
Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in Genus plc, please send this document and the accompanying documents to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2014 Annual General Meeting of Genus plc (the 'Company') will be held at the Apollo Hotel, Aldermaston Roundabout, Basingstoke, Hampshire RG24 9NU on 14 November 2014 at 11.00am for the following purposes:

To consider and if thought fit, to pass the following resolutions, of which numbers 1 to 15 will be proposed as ordinary resolutions and numbers 16 to 18 as special resolutions.

Ordinary Business

1. To approve the Company's audited Financial Statements, the Directors' Report, the Strategic Report and the Auditor's Report for the year ended 30 June 2014 (the 'Annual Report and Accounts').
2. To approve the Annual Statement by the Chairman of the Remuneration Committee (the 'Committee') and the Annual Report on Remuneration for the year ended 30 June 2014, as set out on pages 64 to 65 and 74 to 83 respectively of the Company's Annual Report 2014.
3. To approve the Directors' Remuneration Policy Report as set out on pages 66 to 74 of the Company's Annual Report 2014, to take effect immediately after the end of the Annual General Meeting on 14 November 2014.
4. To declare and approve a final dividend of 12.2 pence per ordinary share, payable on 5 December 2014 to shareholders on the register of members at the close of business on 21 November 2014. An interim dividend of 5.5 pence per ordinary share was paid on 28 March 2014 to shareholders on the register at 7 March 2014.
5. To re-elect Bob Lawson as a Director of the Company who, being eligible, offers himself for re-election.
6. To re-elect Karim Bitar as a Director of the Company who, being eligible, offers himself for re-election.
7. To re-elect Stephen Wilson as a Director of the Company who, being eligible, offers himself for re-election.
8. To re-elect Nigel Turner as a Director of the Company who, being eligible, offers himself for re-election.
9. To re-elect Mike Buzzacott as a Director of the Company who, being eligible, offers himself for re-election.
10. To elect Duncan Maskell as a Director of the Company who, being eligible, submits himself for election.
11. To elect Lykele van der Broek as a Director of the Company who, being eligible, submits himself for election.
12. To re-appoint Deloitte LLP as auditor of the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next General Meeting of the Company at which Financial Statements are laid and to authorise the Directors to agree the auditor's remuneration.
13. THAT the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to allot shares in the Company up to a maximum aggregate nominal amount of £1,506,850 being 15,068,505 ordinary shares of 10 pence each ('Ordinary Shares'), representing 24.7% of the issued share capital of the Company as at 3 October 2014 (being the latest practicable date before publication of this Notice), such authority to expire on the conclusion of the Company's Annual General Meeting next following or, if earlier, the close of business on the day which is 15 months after the date on which this resolution is passed but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Notice of Annual General Meeting continued

Special Business

14. THAT the rules of the Genus plc 2014 Performance Share Plan (the '2014 PSP') referred to in the Explanatory Notes to this Notice of Annual General Meeting and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to:

14.1 make such modifications to the 2014 PSP as they may consider appropriate to take account of the requirements of best practice and legislation and for the implementation of the 2014 PSP, and to adopt the 2014 PSP as so modified and to do all such other acts and things as they may consider appropriate to implement the 2014 PSP; and

14.2 establish further plans based on the 2014 PSP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the 2014 PSP.

15. THAT the Genus plc 2004 Executive Share Option Plan be renewed and updated to become the Genus plc 2014 Executive Share Option Plan (the '2014 ESOP') referred to in the explanatory notes to this Notice of Annual General Meeting and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to:

15.1 make such modifications to the 2014 ESOP as they may consider appropriate to take account of the requirements of best practice and legislation and for the implementation of the 2014 ESOP and to adopt the 2014 ESOP as so modified and to do all such other acts and things as they may consider appropriate to implement the 2014 ESOP; and

15.2 establish further plans based on the 2014 ESOP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the 2014 ESOP.

16. THAT subject to and conditional on the passing of resolution 13, the Directors be empowered, pursuant to section 570 and section 573 of the Act, to allot equity securities (within the meaning of sections 560 of the Act) for cash pursuant to the authority conferred by resolution 13 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

16.1 in connection with an offer of such securities by way of rights issue; and

16.2 otherwise than pursuant to sub-paragraph 16.1 above up to an aggregate nominal amount of £304,604 being 3,046,044 Ordinary Shares representing not more than 5% of the issued share capital of the Company as at 3 October 2014 (being the latest practicable date before publication of this Notice),

and shall expire on the conclusion of the Company's Annual General Meeting next following save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power had not expired. This power applies in relation to a sale of treasury shares as if all references in this resolution to an allotment included any such sale and in the first paragraph of this resolution the words 'pursuant to the authority conferred by resolution 13' were omitted in relation to such a sale.

In this resolution, 'rights issue' means an offer of equity securities open for acceptance for a period fixed by the Directors to holders on the register on a fixed record date in proportion as nearly as may be to their respective holdings, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or legal or practical difficulties under the laws of, or the requirement of any recognised regulatory body or any stock exchange in, any territory or any other matter.

-
17. THAT subject to and in accordance with article 9 of the Company's Articles of Association, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares on such terms as the Directors think fit provided that:
- 17.1 the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 6,091,873 (representing 10% of the Company's issued ordinary share capital as at 30 June 2014);
- 17.2 the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is 10 pence;
- 17.3 the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to the higher of: (a) 105% of the average of the middle market quotations for an Ordinary Share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately before the day on which such share is contracted to be purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and
- 17.4 the authority conferred by this resolution shall expire on the conclusion of the Company's Annual General Meeting next following or 18 months after the date of its passing (whichever occurs first), except that the Company may, before such expiry, enter into a contract for the purchase of Ordinary Shares which will or may be completed by or executed wholly or partly after the expiration of this authority.
18. THAT a General Meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice and that such authority shall expire on the conclusion of the Company's Annual General Meeting next following.

The Directors consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

By order of the Board
Registered office:
Belvedere House
Basing View
Basingstoke
RG21 4HG
Registered in England and Wales with number 02972325



Dan Hartley
Group General Counsel & Company Secretary
3 October 2014

Notice of Annual General Meeting continued

Explanatory Notes

This section contains an explanation of each of the resolutions to be put to the Annual General Meeting. Resolutions 1 to 15 are ordinary resolutions requiring the approval of a simple majority of shareholders present and voting at the Annual General Meeting. Resolutions 16 to 18 are special resolutions requiring the approval of 75% of shareholders present and voting at the Annual General Meeting.

Resolution 1 – To receive the Annual Report and Accounts

Shareholders are invited to approve the Annual Report and Accounts.

Resolutions 2 and 3 – Approval of (i) the Annual Statement by the Chairman of the Committee and the Annual Report on Remuneration and (ii) the Directors' Remuneration Policy Report

Under new legislation that came into force in the UK on 1 October 2013, the Company is required to offer an advisory vote on the implementation of the Company's existing remuneration policy in terms of the payments and share awards made to Directors during the year (the Annual Statement by the Chairman and the Annual Report on Remuneration) and a separate binding vote on the Company's forward looking remuneration policy (the Directors' Remuneration Policy Report).

Resolution 2 seeks shareholder approval for the Annual Statement by the Chairman of the Remuneration Committee and the Annual Report on Remuneration as set out on pages 64 to 65 and 74 to 83 respectively of the Company's Annual Report 2014.

Resolution 3 seeks shareholder approval for the Directors' Remuneration Policy Report, which is set out in the first part of the Directors' Remuneration Report, on pages 66 to 74 of the Company's Annual Report 2014.

Subject to such approval, the proposed effective date of the Directors' Remuneration Policy Report is 14 November 2014, being the date of the Annual General Meeting of the Company.

Resolution 4 – Final Dividend

Final dividends must be approved by shareholders but must not exceed the amount recommended by Directors. If the meeting approves the final dividend it will be paid out in accordance with resolution 4.

Resolutions 5 to 11 – Re-election/Election of Directors

In accordance with provisions of the UK Corporate Governance Code, all Directors of the Company are required to offer themselves for annual re-election. This is the first meeting at which Duncan Maskell and Lykele van der Broek stand for election. Biographies of all of the current and proposed Directors can be found on pages 50 and 51 of the Company's Annual Report 2014.

Resolution 12 – Appointment of Auditor and Auditor's Remuneration

The Company is required to appoint an auditor at each general meeting at which accounts are presented, to hold office until the end of the next such meeting. This resolution is recommended by the Audit Committee and proposes the reappointment of the Company's existing auditor, Deloitte LLP, and follows good practice in giving authority to the Audit Committee to agree its remuneration.

Resolution 13 – Authority to Allot Shares

Resolution 13 is proposed as an ordinary resolution and seeks the approval of shareholders, in accordance with section 551 of the Act, to authorise the Directors to allot Ordinary Shares for a period as stated in resolution 13. The Directors have no current intention to exercise this authority and intend to comply with the guidance issued by the Investment Management Association. However, if the Directors do exercise this authority, the Directors intend to follow emerging best practice as regards to its use. As at the date of this notice, no shares are held by the Company in treasury.

Resolutions 14 and 15 – Incentive Arrangements

The Company's existing long-term incentive arrangement for the Company's Executive Directors and other selected senior management is the Genus plc 2004 Performance Share Plan (the '2004 PSP'). Separately, the Company operates the Genus plc 2004 Executive Share Option Plan (the '2004 ESOP') for selected employees, not being Executive Directors.

Since their approval by shareholders in August 2004, the 2004 PSP and 2004 ESOP have provided for annual share-based awards ordinarily vesting (or becoming capable of exercise as relevant) three years from grant, subject to continued service and, in respect of the 2004 PSP, to the extent to which objective performance criteria are met over a three-year measurement period. Both the 2004 PSP and the 2004 ESOP reached the end of their ten year life on 12 August 2014.

The Committee of the Board of Directors has recently undertaken a review of the Company's incentive arrangements and concluded that shareholder authority be sought for the following:

- Resolution 14 – the introduction of a new plan to replace the 2004 PSP, the Genus plc 2014 Performance Share Plan (the '2014 PSP'); and
- Resolution 15 – the renewal of the 2004 ESOP, to become the Genus plc 2014 Executive Share Option Plan (the '2014 ESOP').

The terms of the 2014 PSP and 2014 ESOP have been designed to materially continue with the existing policy under the 2004 PSP and the 2004 ESOP but with changes to take account of current best practice expectations and legislative changes.

The features of the proposed 2014 PSP include no increase as to the normal maximum award levels operated under the 2004 PSP, a 10% in 10 years dilution limit as to the use of new issue shares and an updated sliding scale performance condition policy.

Furthermore, in connection with the implementation of the 2014 PSP, the Committee proposes to introduce a requirement that the Company's Executive Directors will be required to retain their net of tax number of vested shares (if any) delivered under the 2014 PSP (or maintain unexercised the full number of the vested shares whilst held under an unexercised nil (or nominal) cost option under the 2014 PSP where relevant) for at least two years from point of vesting.

In respect of the 2014 ESOP, amendments have been made from the 2004 ESOP in order to take account of the recent changes made to the legislation governing tax-advantaged plans.

A summary of the principal terms of the 2014 PSP and the 2014 ESOP, together with details of the performance condition policy proposed for the first awards under the 2014 PSP, is set out in this report.

Notice of Annual General Meeting continued

Principal Terms of the 2014 PSP

Operation

The Committee of the Board of Directors will supervise the operation of the 2014 PSP.

Eligibility

Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the 2014 PSP at the discretion of the Committee.

It is currently anticipated that participation in the 2014 PSP will be limited to the Company's Executive Directors and selected senior employees.

Grant of Awards

The Committee may grant awards to acquire Ordinary Shares within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards within six weeks of shareholder approval of the 2014 PSP or at any other time when the Committee considers there are sufficiently exceptional circumstances which justify the granting of awards.

The Committee may grant awards as conditional share awards or nil (or nominal) cost options. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

An award may not be granted more than 10 years after shareholder approval of the 2014 PSP.

No payment is required for the grant of an award. Awards are not transferable, except on death. Awards are not pensionable.

Individual Limit

An employee may not receive awards in any financial year over Ordinary Shares having a market value in excess of 200% of their annual base salary in that financial year. In exceptional circumstances, such as recruitment, this limit is increased to 300% of an employee's annual base salary.

Performance Conditions

The vesting of awards granted will be subject to performance conditions set by the Committee.

It is proposed that the performance conditions for the first awards under the 2014 PSP to the Company's Executive Directors and senior management will be based on the Company's earnings per share ('EPS') performance over a three-year measurement period (three consecutive financial years of the Company, starting with the financial year in which the awards are granted – the 'Performance Period').

The following vesting schedule will apply to such first awards:

Growth in EPS over the Performance Period	Percentage of Award that shall Vest
Less than 6% per annum ('p.a.')	0%
6% p.a.	20%
20% p.a. or better	100%
Between 6% p.a. and 20% p.a.	Pro-rata between 20% and 100%

For such purposes, EPS will be calculated on such adjusted basis as the Committee determines appropriate and the per annum growth calculations determined by reference to end to end growth over the Performance Period converted into a simple per annum average.

In addition to the above target, the Committee will retain the ability to scale back vesting based on adjusted EPS performance if it does not consider the vesting result to be consistent with the progress achieved against the Company's strategy during the Performance Period.

Within the scope of such approved shareholder remuneration policy from time to time, the Committee can set different performance conditions from those described above for future awards to the Company's Executive Directors provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than the conditions described above.

In addition, the Committee can set different performance conditions from those described above in the case of awards to other employees.

The Committee may also amend the performance conditions applying to existing awards if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Vesting of Awards

Awards normally vest three years after grant to the extent that the applicable performance conditions have been satisfied and provided the participant is still employed in the Company's Group. Options granted to individuals who are tax resident in the UK are then exercisable up until the day before the tenth anniversary of grant (or such other shorter period as specified at grant), unless they lapse earlier.

Notice of Annual General Meeting continued

Dividend Equivalents

The Committee may decide that participants will receive a payment (in cash and/or Ordinary Shares) on or shortly following the vesting of their awards, of an amount equivalent to the dividends that would have been payable on the Ordinary Shares vesting under the award if they had been owned between the date of grant and the vesting of an award. This amount may assume the reinvestment of dividends.

Leaving Employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a Director within the Company's Group. However, if a participant ceases to be an employee or a Director because of ill-health, injury or disability, retirement, redundancy, their employing company or the business for which they work being sold out of the Company's Group or in other circumstances at the discretion of the Committee, then their award will normally vest on the date when it would have vested if they had not ceased such employment or office. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the relevant performance conditions have, in the opinion of the Committee, been satisfied over the Performance Period, and (ii) pro-rating of the award to reflect the reduced period of time between its grant and vesting, although the Committee can decide not to pro-rate an award if it regards it as appropriate to do so in the particular circumstances.

Alternatively, if a participant ceases to be an employee or Director in the Company's Group for one of the 'good leaver' reasons specified above, the Committee can decide that their award will vest when they leave, subject to: (i) the relevant performance conditions measured at that time; and (ii) pro-rating by reference to the time of cessation as described above. Such treatment will also apply in the case of death.

Corporate Events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), all awards will vest early subject to: (i) the extent that the relevant performance conditions have been satisfied at that time; and (ii) the pro-rating of the awards to reflect the reduced period of time between their grant and vesting, although the Committee can decide not to pro-rate an award if it regards it as appropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Ordinary Shares to a material extent, then the Committee may decide that awards will vest on such basis as it decides.

Participants' Rights

Awards settled in Ordinary Shares will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their Ordinary Shares.

Rights Attaching to Shares

Any Ordinary Shares allotted when an award vests or is exercised will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of Capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Ordinary Shares, the Committee may make such adjustment as it considers appropriate to the number of Ordinary Shares subject to an award and/or the exercise price payable (if any).

Overall Limits

The 2014 PSP may operate over new issue Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the 2014 PSP and any other employee share plan adopted by the Company.

Treasury shares will count as new issue Ordinary Shares for the purposes of these limits unless institutional investors decide that they need not count.

Clawback

The Committee may decide prior to the later of (i) three years following the vesting of an award or (ii) the publication of the Company's third set of audited accounts following the vesting of an award, that the award will be subject to clawback where there has been a material misstatement in the Company's Financial Results, an error in assessing any applicable performance condition resulting in a greater level of vesting of an award than was deserved or in the event of cessation of service resulting from gross misconduct.

The clawback may be satisfied by way of a reduction in the amount of any future bonus or share award, the vesting of any subsisting share awards and/or a requirement to make a cash payment.

Alterations

The Committee may, at any time, amend the 2014 PSP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Ordinary Shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares or cash to be acquired and the adjustment of awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the 2014 PSP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's Group.

Shareholder approval will also not be required for any amendments to any performance condition applying to an award provided that the amendments are made within the scope of the powers of amendment in relation to performance conditions referred to earlier in this summary.

Overseas Plans

The shareholder resolution to approve the 2014 PSP will allow the Board to establish further plans for overseas territories, any such plan to be similar to the 2014 PSP, but modified to take account of local tax, exchange control or securities laws, provided that any Ordinary Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the 2014 PSP.

Notice of Annual General Meeting continued

Principal terms of the 2014 ESOP

Operation

The Committee will supervise the operation of the 2014 ESOP. The 2014 ESOP has the facility to grant both UK tax-advantaged options and options which are not tax-advantaged.

Eligibility

Any employee (including an Executive Director) of the Company and its subsidiaries will be eligible to participate in the 2014 ESOP at the discretion of the Committee. It is currently intended that options will only be granted under the 2014 ESOP to employees who are not Executive Directors. It is not anticipated that Executive Directors will participate in the 2014 ESOP as part of ongoing remuneration policy and should this intention change it would require an amendment to the Directors' Remuneration Policy Report being proposed for shareholder approval at the Annual General Meeting. The intended purpose of the 2014 ESOP is to provide the Company with flexibility to compete on a global basis for the best executive talent. It remains market practice in certain geographies where the Company operates (e.g. North America) and at certain employee levels in the Company's businesses to offer market value options as part of remuneration packages and so flexibility is to be retained to do so through the use of the 2014 ESOP subject to shareholder approval.

Grant of Options

The Committee may grant options to acquire Ordinary Shares within six weeks following the Company's announcement of its results for any period. The Committee may also grant options within six weeks of shareholder approval of the 2014 ESOP or at any other time if the Committee considers there are exceptional circumstances which justify the granting of options.

An option may not be granted more than 10 years after shareholder approval of the 2014 ESOP.

No payment is required for the grant of an option. Options are not transferable, except on death. Options are not pensionable.

Individual Participation

An employee may not receive options in any financial year over Ordinary Shares with a market value exceeding 100% of their annual base salary in that financial year. In exceptional circumstances, such as recruitment, this limit is increased to 150% of an employee's annual base salary.

If an option is granted under the tax-advantaged addendum to the 2014 ESOP the market value of the Ordinary Shares subject to the option cannot exceed £30,000 (or such other limit as specified in the legislation from time to time), together with any other option granted by the Company under a plan which is intended to comply with Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003.

Option Price

The price per Ordinary Share payable upon exercise of an option will not be less than:

- (a) the middle market price of an Ordinary Share on the London Stock Exchange on the dealing day immediately before the date of grant (or such other dealing day(s) as the Committee may decide); and
- (b) if the option relates only to new issue Ordinary Shares, the nominal value of an Ordinary Share.

Performance Conditions

The Committee can grant options under the 2014 ESOP with or without performance conditions. Any grant of options to the Executive Directors would be subject to suitably challenging performance conditions within the scope of such approved shareholder remuneration policy from time to time.

The Committee may vary any performance conditions applying to existing options if an event occurs which causes the Committee to consider that it would be appropriate to amend such performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Exercise of Options

Options will normally become capable of exercise three years after grant, to the extent any performance conditions have been satisfied, provided the participant remains employed in the Company's Group. Options will lapse on the day before the tenth anniversary of the date of grant or after such shorter period as determined by the Committee at the time of grant.

Ordinary Shares will be allotted or transferred to participants within 30 days of exercise. The Committee can decide to satisfy options which are not tax-advantaged by the payment of a cash amount or Ordinary Shares equal in value to the gain made on the exercise of the option. It is not, however, the Company's current intention to use this facility.

Leaving Employment

As a general rule, an option will lapse upon a participant ceasing to hold employment or be a Director within the Company's Group. However, if a participant ceases to be an employee or Director in the Company's Group by reason of their death, injury, disability, redundancy, retirement, their employing company or the business for which they work being sold out of the Company's Group or in other circumstances at the discretion of the Committee, then their option will become exercisable on the date of their cessation and remain exercisable for a limited period thereafter. The extent to which an award will vest in these situations will depend upon two factors: (i) unless the Committee determines otherwise, the extent to which the performance conditions (if any) have, in the opinion of the Committee, been satisfied at that time, and (ii) pro-rating of the option to reflect the reduced period of time between its grant and vesting, although the Committee can decide not to pro-rate an option if it regards it as appropriate to do so in the particular circumstances. Performance conditions would always continue to apply in the case of any grants to Executive Directors.

Corporate Events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all options will become exercisable early subject to: (i) unless the Committee determines otherwise, the extent that the performance conditions (if any) have been satisfied at that time; and (ii) the pro-rating of the options to reflect the reduced period of time between their grant and vesting, although the Committee can decide not to pro-rate an option if it regards it as appropriate to do so in the particular circumstances. Performance conditions would always continue to apply in the case of any grants to Executive Directors.

In the event of an internal corporate reorganisation, options will be replaced by equivalent new options over Ordinary Shares in a new holding company unless the Committee decides that options should become exercisable on the basis which would apply in the case of a takeover as described above.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Ordinary Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

Notice of Annual General Meeting continued

Variation of Capital

In the event of any variation in the Company's share capital, the Committee may make such adjustment as it considers appropriate to the number of Ordinary Shares under option and the price payable on the exercise of an option.

Rights Attaching to Shares

Any Ordinary Shares allotted when an option is exercised will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Overall Limits

The 2014 ESOP may operate over new issue Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10% of the issued ordinary share capital of the Company under the 2014 ESOP and any other employee share plan adopted by the Company.

Treasury shares will count as new issue Ordinary Shares for the purposes of these limits unless the institutional investors decide that they need not count.

Alterations

The Committee may, at any time, amend the provisions of the 2014 ESOP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Ordinary Shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares or cash to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the 2014 ESOP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's Group. Prior shareholder approval will also not be required for any amendment to performance conditions applying to an option under the 2014 ESOP provided that the amendments are made within the scope of the powers of amendment in relation to performance conditions referred to earlier in this summary.

Overseas Plans

The shareholder resolution to approve the 2014 ESOP will allow the Board, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the 2014 ESOP, but modified to take account of local tax, exchange control or securities laws, provided that any Ordinary Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the 2014 ESOP.

Resolution 16 – Disapplication of Pre-emption Rights

Resolution 16, which will be proposed as a special resolution, seeks the approval of shareholders, pursuant to the provisions of section 570 of the Act, to waive the statutory pre-emption rights applicable to the allotment of equity securities for cash. The Directors' existing authority expires at the forthcoming Annual General Meeting. The Directors have no current intention to exercise this authority and the Directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non-pre-emptive basis in any rolling three-year period without prior consultation with shareholders and the Investment Committees of the Investment Management Association and the National Association of Pension Funds. Resolution 16 is conditional on resolution 13 being passed.

Resolution 17 – Authority to Purchase Own Shares

Resolution 17, which will be proposed as a special resolution, seeks authority for the Company to purchase up to 10% of its Ordinary Shares at, or between, the minimum and maximum prices specified in this resolution. This power would be used only after careful consideration by the Directors, having taken into account market conditions prevailing at that time, the investment needs of the Company, its opportunities for expansion and its overall financial position. The Directors would exercise the authority to purchase Ordinary Shares only if they considered it to be in the best interests of shareholders as a whole and if the purchase could be reasonably expected to result in an increase in earnings per share.

Under the Act, the Company is allowed to hold its own shares in treasury following buyback, instead of cancelling them as previously required. Such shares may be resold for cash or used to satisfy share options and share awards under the Company's share incentive schemes but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Directors exercise the authority conferred by resolution 17, the Company will have the option of holding repurchased shares in treasury. As at the date of this Notice, no shares are held by the Company in treasury.

At 3 October 2014, options were outstanding to subscribe for 1,519,480 Ordinary Shares, representing 2.5% of the issued share capital at that date. If the full authority to purchase such shares (existing and sought) was exercised, they would represent 2.8% of the Company's issued share capital as at that date (assuming there have been no other changes to issued share capital in the meantime). The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting, or 18 months from the date of this resolution (whichever is earlier).

Resolution 18 – Notice Period for General Meetings

Resolution 18, which will be proposed as a special resolution, seeks the approval of shareholders to reduce to 14 clear days the notice period required for a general meeting. Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings (other than annual general meetings) to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual General Meetings will continue to be held on at least 21 clear days' notice. It is intended that the shorter notice period would not be used as a matter of routine for general meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of the shareholders as a whole. If given, the approval will be effective until the Company's next Annual General Meeting.

Notice of Annual General Meeting continued

General Notes

This notice is being sent to all members and to any person nominated by a member of the Company under section 146 of the Act 2006 to enjoy information rights. Information regarding the Annual General Meeting, including the information required by section 311A of the Act, is available from www.genusplc.com.

A copy of the draft rules of the 2014 PSP and the 2014 ESOP will be available for inspection at the Company's registered offices and at the offices of New Bridge Street (an Aon Hewitt Ltd company) at 10 Devonshire Square, EC2M 4YP during normal business hours on any weekday (Saturdays and English public holidays excepted) until the close of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

Members will find an attendance card and a form of proxy enclosed with this notice. If you are attending the Annual General Meeting, you should bring the attendance card with you. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, vote and speak at the Annual General Meeting. Any member so entitled may appoint one or more proxies to attend, speak and to vote instead of him. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint one or more proxies are set out in the notes to the proxy form. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.

To be valid, a duly executed form of proxy for use at the Annual General Meeting together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of such power or authority must be deposited at the offices of Equiniti Registrars, Freepost RTHJ-CLLL-KBKU, Equiniti, Aspect House, Spencer Road, LANCING, BN99 8LU at least 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Alternatively, proxies may be appointed by having an appropriate CREST message transmitted, if you are a user of the CREST system (further details are below). In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Completion and return of a form of proxy will not preclude shareholders from attending the Annual General Meeting and voting in person if they wish to do so.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Act ('nominated persons'). Nominated persons may have a right under an agreement with the registered member who hold shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Notes

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the Annual General Meeting is 6.00pm on 12 November 2014 (or if the Annual General Meeting is adjourned, members on the register of members not later than 6.00pm on the day that is two working days prior to the reconvened Annual General Meeting). Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

Copies of contracts of service and letters of appointment between the Directors and the Company will be available for inspection at the Registered Office of the Company during normal business hours until the conclusion of the Annual General Meeting, and at the place of the Annual General Meeting for at least 15 minutes prior to the Annual General Meeting until its conclusion.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this Annual General Meeting to be held on 14 November 2014 at 11.00am and any adjournment(s) thereof by using the procedures described in the CREST Manual found on the Euroclear website www.euroclear.com. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Annual General Meeting. 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 by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited do not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001, as amended.

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Notes

As at 3 October 2014 (being the latest practicable date before publication of this Notice), the Company's issued share capital comprised 60,920,895 Ordinary Shares of 10 pence each. As at the date of this Notice, no shares are held by the Company in treasury. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 3 October 2014 is 60,920,895. The Company's website, referred to above, will include information on the number of shares and voting rights.

Under section 319A of the Act, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.

Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's Accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, 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 section 527 of the Act to publish on a website.

In order for the voting preferences of all shareholders including those who cannot attend the meeting but who validly appoint a proxy, to be taken into account, a poll will be conducted on all resolutions at the Annual General Meeting this year. Each shareholder and proxy present at the Meeting will be invited to complete a poll card indicating how they wish to cast their votes in respect of each resolution. The results of the voting will be posted on the Company's website after the meeting. Except as provided above, members who have general queries about the Annual General Meeting should call Equiniti registrars on 0871 384 2290. Calls to this number cost 8p per minute plus network extras. Lines open 8.30am to 5.30pm, Monday to Friday. If calling from overseas, please call the Equiniti overseas helpline number of +44 121 415 7047. No other methods of communication will be accepted. You may not use any electronic address provided either in this notice of Annual General Meeting, or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.