at that date.

The Board has no present intention to exercise this authority. 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. If the Board takes advantage of the additional authority to issue shares representing more than one-third of the Company's issued share capital or for a rights issue where the monetary proceeds exceed one-third of the Company's pre-issue market capitalisation, all members of the Board wishing to remain in office will stand for re-election at the next annual general meeting following the decision to make the relevant share issue.

### **Disapplication of pre-emption rights - (resolution 17)**

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 waived their pre-emption rights. Resolution 17 seeks to replace the authority given to the Board 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. This authority would be limited to allotments in connection with pre-emptive offers such as (a) pursuant to a rights issue, or (b) up to an aggregate nominal amount of £1,819,342 (excluding treasury shares) (which includes the sale on a non-pre-emptive basis of

any shares held in treasury) and which represents approximately 10 per cent. of the Company's issued ordinary share capital as at 1 April 2016 being the latest practicable date prior to publication of this notice and corresponds with the provisions in the Pre-emption Group's Statement of Principles (Principles), as updated in March 2015, which are supported by the Investment Association and the Pensions and Lifetime Savings Association (formerly known as the National Association of Pension Funds).

The Board intends to adhere to the provisions in the Principles, as updated in March 2015, and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 17:

- (i) in excess of an amount equal to 5 per cent. of the total issued ordinary share capital of the Company excluding treasury shares; or
- (ii) 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 (a) an acquisition or (b) a specified capital investment (in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment on the potential return), 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. This approach accords with the provisions of the Principles and is subject to the nominal 10 per cent. cap referred to in the previous paragraph.

This resolution also seeks a disapplication of the pre-emption rights on a rights issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders.

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 except in connection with employee share schemes. The Company has issued 8,001,954 ordinary shares in the past three years, on a non-pre-emptive

basis, which represents 0.43 per cent of issued share capital. This is in line with the Pre-Emption Group's Statement of Principles, which state that companies should not issue more than 7.5 per cent 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 2017 (or, if earlier, 15 months from the date of this resolution).

### **Authority to purchase own shares - (resolution 18)**

Resolution 18 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 181,934,245 (representing 10 per cent. of the issued share capital of the Company (excluding treasury shares) as at 1 April 2016 being the last practicable date prior to publication of this notice and sets minimum and maximum prices. This authority will expire at the conclusion of the AGM of the Company in 2017 (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.

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 employees' share schemes. As at 1 April 2016, being the latest practicable date prior to publication of this notice, there were options over 28,094,387 ordinary shares in the capital of the Company which represent 1.54 per cent. 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 1.71 per cent. 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 2017 (or, if earlier, 15 months from the date of this resolution). The current articles of association provide the Company with the power to purchase its own shares and the Company has sought the authority of the shareholders to do this by way of special resolution.

### **Authority to make political donations - (resolution 19)**

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 19 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.



# Summary of the Rentokil 2016 Performance Share Plan (the 2016 PSP)

## Introduction

A Performance Share Plan (PSP) was first introduced and approved by shareholders at the AGM in 2006. The PSP as approved in 2006 will expire on 18 May 2016. Rentokil Initial plc (the **Company**) therefore seeks shareholder approval for the renewal of the 2016 PSP and some minor amendments to its existing terms.

## Nature of Awards

The 2016 PSP provides for the grant of share awards, which may be structured as options or conditional awards (the **Awards**), as described below.

Awards under the 2016 PSP will be in respect of fully paid ordinary shares in the Company (the **Shares**). Where the Remuneration Committee (the **Committee**) considers it appropriate, whether for tax, regulatory or other reasons, the Award can take the form of a conditional right to receive Shares, rather than a nil-cost right to acquire shares. Subject to the circumstances referred to below, the vesting of Awards is contingent on the satisfaction of specified performance target(s) and continued employment with the Company and its group. Awards are not pensionable and may not be assigned or transferred, except on a participant's death, when they may be transferred to the participant's personal representatives.

## The basis of participation

The Committee will have responsibility for agreeing any Awards under the 2016 PSP and for setting the policy for the way in which the 2016 PSP should be operated, including determining whether the 2016 PSP will be operated in any particular Financial Year, agreeing performance targets, which employees will participate in the 2016 PSP and determining the number of Shares comprised in any Award. Subject to these policies, all employees of the Company and its subsidiaries, including Executive Directors, are eligible to participate.

## Grant of Awards

Awards can be granted within the period of six weeks after the date on which the 2016 PSP is adopted or after the Company announces its results for any period or within six weeks after the date on which Company exits a prohibited period. Exceptionally, Awards can also be granted at any other time that the Committee considers appropriate.

No payment is required for the grant of an Award. If there is any variation of the share capital of the Company, a demerger

or a similar event involving the Company, the Committee may adjust the number of Shares subject to an Award and the Performance Condition to which an Award is subject.

## Limits on the issue of Shares under the 2016 PSP

Under the terms of the 2016 PSP, Awards may not be granted under the 2016 PSP if they would:

- cause the number of Shares issued or issuable under Awards granted in the preceding 10 years under the 2016 PSP and any other employees' share scheme adopted by the Company in the period of 10 years ending with the proposed date of grant, to exceed 10% of the issued share capital of the Company from time to time; or
- cause the number of Shares issued or issuable under Awards granted in the preceding 10 years under the 2016 PSP and any other executive (discretionary) share scheme adopted by the Company in the period of 10 years ending with the proposed date of grant to exceed 5% of the issued share capital of the Company from time to time.

Treasury shares shall for this purpose be treated as if they were issued Shares and Shares issued in respect of dividends on Awards shall be excluded from the limits. Awards may be granted over existing Shares and the percentage limits stated above will not apply to such existing Shares.

## Performance period

An Award will not generally vest or become exercisable before the third anniversary of its date of grant (or, in the case of an Award that is subject to a holding period, before the end of the holding period) and will vest only to the extent that the specified performance target(s) have been met as determined by the Committee.

Awards structured as options may be exercised for up to 10 years following the date of grant (to the extent that the Award vests and subject to the rules on leaving employment and change of control). The Award will be exercised automatically on a participant's behalf at the end of the 10 year period if it has not otherwise been exercised.

## Performance targets

The Committee will determine performance measures and targets for Awards granted under the 2016 PSP at the start of the relevant three-year performance period and allocate weightings to those measures as it considers appropriate, taking into

account strategic and business priorities. The performance measures are designed to incentivise performance in furtherance of the Company's business strategy and to reward commercial and financial success.

Currently, the performance measures are a combination of a relative total shareholder return performance (TSR) and the achievement of earnings per share (EPS). Performance measures will typically be weighted two-thirds relative TSR and one-third EPS but the Committee shall retain discretion to determine that a different weighting shall apply for future awards in accordance with the Company's remuneration policy.

Further details about the Company's policy on the 2016 PSP are set out on pages 64 to 68 of the Directors' Remuneration Report in the Annual Report 2015.

## Malus and clawback

The Board may exercise its discretion to reduce or cancel any portion of an unvested Award, or reclaim or require the repayment of an Award that has vested, in certain circumstances. These circumstances include but are not limited to: (i) material misstatement of the Company's audited results; and (ii) serious reputational damage or loss to the Company, any group company or a relevant business unit as a result of the participant's serious misconduct or otherwise.

The Board may exercise its discretion to clawback Awards for up to two years from the vesting date.

## Individual limit

In respect of any financial year, the maximum number of Shares which may be put under an Award in respect of any employee will be such number as has a total market value equal to 200% of that employee's salary, save in exceptional circumstances, as determined by the Committee, where such limit shall be 250% of the individual's salary.

## Rights attaching to Shares prior to the vesting of Awards

A participant has no rights in relation to the Award or to the Shares which are the subject of the Award until it has vested.

## Holding period

The Committee has the discretion to apply a holding period to an Award. The holding period would run from the third anniversary of the date of grant to the fifth anniversary of the date of grant (or such other period as the Committee may set).

### **Cessation of employment - good leaver**

If a participant ceases employment with the Company or an associated company before an Award has vested or become exercisable, their Award(s) will generally lapse. However, if a participant dies or leaves employment by reason of disability, retirement, redundancy, ill-health, or because their employment is in a company which ceases to be an associated company, or relates to a business or part of a business which is transferred to a person who is not an associated company or for any other reason as the remuneration committee may determine, then their Award(s) will vest or become exercisable.

Awards structured as options may be exercised for six months following cessation of employment and up to 24 months in the case of death.

If a participant ceases to be an employee of an associated company on or after the vesting date (or during any holding period), their Award will vest to the extent that the Committee has determined that the performance condition has been satisfied.

If a participant ceases to be an employee of an associated company before the vesting date as a good leaver, their Award will vest to the extent that the Committee has determined that the performance condition has been satisfied and will be reduced for time pro-rating to reflect the number of complete months worked by the participant as a proportion of the performance period.

The Committee may in its absolute discretion determine that such Award shall not be subject to time pro-rating or that the number of shares shall be reduced on a different basis.

### **Cessation of employment - other leavers**

No Holding Period: If a participant ceases to be employed by an associated company on or after the vesting date for any reason other than those stated above, their Award will vest and options may be exercised during the period of six months following his cessation of employment, to the extent that the Committee has determined that the Award has become exercisable in accordance with the satisfaction of performance condition.

Holding Period: If a participant ceases to be employed by an associated company for any reason other than those stated above during a holding period, their Award shall continue and, subject to the achievement of the performance condition, shall become exercisable at the end of the holding period. Options may be exercised for six months following the end of the holding period.

Any Award of a participant whose employment has been terminated before the vesting date (or before the start of the holding period where applicable) for any reason other than those above will lapse immediately on termination.

### **Payment on account of dividends**

On vesting of an Award the participant may receive, at the discretion of the Committee, an amount (in shares or in cash) equivalent to the dividends which have accrued in respect of the proportion (if any) of the Award that actually vests.

### **Transfer or issue of shares once the Award has vested**

Once a participant's Award has vested (and, in the case of an option, exercised) the relevant number of Shares will be transferred or issued to the participant as soon as practicable. All Shares allotted or transferred under the 2016 PSP will carry the same rights as all other issued ordinary Shares in the Company (except for entitlements arising before the date of acquisition by the participant) and where necessary application will be made for the Shares to be admitted to listing and trading on the London Stock Exchange. The Committee may determine that Shares will be transferred to a participant's pension scheme instead of to the participant.

### **Change of control**

If there is a change of control of the Company, Awards will vest on the change of control, pro-rata to the time elapsed between the date of grant of an Award and the change of control and following a review of the performance conditions by the Committee. The Committee may, having regard to the financial performance of the Company and the circumstances of the relevant event, determine that such Award shall not be subject to time pro-rating or that the number of Shares shall be reduced on such other basis as the Committee considers appropriate.

### **Duration of the 2016 PSP**

No Award may be granted after 10 years from the date of shareholder approval of the 2016 PSP.

### **Amending the rules of the 2016 PSP**

The Committee has authority to amend the rules of the 2016 PSP, provided that no amendment to the advantage of participants may be made to provisions relating to:

- eligibility to be a participant;
- the limits on individual participation;
- the terms of vesting and the number of Shares which may be issued under the 2016 PSP; or
- the adjustment of Awards on a variation of share capital,

without the prior approval of shareholders in general meeting unless the amendment is minor and to benefit the administration of the 2016 PSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or any group Company.

Additional schedules to the rules can be adopted to operate the 2016 PSP outside the UK. These schedules can vary the rules of the 2016 PSP to take account of any securities, exchange control or taxation laws or regulations. The Shares issued under any additional schedule will count towards the overall limit on the number of Shares that may be issued under the 2016 PSP. The Company currently makes Awards to participants in a number of jurisdictions including France, the United States and Belgium.

The Committee may also amend the performance condition that applies to an Award if:

- (a) an event occurs which causes the Committee reasonably to consider that the performance condition that then applies to the Award would not, without alteration, achieve its original purpose;
- (b) the Committee acts fairly and reasonably in making the amendment; and
- (c) the amended performance condition will in the opinion of the Committee be materially no less challenging than would have been had the event not occurred.

# 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 at [www.rentokil-initial.com](http://www.rentokil-initial.com). A proxy form incorporating an admission card is either enclosed with this notice or with the notification that the notice of meeting is available on the Company's website.

## 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 at the close of business on 9 May 2016, or, if this meeting is adjourned, in the register of members at the close of business two 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 close of business (being 5:30 p.m.) on 9 May 2016, or, if this meeting is adjourned, in the register of members at the close of business two days before any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## 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 and may be appointed by:

- completing and returning the proxy form attached to this notice;
- going to [www.capitashareportal.com](http://www.capitashareportal.com) and following the instructions provided; or
- 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, the CREST message must be received by the issuer's

agent RA10 by 12 noon on Monday 9 May 2016. 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 Registrars no later than 12 noon on Monday 9 May 2016. 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 (i) each corporate representative is appointed to exercise the rights attached to a different share or shares held by that shareholder or (ii) 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 business of the meeting, involve the disclosure of confidential information, if the answer has already been published on the Company's website or if 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:

- 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
- 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.

## 7. Total voting rights

As at 1 April 2016 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of 1,822,832,965 ordinary shares, carrying one vote each including 3,490,516 ordinary shares held by the Company in treasury which do not carry any exercisable voting rights. Therefore, the total exercisable voting rights in the Company as at 1 April 2016, being the last practicable date prior to publication of this notice, are 1,819,342,449 (which excludes shares held in treasury).

## 8. 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.

## 9. Documents available for inspection

The following documents are available for inspection during normal business hours at the Company's offices at Riverbank, Meadows Business Park, Blackwater, Camberley, Surrey GU17 9AB from 9.00 a.m. on the date of publication of this notice until the conclusion of the AGM and will also be available for inspection at the AGM venue for at least 15 minutes prior to and during the AGM itself:

- (a) the register of Directors' interests, together with copies of the Executive Directors' service contracts and the Non-executive Directors' letters of appointment by the Company; and
- (b) the biographies of Directors seeking re-election or re-appointment.

## 10. Information is available on website

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

## 11. Voting outcome

The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website [www.rentokil-initial.com](http://www.rentokil-initial.com) on Thursday 12 May 2016.

## Directions

The Hilton London Gatwick Airport, (Ascot Suite), South Terminal, Gatwick Airport, Crawley, West Sussex, RH6 0LL.

### By Rail

The hotel is 30 minutes from central London via the Gatwick Express (London Victoria) or by trains operated by First Capital Connect and Southern railways. Gatwick Airport train station is located in the South Terminal building. On exiting the station, follow signs towards Taxis/Car rentals and Hotels.

### By Air (Gatwick)

From the South Terminal (international arrivals) exit right towards the Travelex desk and then follow the signs to Taxis/Car rentals and Hotels. After the travelator, continue right under the covered concourse, over the pedestrian crossing towards the car park and follow the Hilton Hotel signs. It is a five minute walk from the South Terminal building.

From Gatwick North Terminal take the free rail shuttle to the South Terminal and on alighting in the South Terminal follow the directions above.

### By Car

From the M25, proceed towards the M23 southbound towards Gatwick Airport. Exit the M23 at junction 9 (Crawley and London Gatwick Airport). At the roundabout follow the signs to the South Terminal and remain in the right hand lane to follow signs to the Hilton Hotel.

### Parking

There is a small Euro car park just beyond the drop off point for the Hilton Hotel (first turning on left). This car park can become full very quickly. Alternatively there is short-term parking in the larger multi-storey car parks situated at the Gatwick South Terminal.

Please note that charges do apply in all car parks.

Rentokil Initial plc  
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Blackwater  
Camberley  
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