

# AWATCHI

## **LETTER FROM CHAIRMAN AND NOTICE OF ANNUAL GENERAL MEETING**

**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 professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document 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 the person who now holds the shares.

**M&C SAATCHI plc**

19 March 2014

Registered office: 36 Golden Square, London W1F 9EE  
Registered in England and Wales under number 05114893

# Letter from Chairman

## Dear Shareholder

You are invited to the seventh Annual General Meeting of M&C Saatchi plc (the “Company”), which will be held at our London offices at 3:30pm on 11 June 2014.

The formal notice of Annual General Meeting is set out on page 1 of this document.

The resolutions proposed at this year’s Annual General Meeting are routine, and the board recommend that all the motions be approved.

I believe it is useful to explain resolutions 8 to 11.

### **8. Authority to allot (a maximum of 1/3 of our share capital)**

Under section 549 Companies Act 2006, the directors are prevented, subject to certain exceptions, from allotting shares without the authority of the shareholders in general meeting. Resolution 10 is proposed to authorise the directors to allot shares up to an aggregate nominal value of £206,670 (representing approximately 1/3 of our issued share capital at the latest practicable date prior to the date of this notice). This authority complies with institutional investor guidelines. The directors have no present intention of exercising the authority.

### **9. Authority to allot (a further 1/3 of our share capital)**

In line with guidance issued by the ABI, resolution 9 would give the directors the authority to allot shares up to a further aggregate nominal value of £206,670 in connection with a rights issue. The directors have no present intention of exercising the authority, but they consider it desirable to have the maximum flexibility permitted by corporate governance guidelines. However, if they do exercise the authority and allot more than 1/3 of our share capital, the directors intend to follow emerging best practice as regards the directors standing for re-election in certain instances of its use, as recommended by the ABI.

### **10. Statutory pre-emption rights (a maximum of 10% of our share capital)**

Under the Companies Act 2006, when new shares are allotted or treasury shares are sold for cash, they must generally first be offered to existing shareholders pro rata to their holdings. Resolution 10, which is being proposed as a special resolution, renews the authorities previously granted to the directors at the last Annual General Meeting to: (a) allot shares of the Company in connection with a rights issue, open offer or other pre-emptive offer; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £62,701 (representing approximately 10% of our issued share capital at the latest practicable date prior to the date of this notice) in each case as if the pre-emption rights under the Companies Act 2006 did not apply.

### **11. Authority for market purchases of own shares (a maximum of 10% of our share capital)**

Resolution 11, which is being proposed as a special resolution, renews the directors’ current authority to make limited market purchases of the Company’s shares. The power is limited to a maximum aggregate amount of £62,701 and this resolution also sets the minimum and maximum prices that can be paid, exclusive of expenses.

Yours sincerely,

**JEREMY SINCLAIR**  
CHAIRMAN

# M&C SAATCHI plc

## Notice of Annual General Meeting

This year's Annual General Meeting will be held at 36 Golden Square, London W1F 9EE on 11 June 2014 at 3:30pm. You will be asked to consider, and if thought fit, pass the resolutions below. Resolutions 12 and 13 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### Report and accounts 2013

1. To receive and adopt the Company's annual accounts for the financial year ended 31 December 2013, together with the directors' report and the auditors' report on those accounts.

### Directors' remuneration report 2013

2. To approve the directors' remuneration report for the financial year ended 31 December 2013.

### Re-appointment and remuneration of auditors

3. KPMG Audit PLC has informed the board that they wish to resign as auditors, and be replaced by KPMG LLP. To Appoint KPMG LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
4. To authorise the directors to agree the remuneration of the auditors.

### Re-appointment of directors

5. To re-appoint Lloyd Dorfman as a director retiring by rotation in accordance with the Company's articles of association.
6. To re-appoint David Kershaw as a director retiring by rotation in accordance with the Company's articles of association.

### Declaration of dividend

7. To declare a final dividend for the year ended 31 December 2012 of 4.24p per ordinary share payable to shareholders on the register at the close of business on 6 June 2014.

### Authority to allot

#### (a maximum of 1/3 of our share capital)

8. THAT the directors of the Company be generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the

Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £206,670, subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter. Such authority shall expire (unless previously revoked by the Company) on the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date of the Annual General Meeting at which this resolution is passed and in each case the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted, or Rights to be granted, after the authority has expired, and the directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired. All previous authorities to allot shares or grant Rights, to the extent unused, shall be revoked.

### Authority to allot

#### (a further 1/3 of our share capital)

9. THAT subject to the passing of resolution 10, the directors of the Company be generally and unconditionally authorised under section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant Rights comprising equity securities (as defined in section 560(1) of the Companies Act 2006), up to a further aggregate nominal amount of £206,670 in connection with an offer by way of a rights issue (such authority to be in addition to that conferred by resolution 8) to:
  - 9.1 ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and
  - 9.2 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,

but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter. Such authority shall expire (unless previously revoked by the Company) when the authority conferred by resolution 8 is revoked or expires, but the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority has expired and the directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that this authority has expired.

**Disapplication of pre-emption rights  
(a maximum of 10% of our share capital)**

10. THAT:

10.1 subject to the passing of resolution 8, the directors of the Company shall have the power to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash under the authority conferred by resolution 10 and, subject to it being passed, the authority conferred by resolution 11, as if section 561 of the Companies Act 2006 did not apply to the allotment and this power shall be limited to:

10.1.1 the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under resolution 9, if passed, by way of a rights issue only) to:

10.1.1.1 ordinary shareholders in proportion (as nearly as may be) to their existing holdings; and

10.1.1.2 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, but subject to such exclusions and other arrangements as the directors may consider necessary or appropriate in relation to fractional entitlements, record dates, treasury shares or any legal, regulatory or practical

problems under the laws of any territory (including the requirements of any regulatory body or stock exchange) or any other matter; and

10.1.2 the allotment of equity securities (otherwise than under paragraph 10.1.1 of this resolution) up to an aggregate nominal amount of £62,701; and

10.2 this power shall expire when the authority given by resolution 8 is revoked or expires, but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after this authority expires and the directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority has expired; and

10.3 this power applies in relation to a sale of treasury shares which constitutes an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if the words “under the authority conferred by resolution 10 and, subject to it being passed, the authority conferred by resolution 9,” were omitted from the introductory wording to this resolution 10.

**Authority to purchase own shares**

**(a maximum of 10% of our share capital)**

11. THAT the Company be, and it is hereby, generally and unconditionally authorised for the purpose of sections 693 and 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £0.01 each in the capital of the Company (“Ordinary Shares”) upon such terms and in such manner as the directors of the Company shall determine, provided that:

11.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is £62,701 (representing 10% of the issued share capital of the Company as at 18 March 2014);

11.2 the minimum price which may be paid for such Ordinary Shares is £0.01 per share (exclusive of expenses);

# M&C SAATCHI plc

## Notice of Annual General Meeting

### Continued

11.3 the maximum price (exclusive of expenses) which may be paid for an Ordinary Share cannot be more than an amount equal to 105 percent of the average of the closing middle market price for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day the purchase is made;

11.4 unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months from the date of the Annual General Meeting at which this resolution is passed, whichever is the earlier; and

11.5 the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

19 March 2014  
By order of the Board

**ANDY BLACKSTONE**  
**COMPANY SECRETARY**

Registered Office: 36 Golden Square, London W1F 9EE  
Registered in England and Wales No. 05114893

#### Notes

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General 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. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Registrar's helpline on 0870 889 4044.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY or at the electronic address provided in the proxy form, in each case no later than 3:30pm on 9 June 2014.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. To be entitled to attend and vote at the Annual General Meeting (and in the Register of Members of the Company at 3:30pm on 9 June 2014 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting)). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 3RA50) by 3:30pm on 9 June 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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.
9. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

# M&CSA

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