



## Kindred Group plc

**NOTICE IS HEREBY GIVEN that THE ANNUAL GENERAL MEETING (“AGM”) of Kindred Group plc (“the Company”) will be held on Wednesday 12 May 2021 9.00AM CEST at Kindred’s offices located at Regeringsgatan 25 in Stockholm, for the following purposes:**

Notice to holders of Swedish Depository Receipts (“SDRs”)

Holders of SDRs who wish to attend and/or vote at the AGM must:

- (i) be registered in the register kept by Euroclear Sweden AB **by 17.00 CEST Friday 30 April 2021;**
- (ii) notify Skandinaviska Enskilda Banken AB (publ) (SEB) of their intention to attend the AGM **no later than 12.00 CEST on Friday 7 May 2021 and**
- (iii) send an original signed proxy form to the Company **no later than 17.00 CEST on Friday 7 May 2021.**

Requirement (i): Holders of SDRs whose holding is registered in the name of a nominee must, to be able to exercise their voting rights at the AGM (by proxy), temporarily register their SDRs in their own name in the register kept by Euroclear Sweden AB **by 17.00 CEST on Friday 30 April 2021** Such holders must well before that day contact their custodian bank or brokerage to request that their holding be temporarily registered in their own name with Euroclear Sweden AB before Friday 30 April 2021.

Requirement (ii): Holders of SDRs must, to be able to exercise their voting rights at the AGM (by proxy), give notice to SEB of their intention to attend **no later than 12.00 CEST on Friday 7 May 2021**. This must be done by completing the enrolment form provided on [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM). The form must be completed in full and delivered electronically.

Requirement (iii): As the AGM will be held without people being physically present holders of SDRs who wish to exercise their voting rights must send their original signed proxy forms by post or courier so as to arrive at Kindred Group plc, c/o Kindred People, Regeringsgatan 25, 111 53, Stockholm, Sweden, no later than **17.00 CEST on Friday 7 May 2021**. Proxy forms are available on [www.kindredgroupplc.com/AGM](http://www.kindredgroupplc.com/AGM).

**Due to the risk of the spread of Covid-19 and in light of the instructions and advice from the authorities regarding the avoidance of physical gatherings, all SDR holders are encouraged to use the option of proxy form as described above. The AGM is being held in accordance with the relevant provisions set out in the Maltese Companies Act (Public Companies – Annual General Meeting) Regulations, 2020 (L.N. 288 of 2020).**

Holders of SDRs who wish to put a question to the AGM shall send their question so as to arrive at Kindred Group plc, c/o Kindred People, Regeringsgatan 25, 111 53, Stockholm, Sweden, no later than **9.00 CEST on Monday 10 May 2021**. Answers to the questions will be published on [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM).

The convening notice in full and the agenda of the shareholders meeting together with other AGM papers can be found on the Company’s website [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM).

Please note that conversions to and from SDR’s and ordinary shares will not be permitted between 30 April and 17 May 2021.

## Proposed Agenda

It is proposed that the AGM conducts the following business:

- 1 Opening of the Meeting
- 2 Election of Chairman of the Meeting
- 3 Drawing up and approval of the voting list
- 4 Approval of the agenda
- 5 Election of one or two person(s) to approve the minutes

## **Resolution:**

- 6 Determination that the Meeting has been duly convened
- 7 The CEO's presentation

**Ordinary Business**

- 8 Declaration of Dividend in cash *Resolution (a)*
- 9 To receive, consider and approve the Report of the Directors and the Consolidated Financial Statements (Annual Report) prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2020, together with the Report of the Auditors *Resolution (b)*
- 10 To approve the remuneration report set out on pages 49-52 of the Company's Annual Report and Financial Statements for the year ended 31 December 2020 *Resolution (c)*
- 11 To determine the number of Board members *Resolution (d)*
- 12 To determine the Board members' fees *Resolution (e)*
- 13 To re-elect Peter Boggs as a director of the Company *Resolution (f)*
- 14 To re-elect Gunnel Duveblad as a director of the Company *Resolution (g)*
- 15 To re-elect Erik Forsberg as director of the Company *Resolution (h)*
- 16 To re-elect Carl-Magnus Månsson as director of the Company *Resolution (i)*
- 17 To elect Evert Carlsson as new director of the Company *Resolution (j)*
- 18 To elect Fredrik Peyron as new director of the Company *Resolution (k)*
- 19 To elect Heidi Skogster as new director of the Company *Resolution (l)*
- 20 To appoint the Chairman of the Board *Resolution (m)*
- 21 To reappoint PricewaterhouseCoopers as auditors of the Company and to authorise the directors to determine their remuneration *Resolution (n)*
- 22 Resolution on guidelines for how the Nomination Committee shall be appointed *Resolution (o)*

**As Special Business, to consider the following resolutions which will be proposed as Ordinary Resolutions**

- 23 To vote on revisions to the remuneration policy *Resolution (p)*

**As Special Business, to consider the following resolutions which will be proposed as Extraordinary Resolutions**

- 24 The meeting will be requested to consider and if thought fit, approve, by extraordinary resolution, the following further resolution: it being noted that *Resolution (q)*

(i) at a Board of Directors' meeting held on 9 March 2021, the directors resolved to obtain authority to buy back GBP 0.000625 Ordinary Shares/SDR's in the Company (the purpose of buyback being to achieve added value for the Company's shareholders); and

(ii) pursuant to article 106(1) (b) of the Companies Act (Cap.386 of the Laws of Malta) a company may acquire any of its own shares otherwise than by subscription, provided inter alia authorisation is given by an extraordinary resolution, which resolution will need to determine the terms and conditions of such acquisitions and in particular the maximum number of shares/SDR's to be acquired, the duration of the period for which the authorisation is given and the maximum

and minimum consideration,  
given this it is proposed that the Company, through the Board, be generally authorised to make purchases of ordinary shares/SDR's of GBP 0.000625 each in its capital, subject to the following:

- (a) the maximum number of shares/SDR's that may be so acquired is 23,012,620;
- (b) the minimum price that may be paid for the shares/SDR's is 1 SEK per share/SDR's exclusive of tax;
- (c) the maximum price that may be paid for the shares/SDR's is 300 SEK per share/SDR's exclusive of tax;
- (d) the purchases may take place on multiple occasions and will be based on actual market price and terms, and
- (e) the authority conferred by this resolution shall expire on the date of the 2022 Annual General Meeting but not so as to prejudice the completion of a purchase contracted before that date.

25 The meeting will be requested to consider and if thought fit, approve, by extraordinary resolution, the following further resolutions: *Resolution (r)*

(i) that the issued share capital of the Company be reduced by means of a cancellation of any shares/SDRs acquired pursuant to the Company's share buy-back program up to a maximum amount of GBP 14,382.89, representing a maximum of 23,012,620 shares/SDRs;

(ii) that the board of directors of the Company be authorised to carry out all acts necessary for the purposes of giving effect to such cancellation of shares/SDRs, at such intervals as it deems appropriate;

(iii) that in accordance with Article 83(1) of the Companies Act, (Cap. 386 of the Laws of Malta), the Company shall be authorised to give effect to the reduction of issued share capital and consequent cancellation of shares/SDRs only following the lapse of three months from the date of the publication of the statement referred to in Article 401(1)(e) of the said Act;

(iv) that upon the lapse of the period referred to in paragraph (iii) above, the board of directors of the Company be authorised to submit one or more revised and updated Memorandum of Association of the Company so as to inter alia reflect the change in issued share capital following such reduction/s.

26 Closing of the meeting

## **Information about proposals related to Agenda items**

### **Agenda item 2**

The Nomination Committee proposes that Gunnar Johansson be elected Chairman of the Meeting.

### **Agenda item 8**

The Board of Directors proposes a dividend of GBP 0.330, which is approximately SEK 3.89 at the exchange rate 11.80 GBP/SEK at 8 April 2021 per ordinary share, to be paid to holders of ordinary shares and SDRs. In order to facilitate a more efficient cash management, the dividend is proposed to be paid in two equal instalments. If approved at the AGM, the record date for the first instalment will be 17 May 2021 and distributed by Euroclear Sweden AB on 20 May 2021 with an ex-dividend date of 14 May

2021, and for the second instalment the record date will be 15 November 2021 and distributed by Euroclear Sweden AB on 18 November 2021 with an ex-dividend date of 12 November 2021. For accounting purposes, the rate of exchange to be used shall be the SEK-GBP rate prevalent on 17 May 2021 and 15 November 2021 respectively.

#### **Agenda item 9**

The 2020 Annual Report was finalised and signed on 12 March 2021 and reflects events up to that date.

#### **Agenda item 10**

The Board of Directors proposes that the AGM approves the remuneration report on pages 49-52 of the Company's Annual Report and Financial Statements for the year ended 31 December 2020.

#### **Agenda item 11**

The Nomination Committee proposes that the Board of Directors should consist of seven Directors.

#### **Agenda item 12**

The Nomination Committee proposes that a total fee of maximum GBP 701,000 (2020: GBP 673,000) be paid to Directors elected at the AGM, who are not employees of the Company.

It is proposed that a fee of GBP 180,000, will be paid to the Chairman of the Board which is significantly lower than previous years when the Chairman received GBP 260,000. Anders Ström had a more extensive role as Chairman building up Kindred Group over the years and it is the Committee's assessment that with the new Board composition, Chairman's role will be more aligned with a usual Chairmanship.

Furthermore, it is proposed that a fee of GBP 60,000 (2020: 57,000) be paid to each other Director, and an additional GBP 23,000 (2020: 22,000) be paid for Audit Committee work and GBP 13,000 (2020: 12,000) for Remuneration Committee work.

The three members of the US Committee should receive an additional GBP 13,000 (2020: 12,000).

An additional GBP 9,000 (2020: 8,000) be paid to the Chairman of the three Committees.

The Nomination Committee also proposes that the Board introduces a Deputy Chairman role who should receive an additional GBP 10,000.

This means that a total fee of maximum GBP 701,000 is proposed, and the total fee is subject to that the Remuneration Committee and the US Committee will be comprised of three members and the Audit Committee will be comprised of two members.

#### **Agenda item 13-16**

CVs for Directors are to be found on page 32-33 in the Kindred Group plc Annual Report for 2020 and on the Company's website.

#### **Agenda item 17**

Evert Carlsson, is a Swedish citizen born in 1956, lecturer at the Gothenburg School of Economics and chairman of Dalslands Sparbank. He has been a board member of Swedbank Robur 2010-2021. Since 2010, Dr. Carlsson has been active in over twenty listed companies' nomination committees, including Kambi, Kindred and SKF. Dr. Carlsson has experience from several investment banks and has worked as a consultant and co-founder of the digital advisor - LifePlan. Dr. Carlsson has a PhD in Economics from the Gothenburg School of Economics.

#### **Agenda item 18**

Fredrik Peyron, is a Swedish citizen born 1967, has since 2016 been Senior Vice President Regulatory Affairs & Group Communications at Swedish Match AB which is listed on Nasdaq Stockholm. He has extensive experience of regulatory issues and government contacts in both the EU and the US. Fredrik Peyron has previously been General Counsel and Secretary of the Board at Autoliv Inc. and at Swedish Match AB. He has also been Corporate Counsel at Akzo Nobel AB and Assistant Counsel at Mannheimer Swartling Advokatbyrå. He has a Master of Laws from Lund University.

#### **Agenda item 19**

Heidi Skogster, is a Finnish citizen born in 1978, is the co-founder of a company specialised in performance-based marketing and also works as an advisor in the gaming sector. She has more than 15 years of working experience in the online gambling industry and held several leading roles in listed European gambling companies (Betsson Group and EE Intressenter/Cherry Group) which included several years of stationing on Malta. Heidi Skogster studied marketing at the Swedish School of Economics in Helsinki.

#### **Agenda item 20**

The Nomination Committee proposes that Evert Carlsson is appointed the Chairman of the Board.

### **Agenda item 21**

The Nomination Committee proposes that PricewaterhouseCoopers are re-appointed as auditors for the Company for 2021 and that the auditor fees be paid against approved account.

### **Agenda item 22**

The Nomination Committee proposes that the Annual General Meeting resolves that, until the general meeting of the shareholders decides otherwise, the Nomination Committee shall consist of not less than four but no more than five members.

The members of the Nomination Committee shall represent all shareholders and be appointed by the largest shareholders at the end of August 2021 having expressed their willingness to participate in the Nomination Committee. Should any of these shareholders appoint the Chairman of the Board of Directors as its member, the Nomination Committee shall consist of five members. Otherwise, the Chairman of the Board shall be adjunct to the Nomination Committee. The other members shall be appointed by each of the other largest shareholders expressing their willingness to participate in the Nomination Committee within one week from that they are asked. The appointment of a member of the Nomination Committee shall state which shareholder has appointed that member. Should one shareholder waive its right to appoint a member of the Nomination Committee, the opportunity to appoint a member shall thereafter be passed on in order of the largest shareholding who not already have a member in the Nomination Committee.

The members of the Nomination Committee shall appoint the committee chair among themselves. The Chairman of the Board shall not chair the Nomination Committee. The names of the members of the Nomination Committee shall be announced not later than the date of the publication of the Company's interim report for the third quarter of 2021. Should the ownership in the Company change, after the announcement of the Nomination Committee but before the end of the fourth quarter of 2021, to such extent that the members of the Nomination Committee no longer reflect the shareholding as stipulated above, and the Nomination Committee so considers appropriate, then the member of the Nomination Committee representing the shareholder with the lesser number of shares in the Company shall resign from the committee and the shareholder who has become the larger shareholder in the Company shall, in the order corresponding to its shareholding in the Company, be offered to appoint a new member of the Nomination Committee. Minor changes in the shareholding of the Company shall not be taken into account. Shareholders who have appointed a member in the Nomination Committee have the right to dismiss that member and appoint a new member. Should a member of the Nomination Committee leave his/her assignment prematurely and if the Nomination Committee deems it appropriate, a new member shall be appointed by the shareholder who appointed the resigning member or that other shareholder who at that point of time has the larger shareholding in the Company.

No remuneration will be paid to the members of the Nomination Committee.

### **Agenda item 23**

The Board of Directors proposes that the 2021 Annual General Meeting resolves to approve the Board of Directors' proposal regarding guidelines for remuneration and other terms of employment for the CEO and other member of the Executive Management set forth below. Subject to the shareholder approval, the effective date of these guidelines will be applied retrospectively to 1 January 2021. The intention of the Board of Directors is that these remuneration guidelines will remain in place for four years from the date of approval. For transparency purposes, the guidelines have been revised from those proposed last year to:

- 1) increase the maximum cap for short-term incentives to 150 percent of salary in line with industry benchmarking data and to ensure there is sufficient weighting on variable remuneration which is contingent on company performance, and;
- 2) increase the maximum notice period to 12 months in line with the standard notice period for CEOs at similar sized international organisations.

Remuneration principles to support Kindred's long-term business strategy and sustainability  
A successful implementation of our remuneration policy will ensure that Kindred can attract and retain the best people, enabling us to execute our business strategy and serve our long-term interests, including our sustainability goals. The policy of the Board is to attract, retain and motivate the best management by rewarding them with competitive compensation packages linked to the Group's financial and strategic objectives. The compensation packages are designed to be competitive, but importantly, also fair and reasonable in comparison with companies of a similar size, industry and international scope, and to strike the appropriate balance between risk and reward.

The short-term and long-term incentive plans are designed to support key business strategies and financial objectives and contribute to creating strong, sustainable performance for the Group. The performance measures used for short and long-term incentive plans are closely linked to our strategic objectives for sustainable growth. Performance measures as well as any corresponding targets are reviewed annually by the Committee to ensure that they continue to drive the right behaviours in executive managers and create value for our shareholders.

### **Remuneration guidelines by element**

The components of remuneration for the Executive Management comprise base salary, short-term and long-term incentive plans, pension and other benefits. The remuneration guidelines do not apply to share-based incentive plans, which are subject to a separate resolution at the Annual General Meetings.

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary levels, incentive structures and employment conditions for other employees of the company have also been considered.

### **Base salary**

Executive managers receive base salaries based on position, responsibilities, performance and competencies.

### **Short-term incentives**

Short-term incentives for the Group typically take the form of annual bonuses and are paid in cash. Maximum variable cash-based incentives are capped at 150 percent of base salary.

Awards for any short-term incentive plans are contingent on financial measures such as for example EBITDA (aggregated across the Group), as well as customer experience, sustainability measures and business critical objectives. The Remuneration Committee selects the performance measures, targets and relative weightings at the start of each year to ensure strong alignment with business strategy and that targets are sufficiently stretching. The measures and targets are then reviewed and approved by the Board. Achievement of targets is assessed and formal approval for payment of awards is sought following the publication of the relevant period's financial results.

### **Long-term incentives**

The long-term incentive incentives align the interests of executives with those of shareholders by granting performance shares and share options as a reward for delivery of long-term performance objectives, and for creating value for stakeholders. Performance measures, weightings and targets for these selected measures are set at the start of the 3-year performance/vesting period by the Remuneration Committee to ensure they continue to support Kindred's long-term strategy. The measures and targets are then reviewed and approved by the Board. Performance measures may include, but are not limited to, financial and share-price related measures.

### **Pension**

Pension arrangements for the CEO and the other members of the Executive Management, are provided in the form of defined contribution plans, are competitive and appropriate in context of the market practice in the applicable country of executives' employment or residence and total remuneration.

### **Other benefits**

Other benefits that may be provided are in accordance with market practice in the applicable country of executives' employment or residence and may change from time to time. Executive Management members may be eligible for benefits such as health insurance, life insurance, travel allowance, relocation support (where applicable), and to participate in whatever all-employee plans may be offered at any given point.

### **Share Ownership Guideline**

The Board of Directors believes that the Executive Management members will most effectively pursue the long-term interests of our shareholders if they are shareholders themselves. As a result, share ownership guidelines are being introduced. The policy requires that the CEO maintains one times net base salary and other Executive Management members maintain 0.5 times net base salary to comply with this guideline.

### **Employment contract, termination of employment and severance pay**

Executive contracts are typically with indefinite duration but may be offered on occasion for fixed term. Upon termination of employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and any severance pay may combined not exceed an amount equivalent to two year's salary.

Upon termination of employment a non-compete clause may restrict the employee from engaging in a competing business. The non-compete clause restriction covers no more than twelve months following termination of employment. During the non-compete clause period Kindred may pay the former employee an amount corresponding to no more than 60 per cent of twelve months' salary.

The decision-making process to determine, review and implement the remuneration guidelines The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors decision to propose remuneration guidelines for the CEO and the Executive Management. Proposal for new remuneration guidelines shall be prepared at least every fourth year and submitted to the Annual General Meeting. The remuneration guidelines shall be in force until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor the annual implementation of these guidelines. In order to avoid any conflict of interest, remuneration is managed through well-defined processes ensuring no individual is involved in the decision-making process related to their own remuneration.

### **Malus & Clawback**

The Board of Directors, under exceptional circumstances, may limit or cancel payments of variable remuneration provided that such actions are deemed reasonable (malus). The Board of Directors shall also have the possibility, under applicable law or contractual provisions and subject to the restrictions that may apply under law or contract, to in whole or in part reclaim variable remuneration paid on incorrect grounds (clawback).

### **Deviation from the guidelines**

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if there in an individual case are special circumstances where a deviation is necessary in order to serve the Company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in respect to remuneration-related matters for the CEO and the Executive Management. This includes any resolutions to temporarily deviate from the guidelines.

### **- End of guidelines for remuneration -**

The below item concerning the introduction of a new All Employee Share Plan is not part of the guidelines for remuneration and is not comprised by Resolution (p). It is included for transparency reasons only and no executives will be included on this plan.

### **Introduction of a New All Employee Share Plan from 2021**

The Board of Directors would like to inform the 2021 Annual General Meeting that Kindred Group have introduced a new All Employee Share Plan ("AESP") this year to replace the existing plan that vested in March 2021. Further information is in the attached presentation but in summary:

- This is a plan for all permanent employees of the Group (with exception of Executive Management who will be excluded from the plan).
- The plan has been introduced as a retention tool and to provide a foundational profit-sharing opportunity as a link to Company performance and value creation for employees in the Group (the majority of which do not participate in a bonus scheme).
- The plan will run on two-year staggered cycles (i.e. allocations each year which vest every 24 months).
- The intention is to do allocations for the next three years (2021-2023) in line with the new strategy cycle.
- The performance condition for the scheme would be Group EBITDA and performance would be assessed on an aggregated basis vs agreed targets over two financial years e.g. FY 2021 and FY 2022 for the 2021 scheme. Targets would be agreed by the Remuneration Committee and approved by the Board.
- A minimum threshold performance of 80 per cent vs budgeted targets must be achieved for any vesting to occur and awards would be capped at 100 per cent.
- A determination on the award allocations for each year of the AESP would be made by the Remuneration Committee approved by the Board, based on the Company's performance and affordability at that time, factoring in share price, dilution and valuations.
- There is no detrimental impact on profitability from a cost perspective in running the scheme since awards will only vest in full if there has been strong Company performance (against financial targets).

- The scheme will be funded by treasury shares and existing buy-back programs.

The Board have reviewed the projected impact on dilution throughout the intended period of running the AESP and can confirm that in conjunction with other LTIP schemes in the Company (such as the Performance Share Plan) the Company will keep under the 1 per cent dilution cap for annual allocations and under the 5 per cent cap in terms of total concurrent LTIPs.

#### **Agenda item 24**

##### Acquisition of Own Shares

The Board of Directors proposes that the acquisition of shares/SDR's shall take place on Nasdaq Stockholm or via an offer to acquire the shares/SDR's to all shareholders. The purchases may take place on multiple occasions and will be based on actual market price and terms, prevailing regulations and the capital situation at any given time. Notification of any purchase will be made to Nasdaq Stockholm and details will appear in the Company's annual report and accounts.

The objective of the purchase is to achieve added value for the Company's shareholders (including through the implementation of the share buy-back program previously announced)<sup>1</sup> and to give the Board increased flexibility with the Company's capital structure.

Following the purchase, the intention of the Board would be to either cancel, use as consideration for an acquisition or issue to employees under a Share Option programme or Share Performance Scheme.

Once purchased under the Maltese Companies Act further shareholder approval will be required before those shares could be cancelled only. Shares/SDRs bought back pursuant to the Company's share buy-back program will be cancelled (refer to Agenda item 25). A separate authorisation for such cancellation is being recommended pursuant to Resolution (r);

If used as consideration for an acquisition, the intention would be that the actual Shares/SDRS would be offered to any potential transferor.

#### **Agenda item 25**

##### Share cancellation

Repurchased shares pursuant to the share buyback program need to be cancelled in accordance with the relative rules imposed by the EU Market Abuse Regulation No 596/2014 ("MAR") and the EU Commission's delegated Regulation No 2016/1052 (the "Safe Harbour Regulation"). As a result, shares acquired pursuant to the share buy-back program will be used to reduce Kindred's share capital by cancellation of shares/ SDRs.

The Companies Act (Cap. 386 of the laws of Malta) stipulates that an extraordinary resolution of the shareholders of the Company is required in order to approve the reduction in the issued share capital of the Company.

Such resolution needs to be filed with the Registrar of Companies in Malta, who will publish details of such reduction. Creditors of the Company will then have a period of three months in which they can contest the reduction in capital. Upon the lapse of the three-month period, assuming that no contestations are received, the reduction in share capital can become effective.

In order to reflect the changes in the issued share capital, a revised memorandum of association of the Company indicating the reduced number of shares then in issue in the capital of the Company will need to be submitted to the Registrar of Companies.

The reduction in issued share capital will take place at such intervals as the directors shall determine from time to time.

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The Annual Report in English together with other documents regarding the AGM are available on the Company's website [www.kindredgroup.com/AGM](http://www.kindredgroup.com/AGM).

For information on how personal data are processed please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

By order of the Board  
Kindred Group plc  
Malta, April 2021



#### NOTE

1. As announced on 10 February 2021, the Board of Directors has decided to revise the previous dividend policy as a result of the Group's strong cash flows and in order to drive further shareholder value. Kindred's new dividend policy is to generate a stable ordinary dividend in absolute GBP-denominated terms, paid in two equal tranches in the second and fourth quarter. In addition, Kindred will over time complement dividends with share buybacks. The total pay-out of dividends and buybacks will be based on an assessment taking into account Kindred's financial position, capital structure and future investments needs, including acquisition opportunities. The total pay-out ratio of dividends and buybacks should over time equal about 75 per cent of free cash flow. Free cash flow is defined as cash flow from operations excluding movements in customer balances, less cash flow from investment activities (including acquisitions) and payments for lease liabilities.

2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf. A proxy need not also be a member.