

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred all of your shares in PZ Cussons Plc, please send this document and any other documents that accompany it as soon as possible to the purchaser or transferee of those shares or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

PZ Cussons Plc
(incorporated in England and Wales under company number 19457)

**Notice of the
2014 Annual General Meeting**

Notice of the Annual General Meeting of PZ Cussons Plc (the Company), to be held at Manchester Business Park, 3500 Aviator Way, Manchester M22 5TG at 10.30am on Tuesday 23 September 2014 (AGM) is set out on pages 4 to 8 of this document. Your attention is drawn to the letter from the Company's Chairman on pages 2 to 3 of this document.

Whether or not you propose to attend the AGM, please complete and submit a proxy appointment in accordance with the Notes to the Notice of AGM set out on pages 7 and 8. To be valid, the proxy appointment must be received at the address for delivery specified in the Notes by no later than 10.30am on Friday 19 September 2014.

Letter from the Chairman



PZ Cussons Plc
Manchester Business Park
3500 Aviator Way
Manchester
M22 5TG

14 August 2014

To the Shareholders and, for information only, to participants in the PZ Cussons Share Schemes

Dear Shareholder

2014 Annual General Meeting

I am pleased to be writing to you with details of our 2014 Annual General Meeting which we will be holding at Manchester Business Park, 3500 Aviator Way, Manchester M22 5TG at 10.30am on Tuesday 23 September 2014.

The formal Notice of AGM is set out on pages 4 to 8 of this document and contains the proposed resolutions. Explanatory notes to the business to be considered are set out on pages 9 to 11. Amongst the resolutions proposed this year, I would like to draw your attention specifically to the following:

Resolution 3 – Approval of the Directors’ remuneration policy

This year, for the first time, you will be invited to vote to approve the forward-looking Directors’ remuneration policy. The proposed policy is set out on pages 42 to 49 of the 2014 Annual Report and Accounts. This vote will be in addition to your vote to approve the report on Directors’ remuneration for the financial year ended 31 May 2014. Further information is set out on page 9 of this document.

Resolution 20 – Approval of the PZ Cussons Plc Performance Share Plan 2014

You will be invited to approve a replacement plan to the Company’s current performance share plan. Further information about the new PZ Cussons Plc Performance Share Plan 2014 is set out on page 11 of this document and a summary of the plan’s main features can be found on pages 12 to 15 of this document.

Action to be taken

Whether or not you intend to be present at the AGM:

- unless you hold your shares in CREST, you are requested either (i) to complete and return the enclosed hard copy Form of Proxy or (ii) to complete and transmit an Electronic Proxy Instruction, in each case in accordance with the instructions printed on the Form of Proxy or, if relevant, any instructions set out on the Company’s Registrars website at www.investorcentre.co.uk/eproxy;
- if you hold your shares in CREST, you are requested to complete and transmit a CREST Proxy Instruction and transmit it to Computershare Investor Services PLC (CREST participant ID 3RA50) in accordance with the CREST Manual.

The Form of Proxy should be returned or, if voting by electronic means, an Electronic Proxy Instruction or CREST Proxy Instruction should be transmitted, in each case, as soon as possible and in any event so as to be received by no later than 10.30am on Friday 19 September 2014.

Completion and return of the Form of Proxy or completion and transmission of an Electronic Proxy Instruction or a CREST Proxy Instruction will not prevent you from attending and speaking and voting in person at the AGM, should you wish to do so.

Recommendation

The Board considers that each of the Resolutions set out in the Notice of AGM are in the best interests of the Company and the shareholders as a whole and the Board unanimously recommends shareholders to vote in favour of them.

Yours faithfully

Richard Harvey
Chairman

PZ Cussons Plc

Notice of 2014 Annual General Meeting

Notice is hereby given that the next annual general meeting of the members of PZ Cussons Plc will be held at Manchester Business Park, 3500 Aviator Way, Manchester M22 5TG on Tuesday 23 September 2014 at 10.30am for the purposes set out below.

Resolutions 1 to 16 and 20 will be proposed as ordinary resolutions. Resolutions 17 to 19 will be proposed as special resolutions.

- 1 To receive the audited financial statements for the year ended 31 May 2014 and the reports of the directors and the auditor thereon.
- 2 To approve the report on directors' remuneration (other than the part containing the directors' remuneration policy) for the year ended 31 May 2014.
- 3 To approve the directors' remuneration policy (as contained in the report on directors' remuneration for the year ended 31 May 2014).
- 4 To declare a final dividend for the year ended 31 May 2014 of 5.23p per ordinary share of 1p each in the Company.
- 5 To re-elect G A Kanellis as a director.
- 6 To re-elect B H Leigh as a director.
- 7 To re-elect C G Davis as a director.
- 8 To elect C L Silver as a director.
- 9 To re-elect R J Harvey as a director.
- 10 To re-elect J A Arnold as a director.
- 11 To re-elect N Edozien as a director.
- 12 To re-elect H Owers as a director.
- 13 To re-appoint PricewaterhouseCoopers LLP as the auditor of the Company.
- 14 To authorise the directors to fix the remuneration of the auditor.
- 15 That, from the date of this resolution until the earlier of 30 November 2015 and the conclusion of the Company's next annual general meeting, the Company and all companies which are its subsidiaries at any time during such period are authorised:
 - (a) to make donations to political parties or independent election candidates;
 - (b) to make donations to political organisations other than political parties; and/or
 - (c) to incur political expenditure,

up to an aggregate total amount of £100,000, with the amount authorised for each of heads (a) to (c) above being limited to the same total. Any such amounts may comprise sums paid or incurred in one or more currencies. Any sum paid or incurred in a currency other than sterling shall be converted into sterling at such rate as the directors may decide is appropriate. Terms used in this resolution have, where applicable, the meanings that they have in Part 14 of the Companies Act 2006 on "Control of political donations and expenditure".

- 16 That the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (**Allotment Rights**), but so that:
- (a) the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £1,414,792;
 - (b) this authority shall expire on 30 November 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015;
 - (c) the Company may, before such expiry, make any offer or agreement which would or might require shares to be allotted or Allotment Rights to be granted after such expiry; and
 - (d) all authorities vested in the directors on the date of the notice of this meeting to allot shares or to grant Allotment Rights that remain unexercised at the commencement of this meeting are revoked.
- 17 That the directors be and they are hereby empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities, as defined in section 560 of that Act, pursuant to the authority conferred on them by resolution 16 in the notice of this meeting or by way of a sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is limited to:

- (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Listing Rules of Financial Conduct Authority) or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares in the capital of the Company on the register on any fixed record date in proportion to their holdings of ordinary shares in the capital of the Company (and, if applicable, to the holders of any other class of equity security in the capital of the Company in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
- (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of £214,362,

and shall expire on 30 November 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015 save that, before the expiry of this power, the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry.

- 18 That the Company be and it is hereby generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (as defined in section 693 of that Act) of ordinary shares of 1p each in the capital of the Company on such terms, and in such manner as the directors may, from time to time, determine provided that:
- (a) the maximum aggregate number of ordinary shares of 1p each in the capital of the Company that may be acquired under this authority is 42,872,496;
 - (b) the maximum price (exclusive of expenses) which may be paid for an ordinary share of 1p in the capital of the Company is the maximum price permitted under the Listing Rules of the Financial Conduct Authority or, in the case of a tender offer (as referred to in those rules), 5 per cent. above the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange's Daily Official List) for the 5 business days immediately preceding the date on which the terms of the tender offer are announced;
 - (c) the minimum price (exclusive of expenses) which may be paid for an ordinary share of 1p is its nominal value;

(d) this authority shall expire on 30 November 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015; and

(e) before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry.

19 That any general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

20 That the rules of the PZ Cussons Plc Performance Share Plan 2014 (**2014 PSP**), described in the circular of which the notice containing this resolution forms a part and produced in draft to the meeting and, for the purposes of identification, initialled by the Chairman of the meeting, be and are hereby approved and adopted and that the directors be and they are hereby authorised to make such modifications to the 2014 PSP as they may consider appropriate and to do all such other acts and things as they may consider appropriate to implement the 2014 PSP.

Date: 14 August 2014

By Order of the Board

S P Plant

Secretary, PZ Cussons Plc
Manchester Business Park
3500 Aviator Way
Manchester
M22 5TG

Notes

- 1 **A member of the Company who is entitled to attend, speak and vote at this meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy (whether a member or not) to exercise all or any of his rights to attend and to speak and vote at the meeting.**
- 2 A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. A member which is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment.
- 3 Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. A form for the appointment of a proxy which can be used for this purpose is enclosed with this document. To be valid, a hard copy Form of Proxy must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed or a certified copy of such power or authority) to the Company's Registrar at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received by no later than 10.30am on Friday 19 September 2014.
- 4 Alternatively, a member may submit his or her proxy vote online by following the instructions for the electronic appointment of a proxy at www.investorcentre.co.uk/eproxy. To log in, you will require the Control Number, your unique PIN and Shareholder Reference Number which are printed on the front of the Form of Proxy. Please note the PIN will expire at the end of the voting period. To be valid, the proxy appointment must be completed and transmitted via the Company's Registrar's website at www.investorcentre.co.uk/eproxy so as to be received by no later than 10.30am on Friday 19 September 2014. Members who hold their shares in uncertificated form may use the "CREST voting service" to appoint a proxy electronically, as explained in Notes 5 and 6 below.
- 5 CREST members who wish to appoint one or more proxies through the CREST system may do so by utilising the procedures described in the "CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, 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 a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (**Euroclear**), and must contain all the relevant information required by the CREST Manual. To be valid, then regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, the message must be transmitted so as to be received by the Company's "issuer's agent" (ID 3RA50) by no later than 10.30am on Friday 19 September 2014. After this time, any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instruction. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.
- 7 Appointing a proxy (using any of the methods referred to in Notes 3 to 6 above) will not prevent a member from attending and voting in person at the meeting should he or she so wish.
- 8 Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 (a **nominated person**) may have a right under an agreement between him and such member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in Note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.

- 9 The Company specifies that only those shareholders listed on the Register as at 6.00pm on Friday 19 September 2014 (or, if the AGM is adjourned, 6.00pm on the date two working days before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the AGM or at such adjourned meeting, in respect of the number of shares registered in their name at that time. In each case, changes to entries on the Register after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM or at such adjourned meeting.
- 10 As at 13 August 2014 (being the latest practicable date prior to the printing of this document), (i) the Company's issued ordinary share capital consisted of 428,724,960 ordinary shares of 1p each, all carrying one vote each, and (ii) the total voting rights in the Company were, therefore, 428,724,960.
- 11 Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at www.pzcussons.com. A member may not use any electronic address provided by the Company in this document or with any Form of Proxy or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
- 12 It is possible that, pursuant to members' requests made in accordance with section 527 of the Companies Act 2006, the Company will be required to publish on a website a statement in accordance with section 528 of the Companies Act 2006 setting out any matter which the members concerned propose to raise at the meeting relating to the audit of the Company's latest audited accounts. The Company cannot require the members concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditor by the time it makes the statement available on the website. The business which may be dealt with at the meeting includes any such statement.
- 13 Please note the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication which it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that members and other recipients subject all messages to virus checking procedures prior to opening or use. Any electronic communication received by the Company (including the lodgement of an electronic proxy appointment) that is found to contain, or is suspected of containing, any virus will not be accepted.

APPENDIX 1

Explanatory notes to the business of the AGM

Resolution 1 – Receipt of the Annual Report and Accounts

The Companies Act 2006 requires the directors of a public company to lay before the company in general meeting copies of the directors' reports, the independent auditor's report and the audited financial statements of the company in respect of each financial year. In accordance with the UK Corporate Governance Code, the Company proposes, as an ordinary resolution, a resolution on its annual accounts and reports for the financial year ended 31 May 2014 (**2014 Annual Report and Accounts**).

Resolution 2 – Approval of the report on Directors' remuneration

In accordance with the Companies Act 2006, the Company proposes an ordinary resolution to seek shareholder approval of the report on Directors' remuneration for the financial year ended 31 May 2014. The report on Directors' remuneration is set out on pages 40 to 56 of the 2014 Annual Report and Accounts and, for the purposes of this resolution, does not include the part of the report on Directors' remuneration containing the Directors' remuneration policy which is set out on pages 42 to 49 of the 2014 Annual Report and Accounts. The vote on this resolution is advisory only and the Directors' entitlement to remuneration is not conditional on its being passed.

Resolution 3 – Approval of the Directors' remuneration policy

For the first time this year, and in accordance with the Companies Act 2006, the Company proposes an ordinary resolution to seek shareholder approval of the Directors' remuneration policy contained within the report on Directors' remuneration. The proposed policy is set out on pages 42 to 49 of the 2014 Annual Report and Accounts.

The Companies Act 2006 requires the remuneration policy to be put to shareholders for approval annually unless the approved policy remains unchanged, in which case it need only be put to shareholders for approval at least every 3 years. The remuneration policy sets out how the Company proposes to pay the Directors and includes details of the Company's approach to recruitment remuneration and loss of office payments.

The vote on this resolution is binding and, if passed, will mean that the Directors can only make remuneration payments in accordance with the approved policy unless such payments have been approved by a separate shareholder resolution.

Resolution 4 – Declaration of a final dividend

The Directors recommend a final dividend of 5.23p per ordinary share. If approved by ordinary resolution of the shareholders, the dividend will be paid on Wednesday 1 October 2014 to shareholders on the register at 6.00pm on Friday 15 August 2014.

Resolutions 5 to 12 – Election and re-election of Directors

In accordance with the Company's articles of association, Caroline Silver, who was appointed as a Director by the Board since the date of the last annual general meeting, shall retire from office at the AGM and will seek election by the shareholders for the first time.

All other Directors shall retire from office at the AGM in accordance with the Company's articles of association. Each of them shall stand for re-election with the exception of James Steel who shall step down from the Board at the conclusion of the AGM.

Each of Resolutions 5 to 12 shall be proposed as an ordinary resolution. Biographical details of all the Directors can be found in the 2014 Annual Report and Accounts. These details include membership of the principal committees. The Chairman confirms that, following formal performance evaluation, each Director continues to be effective, make a positive contribution and demonstrate commitment to his or her role. The Board believes that the considerable and wide-ranging experience of these Directors will continue to be invaluable to the Company and recommends their election or re-election (as the case may be).

Resolutions 13 and 14 – Auditor reappointment and remuneration

At each meeting at which the annual reports and accounts are laid, the Company is required to appoint an auditor to serve until the next such meeting. PricewaterhouseCoopers LLP have indicated their willingness to continue as the Company's auditor. Resolution 13 is an ordinary resolution to reappoint them. Resolution 14 is an ordinary resolution giving the Directors the discretion to determine the auditor's remuneration.

Resolution 15 – Political donations

Part 14 of the Companies Act 2006 imposes restrictions on companies making political donations to any political party, other political organisation or any independent election candidate or incurring political expenditure unless they have been authorised to do so at a general meeting.

It has always been the Company's policy that it does not make political donations or incur political expenditure. This remains the case and the Directors have no intention of changing that policy. However, the Act includes broad and ambiguous definitions of the terms "political donation" and "political expenditure" which may apply to some normal business activities which would not generally be considered to be political in nature.

As in previous years, the Board considers that, as a purely precautionary measure, it would be prudent to obtain shareholder approval to make political donations and to incur political expenditure up to the limit specified in the resolution. The Directors intend to seek renewal of this approval at future annual general meetings but wish to emphasise that the proposed resolution is a precautionary measure and that they have no intention of entering into any party political activities.

Resolution 16 – Authority to allot shares

The Directors currently have an authority to allot shares in the Company and to grant rights to subscribe for or convert any securities into shares in the Company. This authority is due to expire at the AGM. The Board is seeking, by ordinary resolution, to renew that authority over Ordinary Shares up to a maximum nominal amount of £1,414,792, representing approximately 33 per cent. of the Company's issued ordinary share capital as at 13 August 2014 (being the latest practicable date prior to publication of this document). If passed by shareholders, this authority will expire on 30 November 2015 or, if earlier, at the conclusion of the annual general meeting of the Company held in 2015. The Directors have no present intention of exercising this authority. The Company held no treasury shares as at 13 August 2014.

Resolution 17 – Disapplication of statutory pre-emption rights

This is a special resolution which renews a similar power granted at last year's annual general meeting and which, if passed by shareholders, will enable the Board to allot Ordinary Shares for cash, or to sell any shares out of treasury for cash, without first offering those shares to existing shareholders in proportion to their existing holdings.

Otherwise than in connection with a rights issue or similar issue, this power will be limited to Ordinary Shares up to a maximum nominal amount of £214,362, representing approximately 5 per cent. of the Company's issued ordinary share capital as at 13 August 2014 (being the latest date prior to publication of this document).

The Directors have no present intention of exercising this power but believe that it is in the best interests of shareholders for the Directors to continue to have this flexibility, in those limited circumstances, to allot shares for cash or to sell treasury shares for cash. The Directors intend to seek renewal of this power at future annual general meetings.

The Directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. Those Principles provide that companies should not issue shares for cash representing more than 7.5 per cent. of the company's issued share capital in any rolling 3 year period, other than to existing shareholders, without prior consultation with shareholders.

If passed by shareholders, this power will expire on 30 November 2015 or, if earlier, at the conclusion of the annual general meeting of the Company held in 2015.

Resolution 18 – Purchase of own shares

This special resolution, if passed, will authorise the Company to make market purchases of its own Ordinary Shares. The Directors have no present intention of exercising this authority but, again, would wish to have the flexibility to do so in the future. Purchases of own shares would only be made through the London Stock Exchange. This should not be taken to imply that Ordinary Shares will be purchased at any particular price or indeed at all. The Directors will only exercise the authority to make purchases of Ordinary Shares granted by this resolution if they believe that to do so would result in an improvement in earnings per share and is in the best interests of shareholders generally.

Any Ordinary Shares purchased would be cancelled (in which case the number of shares in issue would thereby be reduced) or held in treasury, depending on which course of action is considered by the Directors to be in the best interests of the shareholders at that time.

The maximum number of Ordinary Shares which may be purchased is 42,872,496, representing approximately 10 per cent. of the Company's issued ordinary share capital as at 13 August 2014 (being the latest date prior to publication of this document). The authority will expire on 30 November 2015 or, if earlier, at the conclusion of the annual general meeting of the Company held in 2015. The minimum price which could be paid for an Ordinary Share would be the nominal value of 1p and the maximum price would be the maximum price permitted by the Financial Conduct Authority's Listing Rules or in case of a tender offer, 5 per cent. above 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 preceding the day on which the terms of the tender offer are announced, in each case excluding expenses. The Directors intend to seek renewal of this authority at future annual general meetings.

As at 13 August 2014, options over or rights to subscribe for a total of 430,127 Ordinary Shares were outstanding and not exercised, representing 0.10 per cent. of the Company's issued ordinary share capital as at the same date. It would have represented 0.11 per cent. of the issued ordinary share capital if the authority to purchase the Company's own shares had been exercised in full at that date.

Resolution 19 – Notice of general meetings

The Company currently has the power under its articles of association to call general meetings (other than annual general meetings) on a minimum of 14 clear days' notice and would like to preserve this ability. In order to do so, shareholders must first approve the calling of meetings on a minimum of 14 days' notice. This special resolution seeks such an approval. If granted, the approval will be effective until the conclusion of the Company's next annual general meeting. 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 where it is considered by the Directors to be in the best interests of shareholders as a whole. The Directors intend to seek the renewal of this approval at future annual general meetings.

Resolution 20 – Approval of the PZ Cussons Plc Performance Share Plan 2014

Shareholders are being asked to approve a replacement plan to the Company's current performance share plan. The new PZ Cussons Plc Performance Share Plan 2014 (**2014 PSP**), the main features of which are set on pages 12 to 15 of this document, is similar to the old plan in all material respects, save for including a new holding period, containing malus provisions and having an individual limit of 150 per cent. of salary. The Remuneration Committee of the Board considers the 2014 PSP to be an important means of motivating the senior management and that the 2014 PSP aligns the interests of the senior management with those of the Company's shareholders.

The draft rules of the 2014 PSP will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at the Company's registered office and at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG from the date of this document until the close of the AGM and at the place of the AGM for at least 15 minutes before the AGM and during the AGM.

APPENDIX 2

Summary of the main provisions of the PZ Cussons Plc Performance Share Plan 2014 (2014 PSP)

1. Eligibility

The 2014 PSP will be operated and administered by the remuneration committee of the board of directors of the Company (**Remuneration Committee**). The Remuneration Committee will determine who may participate in the 2014 PSP (**Participants**) and this will extend to any employee (including an executive director) of the Company or any of the Company's subsidiaries or, if the Committee determines, other associated undertakings (for example joint venture companies).

2. Terms of Award

Awards under the 2014 PSP may be in the form of:

- a conditional right to acquire shares in the Company; or
- an option to acquire shares in the Company;
(together the **Awards**).

Such Awards may be granted over newly issued shares, treasury shares or shares purchased in the market. No payment will be required from Participants either for the grant of Awards or for the shares themselves.

Awards in the form of a nil cost option will normally lapse on the date immediately before the tenth anniversary of the date of grant if they remain unexercised at that date.

Awards under the 2014 PSP may only be granted within the period of 42 days following the approval of the 2014 PSP by the Company's shareholders, the announcement of the Company's results for any period, the lifting of any restrictions stopping the grant of Awards or any day on which the Remuneration Committee determines that exceptional circumstances exist.

3. Individual limits

Awards will not be granted to a Participant under the 2014 PSP over shares with a market value in excess of 150 per cent. of annual salary (as defined in the rules) in each of the Company's financial years.

4. Performance conditions

Awards will generally only vest or become exercisable subject to the satisfaction of a performance condition measured over at least a three year period (**Performance Period**) determined by the Remuneration Committee at the time of grant.

The performance conditions applicable to Awards granted in any one year will be fully disclosed in the Company's annual report and financial statements for that year.

It is intended that the performance condition applying to the initial Awards granted in 2014 should be based on the Company's earnings per share before exceptional items (EPS) over the Performance Period and that Awards should vest on the following basis:

Compound growth per annum in EPS over the Performance Period	Percentage of the Award which Vests
Less than 6 per cent.	0 per cent.
6 per cent.	25 per cent.
12 per cent.	100 per cent.
Between 6 per cent. and 12 per cent.	Pro-rata on a straight-line basis

The Remuneration Committee will have the flexibility to make appropriate adjustments to the performance targets in exceptional circumstances, to ensure that an Award achieves its original purpose.

Any vesting will also be subject to the Remuneration Committee being satisfied that the performance condition is consistent with underlying business performance.

5. Holding Period

The Remuneration Committee may also determine whether Awards should be subject to a further holding period before they vest. For executive directors, the minimum holding period shall be:

- one additional year for 50 per cent. of any part of an Award which exceeds 100 per cent. of salary; and
- two additional years for 50 per cent. of any part of an Award which exceeds 100 per cent. of salary (together the **Relevant Holding Period**)

provided that, should the performance condition not be fully satisfied, that part of the Award that shall have a Relevant Holding Period shall be reduced and pro-rated to the amount of the Vested Award that is in excess of 100 per cent. of salary.

6. Vesting of Awards and Leavers

An Award will normally vest on the later of:

- following the Remuneration Committee determining the extent to which the performance condition has been satisfied; or
- If relevant, the end of the holding period unless it lapses earlier as set out below.

Cessation of employment within three years from the date of grant in Good Leaver Circumstances

Where the Participant ceases to be an employee or director of any member of the group within three years of the date of grant by reason of ill health, injury, disability, a sale of the entity that employs the Participant out of the group or for any other reason at the Remuneration Committee's discretion (**Good Leaver Circumstances**), a Participant's unvested Award will usually continue and where:

- a holding period does not apply, the Award will vest on the normal vesting date; or
- a holding period applies, the Award will vest on the later of: (i) the date when performance has been assessed following the completion of the Performance Period; and (ii) the completion of a period following cessation equivalent to the length of the original holding period

unless the Committee determines that the Award shall Vest on such other date as the Committee may specify at the date of cessation.

The Remuneration Committee will decide the extent to which an unvested Award will vest in Good Leaver Circumstances, taking account of: (i) the period of time that has elapsed since date of grant until the date of cessation of employment (unless the Remuneration Committee decide otherwise); and (ii) the extent to which any performance condition is satisfied at the end of any Performance Period or, as appropriate, at the date on which the Participant ceases to be employed by a group company.

Cessation of employment after three years from the date of grant

Where the Participant ceases to be employed by any member of the group for any reason after the end of three years from the date of grant (except where the Participant is dismissed lawfully without notice), a Participant's unvested Award will usually continue unless the Remuneration Committee determines otherwise. The Award will vest on the normal vesting date and where appropriate, the Remuneration Committee may determine that an Award will vest as soon as reasonably practicable following the date on which the Participant ceases to be employed by a group company.

The Remuneration Committee will decide the extent to which an unvested Award will vest in the above circumstances taking into account the extent to which any performance condition is satisfied at the end of any Performance Period or, as appropriate, at the date on which the Participant ceases to be employed by a group company.

In the case of death, the Award will normally vest as soon as practicable following the death of the Participant. The Remuneration Committee will decide the extent to which an unvested Award will vest on death, taking account of: (i) the period of time that has elapsed since the date of grant until the date of death (unless the Remuneration Committee decide otherwise); and (ii) the extent to which any performance condition is satisfied at the end of any Performance Period or, as appropriate, at the date of death.

In all of the above circumstances, Awards in the form of nil-cost options will normally be exercisable for a period of six months from the date of vesting.

Awards will lapse immediately where the Participant is lawfully dismissed without notice and in all other circumstances to the extent that the Awards do not Vest.

7. Corporate events

In the event of a change of control or winding-up of the Company, Awards will vest and, where the event occurs during the Performance Period, such vesting will take into account the extent to which any performance condition has been satisfied at the date of the change of control and the period of time which has elapsed since the start of the Performance Period and the relevant event, unless the Remuneration Committee determines otherwise. Where an Award is in the form of a nil-cost option, this will then be exercisable for a period of one month.

Alternatively, the Remuneration Committee may permit or require Awards to be exchanged for equivalent awards which relate to shares in a different company.

In the case of a demerger, the Remuneration Committee may determine that Awards vest in similar circumstances as a change of control outlined above.

8. Limits on the issue of shares

The number of shares which can be issued (including treasury shares) under the 2014 PSP will be restricted by the general limit of 10 per cent. of the Company's issued share capital in a ten year period which applies for all of the Company's employees' share schemes as well as the specific limit of 5 per cent. of the issued share capital of the Company in a ten year period which applies for any executive share incentive schemes.

9. Malus

The Remuneration Committee may take such steps as it considers appropriate to reduce the number of shares subject to an Award (to nil if appropriate) and/or impose further conditions on the Award in certain circumstances. Such circumstances include, but are not limited to:

- a material misstatement of the Company's audited financial results;
- a serious failure of risk management by the Company, any group member or a relevant business unit;
or
- serious reputational damage to the Company, any group member or a relevant business unit as a result of the Participant's misconduct or otherwise.

10. Dividends

The Remuneration Committee may determine that on the vesting of an Award in the form of a conditional share award or cash award, or on the exercise of an Award in the form of a nil-cost option, a Participant shall receive an amount in cash and/or shares equivalent to the value of some or all of the dividends (and special dividends at the discretion of the Remuneration Committee) that would have been paid on the vested shares between the date of grant of the Award and the date of vesting.

11. Non-transferability of Awards

Each Award is personal to the Participant and accordingly, Participants may not transfer, assign, charge, encumber or otherwise alienate their Awards or shares subject to their Awards nor create in favour of any third party any interest therein (nor, in any case, attempt so to do).

12. Rights attaching to shares

All shares issued or transferred under the 2014 PSP will rank pari passu with all other shares of the Company for the time being in issue (save as regards any rights attaching to such shares by reference to a record date prior to the date of issue or transfer to the Participant).

13. Variation of capital

In the event of any rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the ordinary share capital of the Company, the Board may make such adjustment as it considers appropriate to the number of shares subject to an Award and/or the price payable on the exercise of options (where an Award takes the form of a share option).

14. Amendments to the 2014 PSP

The Remuneration Committee may alter the provisions of the 2014 PSP in any respect provided that the prior approval of shareholders in general meeting is obtained for alterations or additions which are to the advantage of Participants and relate to eligibility, limits, the basis for determining a Participant's entitlement to, and the terms of, the Shares or cash comprised in an Award and the impact of any variation of capital

The requirement to obtain the prior approval of shareholders will not, however, apply in relation to any alteration or addition which is minor in nature and made to benefit the administration of the 2014 PSP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for the Company, any of its subsidiaries or for Participants.

15. Termination

The 2014 PSP will terminate on the tenth anniversary of its adoption, or such earlier time as the Board may determine but the rights of existing participants will not be affected by such termination. In the event of termination, no further Awards will be granted.

16. Benefits not pensionable

Awards under the 2014 PSP are non-pensionable.

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