



**The City Pub Group plc**

(Incorporated in England and Wales with registered number 07814568)

**NOTICE OF ANNUAL GENERAL MEETING**

12 noon, Monday 27 July 2020

Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH

**PLEASE NOTE THAT THIS IS A CLOSED MEETING DUE TO COVID-19 RESTRICTIONS.  
NO SHAREHOLDERS ARE PERMITTED TO ATTEND AND INSTEAD YOU ARE  
ENCOURAGED TO VOTE YOUR SHARES BY PROXY.**

**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 from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in The City Pub Group plc, please forward this document and the form of proxy, as soon as possible, to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice of the Annual General Meeting of the Company to be held at 12 noon on 27 July 2020 at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH, is set out at the end of this document.

## The City Pub Group plc

*(Incorporated in England and Wales with registered number 07814568)*

### **Directors:**

Clive Watson (Executive Chairman)  
Tarquin Williams (Chief Financial Officer)  
Alex Derrick (Managing Director)  
Rupert Clark (Managing Director)  
John Roberts (Non-Executive Director)  
Richard Prickett (Independent Non-Executive Director)  
Neil Griffiths (Independent Non-Executive Director)

### **Registered Office:**

Essel House  
2nd Floor, 29 Foley Street  
London  
W1W 7TH

30 June 2020

Dear Shareholder

### **NOTICE OF ANNUAL GENERAL MEETING**

The 2020 Annual General Meeting ("**AGM**") of The City Pub Group plc (the "**Company**") is to be held at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH on Monday 27 July 2020 at 12 noon. The notice of the AGM is set out below and contains details of the business to be considered at the AGM. The purpose of this letter is to explain that business to you and to provide you with further information regarding the arrangements for the AGM this year.

In light of social distancing measures as a response to the Coronavirus (COVID-19) pandemic, and as permitted by the Corporate Insolvency and Governance Act 2020, this year's AGM will be run as a closed meeting and shareholders will not be permitted to attend the AGM. We hope that you understand in these exceptional circumstances that we are taking these steps to adhere to the UK Government guidelines and to protect our shareholders, employees, the Board and the wider community.

While the pandemic restricts our ability to follow the format of previous years' AGM's, we will make arrangement so that the legal requirement to hold the meeting can be satisfied through the attendance of two City Pubs director/shareholders. Any shareholders attempting to attend the AGM will be refused entry on the grounds of public safety.

The outcome of the resolutions to be proposed at the AGM will be determined by the proxy votes received ahead of the AGM. We strongly encourage all shareholders to vote by proxy on all of the resolutions contained in the AGM notice and to appoint the Chairman as proxy in view of the restrictions on attendance.

While shareholders will not be able to attend the AGM in person, our engagement with shareholders and the continued support of our shareholders is very important to us. Therefore should you have a question in relation to any of the resolutions to be proposed at the AGM, the Annual Financial Statements or the business of the Company, please email your question to [citypubs@instinctif.com](mailto:citypubs@instinctif.com) by 12 noon on 23 July 2020. Questions will be grouped into themes and addressed on our website as soon as practicable following the AGM.

Following the Government announcement on 23 June setting out some changes to the lockdown restrictions, we look forward to opening 50% of our pubs on Saturday 4 July and then opening the remaining pubs over the course of July and August.

The Notice, and in particular the explanatory notes appended to the Notice, contain a detailed explanation of each of the resolutions.

Broadly the resolutions being proposed include resolutions to receive the annual financial statements of The City Pub Group plc together with the directors and auditors reports for the financial period ended 29 December 2019, to receive the directors remuneration report, to reappoint the directors of the Company, to reappoint the auditors and authorise the directors to fix the auditor's remuneration, to grant authority to the directors to allot shares in the Company and to disapply pre-emption rights in respect of certain allotments of shares for cash, subject to certain limits and restrictions.

The AGM this year does not contain a resolution proposing to pay a dividend to shareholders. We were delighted with the support received from existing shareholders and new investors to the placing and open offer carried out in April 2020 following the forced shut down of our pubs and business operations in March. Notwithstanding that some of our pubs will reopen on 4 July, the Directors consider it prudent in the current circumstances not to propose a dividend at this time.

### **Action to be taken**

A form of proxy for use by Shareholders in connection with the AGM is enclosed with this letter. You are asked to complete and return it to the Company's registrars, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU (no stamp is required) as soon as possible and in any event so as to be received not later than 12 noon on Thursday 23 July 2020.

In light of the UK Government's public health advice in response to the COVID-19 outbreak including the continued prohibition on large public gatherings and as permitted by the Corporate Insolvency and Governance Act 2020, shareholders are strongly encouraged to submit their Forms of Proxy, appointing the Chairman of the meeting as proxy, rather than another person who will not be admitted to the meeting. No shareholders are permitted to attend the AGM in person.

### **Recommendation**

The Directors consider that the passing of the resolutions outlined above is in the best interests of the Company and for the benefit of its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the resolutions.

Yours sincerely

**Clive Watson**  
**Executive Chairman**

**THE CITY PUB GROUP PLC**  
*(Incorporated in England and Wales with number 07814568)*  
(the "**Company**")

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Essel House, 2nd Floor, 29 Foley Street, London W1W 7TH on Monday 27 July 2020 at 12 noon for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 – 12 (inclusive) will be proposed as ordinary resolutions and resolutions 13 and 14 will be proposed as special resolutions.

**ORDINARY BUSINESS**

**FINANCIAL STATEMENTS AND REPORTS**

- (1) To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the Directors and the Auditors thereon for the financial period ended 29 December 2019.

**DIRECTORS' REMUNERATION REPORT**

- (2) To approve the report of the Board to the members on directors' remuneration for the financial period ended 29 December 2019.

**RE-APPOINTMENT OF DIRECTORS**

- (3) To re-appoint Clive Royston Watson as a director of the Company.  
(4) To re-appoint Tarquin Owen Williams as a director of the Company.  
(5) To re-appoint Rupert James Lindsay Clark as a director of the Company.  
(6) To re-appoint Alexander John Derrick as a director of the Company.  
(7) To re-appoint Richard John Roberts as a director of the Company.  
(8) To re-appoint Richard Other Prickett as a director of the Company.  
(9) To re-appoint Neil Robert Ceidrych Griffiths as a director of the Company.

**RE-APPOINTMENT OF AUDITORS**

- (10) To re-appoint Grant Thornton UK LLP as auditors to the Company until the conclusion of the next general meeting at which financial statements of the Company are laid before shareholders.

**REMUNERATION OF THE AUDITOR**

- (11) To authorise the Directors to determine the auditor's remuneration.

**SPECIAL BUSINESS**

**AUTHORITY TO ALLOT SHARES**

- (12) THAT, in substitution for any existing and unexercised authority under Section 551 of the Companies Act 2006 (the "**Act**") but without prejudice to the exercise of any authority prior to the date of this Resolution, the Directors of the Company be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Act to exercise all or any of the powers of the Company to allot equity securities (as defined in Section 560(1) of the Act) in the Company and to grant rights to subscribe for, or to convert any security into, equity securities in the Company ("**Rights**"):
- (i) up to an aggregate nominal amount of £352,281.42 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph (ii) below in excess of £352,281.42; and
  - (ii) up to an aggregate nominal amount of £704,562.84 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (i) above in connection with an offer by way of a rights issue or similar offer

to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holding; and  
to 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,

and so that the directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange in any territory;

and provided that this authority shall (unless previously renewed, revoked or varied by the Company in general meeting) expire on the date falling 15 months after the passing of this Resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the directors of the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require equity securities to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot equity securities and grant Rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

#### DISAPPLICATION OF PRE-EMPTION RIGHTS

(13) THAT, in substitution for any existing and unexercised authorities (but without prejudice to any offer or agreement to allot equity securities or rights granted by the director prior to the expiry of such authority) subject to and conditional on the passing of Resolution (12) above, the Directors of the Company be and they are generally empowered pursuant to section 570 of the Act, to exercise all powers of the Company to allot equity securities (within the meaning of section 560(1) of the Act) wholly for cash pursuant to the authority conferred by Resolution (12) above as if section 561(1) of the Act did not apply to any such allotment, provided that this authority and power shall be limited to:

- (i) the allotment and issue (otherwise than pursuant to paragraphs (ii) and (iii) below) of equity securities up to an aggregate nominal amount of £49,934.43 in connection with any share option scheme or arrangement from time to time, being equal to 4.73% of the issued share capital of the Company at the date of the notice of this meeting; and
- (ii) the allotment and issue of equity securities in connection with a rights issue or similar offer (a) in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them or (b) in favour of the 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 or other arrangements as the Directors may consider necessary or expedient to deal with treasury shares, fractional entitlements, record dates, shares represented by depositary receipts or legal, regulatory or practical difficulties under the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory, or otherwise; and
- (iii) the allotment (otherwise than pursuant to sub-paragraphs (i) and (ii) above) of equity securities in the capital of the Company up to an aggregate nominal amount of £52,842.21 (being equal to approximately five per cent of the issued share capital of the Company at the date of the notice of this meeting),

provided that this power and authority shall (unless previously renewed, revoked or varied by the Company in general meeting) expire on the date falling 15 months after the passing

of this Resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company shall be entitled to make offers or agreements before the expiry of this power and authority and which would or might require equity securities to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot equity securities and grant Rights pursuant to any such offers or agreements as if the power and authority conferred by this resolution had not expired.

- (14) THAT, subject to and conditional on the passing of Resolution (12) above, the Directors be and they are generally empowered, in addition to any authority granted under Resolution (13) above, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560(1) of the Act) wholly for cash pursuant to the authority conferred by Resolution (12) above as if section 561(1) of the Act did not apply to any such allotment, provided that this authority and power shall be limited to:
- (i) the allotment of equity securities up to an aggregate nominal amount of £52,842.21 (being equal to approximately five per cent of the issued share capital of the Company as at the date of the notice of this meeting); and
  - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the board of directors of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2015,

such power and authority shall expire (unless previously revoked, varied or extended by the Company in general meeting) on the date falling 15 months after the passing of this Resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company shall be entitled to make offers or agreements before the expiry of this power and authority which would or might require equity securities to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot equity securities and grant Rights pursuant to any such offers or agreements as if the power and authority conferred by this resolution had not expired

BY ORDER OF THE BOARD

James Dudgeon, Company Secretary

30 June 2020

Registered Office: Essel House, 2nd Floor, 29 Foley Street, London, W1W 7TH

**IMPORTANT NOTICE RE COVID-19**

**In light of the UK Government's health advice in response to the COVID-19 outbreak and the Corporate Governance and Insolvency Act 2020, the AGM will be a closed meeting. The Company encourages all shareholders to exercise their right to vote on the resolutions and to submit their form of proxy, appointing the Chairman of the meeting as proxy.**

## Notes relative to the Notice of Annual General Meeting

### ENTITLEMENT TO ATTEND AND VOTE

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and the articles of association of the Company, to be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Company's register of members at:
  - 6.30pm (UK time) on 23 July 2020; or
  - if this meeting is adjourned, at 6.30pm (UK time) on the day which is two working days prior to the date 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.

As soon as practicable following the meeting the results of the voting will be announced via a regulatory information service and also placed on the Company's website.

### WEBSITE GIVING INFORMATION REGARDING THE MEETING

2. Information regarding the meeting can be found at [www.citypubcompany.com](http://www.citypubcompany.com).

### APPOINTMENT OF PROXIES

3. If you are a shareholder entitled to attend and vote at the AGM, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the AGM instead of you. You should have received a proxy form with this notice of meeting. A proxy does not need to be a member of the Company but must attend the meeting to represent you. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
4. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, please contact our registrar, Equiniti, on 0371 384 2030 or at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. Failure to specify the number of shares to which each proxy appointment relates or specifying a number in excess of those held by the shareholder will result in the proxy appointment being invalid. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
5. Appointment of a proxy will not preclude a shareholder from attending and voting in person at the AGM.
6. Shareholders can:
  - Appoint a proxy or proxies and give proxy instructions by returning the enclosed proxy form by post (see note 8).
  - If a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see note 9).
  - You may not use any electronic address provided either in this notice of meeting or any related documents to communicate with the Company for any purpose other than as expressly stated.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

## APPOINTMENT OF PROXY BY POST

8. To be effective, the completed and signed proxy form, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such Power of Attorney) must be sent to the office of the Company's Registrars, Equiniti at FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU (no stamp is required) not less than 48 hours before the time for holding the meeting (excluding weekends and public holidays) (i.e. by 12 noon on Thursday 23 July 2020) and if not so sent shall be invalid.

## APPOINTMENT OF PROXIES THROUGH CREST

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

For a proxy appointment or instructions 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 (Euroclear) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Equiniti (ID RA19) no later than 12 noon on 23 July 2020, or, in the event of an adjournment of the meeting, 48 hours (excluding weekends and bank holidays) before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

## APPOINTMENT OF PROXY BY JOINT MEMBERS

10. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

## CHANGING PROXY INSTRUCTIONS

11. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Equiniti on 0371 384 2030 or at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

## TERMINATION OF PROXY APPOINTMENT

12. A shareholder may change a proxy instruction but to do so you will need to inform the Company in writing by sending a signed hardcopy notice clearly stating your intention to revoke your proxy appointment to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Equiniti no later than 12 noon on 23 July 2020.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

## CORPORATE REPRESENTATIVES

13. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

## ISSUED SHARES AND TOTAL VOTING RIGHTS

14. As at 30 June 2020 (being the latest practicable date prior to publication of this notice), the Company's issued share capital comprised 105,684,425 ordinary shares of £0.01 each and 3,021,770,759 Deferred Shares of £0.01 each. The Deferred Shares do not carry any right to vote at a general meeting. Each ordinary share carries the right to one vote at a general meeting of the Company other than ordinary shares acquired under The City Pub Group plc Joint Share Ownership Plan (**JSOP**) which have not vested. 1,925,000 ordinary shares held under the JSOP are non-voting. Accordingly, the total number of voting rights in the share capital of the Company as at 30 June 2020 is 103,759,425.

The information required to be published by section 311(A) of the Act (information about the contents of this notice and number of shares in the Company and voting rights exercisable at the meeting and details of any members' statements, members' resolutions and members' items of business received after the date of this notice) may be found at [www.citypubcompany.com](http://www.citypubcompany.com).

## DOCUMENTS AVAILABLE FOR INSPECTION

15. Copies of the service contracts of the executive directors and the non-executive directors' letters of appointment together with the existing articles of association of the Company and the financial statements for the financial period ended 29 December 2019 will be available for inspection at the registered office of the Company during normal business hours Monday to Friday (public holidays excepted) up to the day of the AGM and at the venue for the AGM from at least 15 minutes prior to the time fixed for the AGM until the end of the AGM.

## COMMUNICATION

16. Except as provided above and below, shareholders who have general queries about the meeting or need additional proxy forms should use the following means of communication (no other methods of communication will be accepted):
  - By post to the Company's registered office, details of which are below:

Address:                   The Company Secretary  
                              The City Pub Group plc  
                              Essel House  
                              2nd Floor  
                              29 Foley Street  
                              London W1W 7TH

As a result of the AGM this year being a closed meeting, if a shareholder has a question in relation to any of the resolutions to be proposed at the AGM, the Annual Financial Statements or the business of the Company shareholders may email the question to [Citypubs@instinctif.com](mailto:Citypubs@instinctif.com)

A shareholder may not use any electronic address provided either in this notice of AGM or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purpose other than those expressly stated.

## **Explanatory Notes to the Notice of Annual General Meeting of The City Pub Group plc**

### **General**

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 – 12 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 and 14 are proposed as special resolutions. This means that for these resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolutions.

### **Resolution 1 – Annual Financial Statements**

For each financial year the directors of the Company must present the audited consolidated financial statements, the director's report and the auditor's report on the financial statements to the shareholders at a general meeting. A copy of those financial statements and reports is enclosed with the Notice and will be available on the Company's website at [www.citypubcompany.com](http://www.citypubcompany.com) from 3 July 2020.

### **Resolution 2 - Directors Remuneration Report**

Shareholders are asked to approve the director's remuneration report which may be found in the annual financial statements on pages 25 to 27. This resolution is an advisory one and no entitlement to remuneration is conditional on the resolution being passed.

### **Resolutions 3 – 9 – Retirement and Re-election of Directors**

In accordance with article 24.4.2 of the Company's articles of association every director who has been appointed since the last annual general meeting of the Company or who has not been reappointed at one of the preceding two annual general meetings is required to retire from office. Such retiring directors may offer themselves for reappointment. All the Directors were appointed at last years' AGM.

The UK Corporate Governance Code recommends that all directors should be subject to annual re-election. Accordingly, all of the Directors are proposing to retire, and, being eligible, offer themselves for reappointment at the AGM.

Brief details of each of the directors and why the contribution of the directors is, and continues to be, important to the Company's long-term sustainable success, is set out in pages 22 and 23 of the annual financial statements.

### **Resolution 10 – Appointment of auditors**

The Company is required at each general meeting at which financial statements are presented to shareholders to appoint auditors who will remain in office until the next such meeting. It is proposed to reappoint Grant Thornton LLP as auditors.

### **Resolution 11 – Remuneration of auditors**

The shareholders are asked to authorise the Directors to fix the remuneration of the auditor's for the audit work to be carried out in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

## **Resolution 12 – Authority to Allot Shares**

Under section 551 of the Companies Act 2006, the directors of a Company may only allot shares or grant rights to subscribe for, or to convert any security, into shares in the Company if authorised to do so by the shareholders. Such a resolution was passed at the last annual general meeting and the purpose of this resolution is to renew the director's power and authority to allot shares or grant rights to subscribe for or convert any securities into shares in the Company. The Investment Association (**IA**) regards as routine a request by a company seeking an annual authority to allot new shares in an amount of up to a third of the existing issued share capital. In addition, the IA will also regard as routine a request for authority to allot up to two thirds of the existing issued share capital provided that any amount in excess of one third is reserved for fully pre-emptive rights issues. Paragraph (i) of Resolution 12 will allow the directors to allot ordinary shares up to a maximum nominal amount of £352,281.42 representing approximately one-third of the Company's issued share capital and calculated as at 30 June 2020 (being the latest practicable date prior to publication of this document). Paragraph (ii) of Resolution 12 will allow the directors to allot, including the ordinary shares referred to in paragraph (i) of Resolution 12, further ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £704,562.84 representing approximately two-thirds of the Company's issued share capital calculated as at 30 June 2020 (being the latest practicable date prior to publication of this document). The directors have no present intention of exercising the authority conferred by paragraph (ii) of Resolution 12. However, if they do exercise the authority, the directors will have due regard to best practice as regards its use including the recommendations of the IA.

The authority will expire, unless earlier renewed, revoked or varied by the Company in general meeting, on the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of passing of this resolution.

As at 30 June 2020 no shares were held by the Company in treasury.

## **Resolution 13 – Authority to disapply pre-emption rights**

If equity shares are to be allotted for cash, using the authority given by Resolution 12 above, section 561(1) of the Companies Act 2006 requires that those securities are offered first to existing shareholders on a pre-emptive basis in proportion to the number of ordinary shares they each hold at that time.

There may be circumstances, however, where it is in the interests of the Company for the directors to be able to allot new equity securities other than to shareholders in proportion to their existing holding or otherwise and strictly in compliance with the requirements of the Companies Act 2006. This cannot be done under the Companies Act 2006 unless the shareholders first waive their pre-emption rights.

There are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue or similar offering to some shareholders, particularly those resident overseas. To cater for this, resolution 13 in authorising the directors to allot new shares by way of a rights issue or similar offering, also permits the directors to make appropriate exclusions or arrangements to deal with such difficulties.

Resolution 13 asks shareholders to authorise the directors to allot equity securities in the capital of the Company pursuant to the authority conferred by resolution 12 for cash, without complying with the pre-emptive rights in the Act in certain circumstances.

Apart from offers or invitations in proportion to the respective number of shares held pursuant to Resolution 13(ii) the authority will, pursuant to Resolution 13(iii), be limited to the allotment of equity securities for cash up to a maximum aggregate nominal amount of £52,842.21 (representing 5,284,221 ordinary shares), being approximately 5% of the Company's issued

ordinary share capital at the date of the Notice of AGM. This is in accordance with current recommendation of the IA and the Pre-emption Group.

In addition, Resolution 13(i) also asks shareholders to grant authority to the directors of the Company to allot some of the new shares other than by way of a pre-emptive offer or under the general 5% disapplication in relation to shares issued pursuant to the terms of any share option scheme or arrangement. Resolution 13(i) asks shareholders to do this, but only in relation to new shares up to £49,934.43 (representing 4,993,443 ordinary shares) which is equal to 4.73 per cent. of the Company's issued ordinary share capital at the date of the Notice of AGM.

The directors will be able to use this power without obtaining further authority from shareholders before they allot new shares pursuant to the terms of any employee share option scheme or arrangement covered by it. However, by setting the limit of 4.73 per cent., shareholders' proportionate interests in the Company cannot, without their agreement, be reduced by more than 4.73 per cent. by the issue of new shares pursuant to the terms of any share option scheme or arrangement. This together with the shares currently under options granted by the Company and exercised in respect of employee share option schemes and arrangements aggregate 10% of the issued share capital of the Company.

The Company is seeking authority to allot securities in connection with a pre-emptive rights issue up to a maximum amount of the authority in resolution 13, which represents approximately one third of the Company's issued ordinary share capital as at 30 June 2020, being the latest practicable date prior to publication of this notice. The benefit to the Company of obtaining such authority on an annual basis is that it would allow the Company to implement a rights issue or similar offer of an amount equal to a maximum of approximately one third of the issued ordinary share capital without the need to call an additional general meeting. This would shorten the implementation timetable of such a rights issue.

The power given by Resolution 13 will, unless earlier renewed, revoked or varied by the Company in general meeting, expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of passing of this resolution.

#### **Resolution 14 – Authority to disapply pre-emption rights**

The authority sought by resolution 12 would, if granted, give the directors of the Company authority to issue ordinary shares for cash in connection with an acquisition or capital investment of a kind contemplated by The Pre-Emption Groups' Statement of Principles up to an additional aggregate nominal amount £52,842.21 (representing 5,284,221 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary shares in the capital of the Company as at the latest practicable date before publication of the Notice of the AGM. The directors confirm they will only allot shares pursuant to this authority where the allotment is in connection with an acquisition or specified capital investment (as defined in The Pre-emption Groups' Statement of Principles) which is announced contemporaneously with the allotment.

The authority given by this resolution 14 unless earlier renewed, revoked or varied by the Company in general meeting, will expire on the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of passing of this resolution.