

Share Capital

Details of our issued share capital, including movements during the year, are shown in Note 25 to the Financial Statements. We have one class of ordinary shares, which carries no fixed income. Each share carries the right to one vote at our general meetings. The ordinary shares are listed on the Official List and traded on the London Stock Exchange.

As at 31 December 2020, we had 111,486,709 (2019: 100,335,353) ordinary shares of 0.1 pence each in nominal value in issue (the 'issued share capital'). Details of the shares issued in the year are shown in Note 25 to the Consolidated financial statements.

Holders of ordinary shares are entitled to receive dividends when declared, to receive the Company's Annual Report, to attend and speak at general meetings of the Company, to appoint proxies and to exercise voting rights.

Whilst the Board has the power under the Articles of Association to refuse to register a transfer of shares, there are no such restrictions on the transfer of shares in place.

Under the Company's Articles of Association, the Directors have the power to suspend voting rights and the right to receive dividends in respect of shares in circumstances where the holder of those shares fails to comply with a notice issued under section 793 of the Companies Act 2006. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights.

Share schemes

The Company operates a number of Share schemes.

Long-Term Incentive Plans payable to executives and senior managers are operated under our Performance Share Plan ('PSP'). Executive Directors and some members of senior management may have a proportion of their annual bonus deferred for up to three years under our Deferred Share Plan ('DSP'). The Company also operates Save As You Earn (or "Sharesave") schemes, which are available to all employees.

All shares issued under these plans carry the same rights as those already in issue.

Related party transactions

Other than in respect of arrangements set out in Note 30 to the Financial Statements and in relation to the employment of Directors, details of which are provided in the Remuneration Committee Report on pages 85 to 100, there is no material indebtedness owed to or by us to any employee or any other person or entity considered to be a related party.

Substantial shareholders

As at 31 December 2020, the Company's major shareholders were as follows:

Shareholder	No. of Shares	% of voting rights
Soros Fund Management	18,894,866	17.0
Aberforth Partners	15,088,326	13.5
Alantra Asset Management	14,419,476	12.9
JO Hambro Capital Management	10,513,838	9.4
AXA Framlington Investment Managers	9,370,821	8.4
Schroder Investment Management	6,865,368	6.2
Chelverton Asset Management	5,744,411	5.2
Columbia Threadneedle Investments	4,380,121	3.9
Janus Henderson Investors	3,807,347	3.4

The Takeover Directive

The rights and obligations attached to the issued share capital are set out in the Articles of Association (see below).

There are no agreements in place between the Company, its employees or Directors for compensation for loss of office or employment that trigger as a result of a takeover bid.

Articles of Association

The Company's Articles of Association can only be amended by special resolution of the shareholders. Our current articles are available on our website at www.investors.eurocell.co.uk.

The Company's Articles of Association give powers to the Board to appoint Directors. All Board members are required to retire and submit themselves for re-election by Shareholders at each Annual General Meeting.

The Board of Directors may exercise all the powers of the Company, subject to the provisions of relevant legislation, the Company's Articles of Association and any directions given by the Company in general meetings. The powers of the Directors include those in relation to the issue and buyback of shares.

Directors' retirement by rotation

In accordance with above and in line with the Code, all Directors in office will retire and offer themselves for re-election at the 2021 AGM.

The Articles of Association provide that a Director may be appointed by an ordinary resolution of shareholders or by existing Directors, either to fill a vacancy or as an additional Director.

The Executive Directors serve under contracts that are terminable with twelve months' notice from the Company and twelve months' notice from the Executive Director. The Non-executive Directors serve under letters of appointment and do not have service contracts with the Company.

Copies of the service contracts of the Executive Directors and the letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Company's AGM.

Directors' interests

Details of Directors' remuneration, interests in the share capital (or derivatives or other financial instruments relating to those shares) of the Company and of their share-based payment awards are contained in the Remuneration Committee Report on pages 85 to 100. No change in the interests of the Directors has been notified between 31 December 2020 and the date of this report.

Directors' indemnities

Pursuant to the Articles of Association, the Company has executed a deed poll of indemnity for the benefit of the Directors of the Company, and persons who were Directors of the Company, in respect of costs of defending claims against them and third-party liabilities. These provisions, deemed to be qualifying third-party indemnity provisions pursuant to section 234 of the Companies Act 2006, were in force during the year ended 31 December 2020 and remain in force. The indemnity provision in the Company's Articles of Association also extends to provide a limited indemnity in respect of liabilities incurred as a director, secretary or officer of an associated company of the Company.

A copy of the deed poll of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Company's AGM.

Conflicts of interest

Under the Companies Act 2006, Directors must avoid situations where they have, or could have, a direct or indirect interest that conflicts or possibly may conflict with the Company's interests. As permitted by the Act, the Company's Articles of Association enable Directors to authorise actual or potential conflicts of interest.

Legal and regulatory compliance

The executive team is responsible for identifying and carrying out assessments of those areas of the business where material legal and regulatory risks may be present. Where issues are identified, mitigating actions are built into an action plan involving the drafting

and communication of policies and the delivery of training where appropriate, or are approached by way of a revision to key contractual terms. The Board receives regular reports on material litigation and the legal action taken to support our strategy.

Health and Safety

We are committed to providing a safe place for employees to work. Our policies are reviewed on an ongoing basis to ensure that the approach to training, risk assessment, safe systems of working and accident management are appropriate. As part of this process, a rolling audit programme is in place to ensure that health, safety, environmental and security risks are assessed stringently and that robust control measures are in place to limit or mitigate risk as appropriate.

Other matters

Employee disclosure (including Equality, Diversity and Disabled employees)

See Responsible Business section on pages 44 to 49.

Financial risk management

Please refer to Note 3 of the Financial Statements.

Research and development

The Group undertakes research and development work in support of its objectives. Further details of our research and development activities can be found in the Strategic Report on pages 1 to 63.

Payments to suppliers

It is Group policy to abide by the payment terms agreed with suppliers, provided that the supplier has performed its obligations under the contract.

Donations

In accordance with the Group's policy, no political donations were made and no political expenditure was incurred during 2020 (2019: £nil).

Greenhouse gas emissions

See Responsible Business section on page 38.

Disclosures required by Listing Rule 9.8.4R

There were no waivers of dividends during the year. There are no other disclosures to be made under the above listing rule.

By Order of the Board

Paul Walker

Group Company Secretary
11 March 2021