

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 (FSMA) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you have sold or otherwise transferred all of your shares in British Smaller Companies VCT plc (“**BSC**” or the “**Company**”), please send this document and accompanying form of proxy, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Howard Kennedy Corporate Services LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and no one else and, subject to the responsibilities and liabilities imposed by FSMA, will not be responsible to anyone other than the Company for providing the protections afforded to clients of Howard Kennedy or for providing advice to any other person in relation to the contents of this document or on any other matter referred to in this document.

British Smaller Companies VCT plc

(Registered in England and Wales with registered number 03134749)

Proposals relating to:

the ratification and adoption of allotments of Shares

the approval of a Deed of Release

the approval of amendments to the Company’s
articles of association

A notice of a General Meeting of the Company to be held at 10 am on 14 September 2023 at 8-10 Hill Street, London, W1J 5NG, to approve the Resolutions to effect the Proposals, is set out at the end of this document.

Shareholders are encouraged to participate by casting their votes by proxy, appointing the Chair of the General Meeting as their proxy.

To be valid, the form of proxy accompanying this document for the General Meeting (and the power of attorney or other authority (if any) under which it is signed or a notially certified or office copy of such power or authority) should be returned not less than 48 hours (excluding weekends and public holidays) before the meeting, either by post or by hand (during normal business hours only) to The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH or, alternatively, you may register your proxy electronically at proxy-bsc-gm.cpip.io.

Contents

EXPECTED TIMETABLE	3
PART I RISK FACTOR	4
PART II LETTER FROM THE CHAIR OF THE COMPANY	5
PART III ADDITIONAL INFORMATION	7
PART IV DEFINITIONS	11
NOTICE OF GENERAL MEETING	12
ANNEX SCHEDULE OF EXCESS SHARES	14

Expected Timetable

General Meeting

Publication of Circular convening General Meeting	21 June 2023
Latest time and date for receipt of Forms of Proxy for the General Meeting	10 am on 12 September 2023
General Meeting	10 am on 14 September 2023

Part I - Risk Factor

The risk factor set out below is considered by the Directors to be material to the Proposals and the Company as at the date of this document and which the Directors believe Shareholders should consider prior to deciding how to cast their votes at the General Meeting but is not the only risk in relation to the Proposals and the Company. Additional risks and uncertainties relating to the Company and/or the Proposals that are not currently known to the Directors or that the Directors do not currently consider to be material may also have a material adverse effect on the Company. Shareholders who are in any doubt about the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser without delay.

The Company has been advised that the ordinary resolutions passed by Shareholders approving the allotments of the Excess Shares are likely to have been effective to impliedly authorise the Directors and the Past Director to allot the Excess Shares, however, a prudent approach with regards to the Excess Shares would be for the Company to seek the approval of Shareholders to, inter alia, ratify and adopt each of the allotments made in respect of the Excess Shares. Whilst there would still be a residual risk, if the Resolutions are passed at the General Meeting, as to the validity of the allotment of the Excess Shares and further allotments of Shares, and the liability of the Directors and the Past Director in respect of such allotments, if the Resolutions are not passed at the General Meeting, the validity of the allotment of the Excess Shares and any further allotments of Shares in excess of the authorised share capital as set out in Article 3, and the liability of the Directors and the Past Director with regards to such allotments, would be less certain.

Part II - Letter from the Chair of the Company

Registered Office:

5th Floor, Valiant Building
14 South Parade
Leeds
LS1 5QS

21 June 2023

Dear Shareholder,

Proposals relating to:

- **the ratification and adoption of allotments of Shares**
- **the approval of a Deed of Release**
- **the approval of amendments to the Company's articles of association**

The purpose of this document is to explain the Proposals listed above and to seek Shareholders' approval for the required authorities.

The Proposals

The CA 2006 abolished the concept of "authorised share capital" and the requirement for a company to have an authorised share capital from 1 October 2009, when the CA 2006 came into full effect. The articles of association of the Company that were adopted by special resolution of the Company prior to the concept of authorised share capital being abolished, state, at article 3 ("Article 3"), that the authorised share capital (the "Authorised Share Capital") of the Company is £16,500,000 divided into 165,000,000 Shares of 10p each. Whilst the concept of authorised share capital was abolished on 1 October 2009, the Articles have never been amended to remove Article 3 and Shares have since been allotted or are due to be allotted in excess of the Authorised Share Capital level (the "Excess Shares").

The Company has been advised by Counsel that the ordinary resolutions passed by Shareholders approving the allotments of the Excess Shares are likely to have been effective to impliedly authorise the Directors and the Past Director to allot the Excess Shares; however, a prudent approach with regards to the Excess Shares would be for the Company to seek the approval of Shareholders to (i) ratify and adopt each of the allotments made in respect of the Excess Shares (ii) approve a retrospective authority to allot the Excess Shares as though the Articles had been amended with effect from the date on which the Authorised Share Capital was exceeded, by replacing Article 3 by the following: "The authorised share capital of the Company as at 7 January 2022 is £26,824,695, divided into 268,246,950 Ordinary Shares of 10p each" and (iii) approve the Deed of Release to be entered into by the Company releasing the Directors and the Past Director who approved the allotment of the Excess Shares from any liability relating to the allotment of the Excess Shares.

The ratification and adoption of the allotments of the Excess Shares, and the approval of the retrospective authority to allot the Excess Shares, are the subject of Resolution 1 at the General Meeting.

The Deed of Release is a related party transaction under the Listing Rules, being a transaction between the Company and the Directors, who are related parties of the Company under the Listing Rules. The Deed of Release is required under the Listing Rules to be aggregated with the subscription made by Purvi Sapre, a Director, under the Company's offer for subscription that was launched on 30 November 2022. The potential benefit of the Deed of Release to the Directors and the Past Director cannot be quantified. The Listing Rules require the Deed of Release to be approved by the Shareholders at the General Meeting, and the approval of the Deed of Release is the subject of Resolution 2 at the General Meeting. Resolution 2 is conditional upon the passing of Resolution 1. The Directors will not vote on Resolution 2 at the General Meeting and, as related parties to the Company under the Listing Rules, the Directors have undertaken to take all reasonable steps to ensure that their associates will not vote on Resolution 2 at the General Meeting.

With regards to future allotments of Shares by the Company, it is proposed to amend the Articles in order to delete Article 3 and references to it. The Company is also taking this opportunity to seek Shareholders' approval to update the Articles to reflect legislative changes and to include an increase from £130,000 to £150,000 in the amount of remuneration that may be paid in any year, in aggregate, to the Directors, in order to provide the Board with flexibility when considering succession planning. These amendments to the Articles are the subject of Resolution 3 at the General Meeting and are required to be put to Shareholders at the General Meeting under the CA 2006.

PART II

If the Resolutions are passed at the General Meeting, whilst there would still be a residual risk as to the validity of the allotment of the Excess Shares and further allotments of Shares, and the liability of the Directors and the Past Director in respect of such allotments, the validity of the allotment of the Excess Shares and any further allotments of Shares would be more certain and the risk of any of the Directors and the Past Director having any potential liability in respect of such allotments would be reduced.

General Meeting

Notice of the General Meeting, to be held at 10 am on 14 September 2023, at 8-10 Hill Street, London, W1J 5NG to approve the Resolutions to effect the Proposals, is set out at the end of this document.

The Resolutions will be proposed as special resolutions, requiring the approval of 75 per cent of the votes cast on the Resolutions.

Action to be taken

Before taking any action, you are recommended to read the information set out in Part III of this document.

Enclosed with this document, Shareholders will find forms of proxy for use at the General Meeting, which you are asked to complete and return.

Whether or not you propose to attend the General Meeting, you are requested to complete and return the form of proxy so that it is received not less than 48 hours (excluding weekends and public holidays) before the General Meeting. Completion and return of the form of proxy will not prevent you from attending the General Meeting and voting in person should you wish to do so.

Recommendation

In the Board's opinion Resolutions 1 and 3 are in the best interests of the Shareholders as a whole and the Board recommends to the Shareholders to vote in favour of Resolutions 1 and 3.

The Directors will not be voting on Resolution 2 at the General Meeting, have not considered whether Resolution 2 is in the best interests of Shareholders as a whole and will not be providing a recommendation as to how Shareholders should vote on Resolution 2, in view of their interest in the subject matter of Resolution 2 as related parties of the Company. Whilst the Directors have not considered whether Resolution 2 is in the best interests of Shareholders as a whole and are making no recommendation as to how Shareholders should vote on Resolution 2, the Directors unanimously recommend that Shareholders exercise their right to vote on Resolution 2.

The Deed of Release is fair and reasonable as far as the Shareholders are concerned and the Directors have been so advised by Howard Kennedy, as sponsor to the Company.

Save in respect of Resolution 2, in respect of which the Directors will not be voting, all of the Directors have committed to vote in favour of all of the Resolutions in respect of their own beneficial holdings (the Shares held by the Directors representing approximately 0.11 per cent of the issued voting Shares as at 20 June 2023, this being the latest practicable date prior to the publication of this document).

Yours faithfully

Rupert Cook

Chair

British Smaller Companies VCT plc

Part III - Additional Information

1. Responsibility

- 1.1 The Directors, whose names appear in paragraph 3 below, accept responsibility for the information contained in this document. To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Share Capital

- 2.1 As at 20 June 2023 (being the latest practicable date prior to the publication of this document), the issued share capital of the Company was 263,246,949 Shares (including 22,007,765 treasury Shares).
- 2.2 As at 20 June 2023 (being the latest practicable date prior to the publication of this document), no share or loan capital of the Company was under option or had been agreed, conditionally or unconditionally, to be put under option.

3. Directors and their Interests

- 3.1 As at 20 June 2023 (being the latest practicable date prior to publication of this document), the interests of the Directors (and their respective immediate families), in the issued voting share capital of the Company was as follows:

Director	No. of Shares	% of Issued Share Capital
Rupert Cook	222,042	0.09%
Adam Bastin	13,247	0.01%
Jonathan Cartwright	26,494	0.01%
Purvi Sapre	7,028	0.00%

- 3.2 Each of the Directors has entered into a letter of appointment with the Company for the provision of their services as directors, for the fees disclosed in paragraph 3.3 below, pursuant to which they are required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as a non-executive Director. There are no commission or profit sharing arrangements and no compensation is payable on termination of the agreements. No amounts have been put aside to provide pensions, retirement or similar benefits to any Directors.

- 3.3 The current annual remuneration, and annual remuneration with effect from 1 July 2023, of the Directors is as follows:

Director	Current Annual Fees	Annual Fees (with effect from 1 July 2023)
Rupert Cook	£42,000	£44,100
Adam Bastin	£26,250	£27,565
Jonathan Cartwright	£26,250	£27,565
Purvi Sapre	£26,250	£27,565

- 3.4 No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

4. Substantial Shareholders

- 4.1 The Company is not aware of any person, not being a member of its administrative, management or supervisory bodies who, as at the date of this document, is directly or indirectly, interested in 3 per cent or more of the issued share capital of the Company and who is required to notify such interest in accordance with the Disclosure Guidance & Transparency Rules or who directly or indirectly controls the Company.

5. Material Contracts

The following, together with the non-executive director appointment letters referred to in paragraph 3.2 above, are (a) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company within the two years preceding the date of publication of this document and which are or may be material to the Company, and (b) the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company at any time and which contain any provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

- 5.1 An offer agreement dated 30 November 2022 (the “2022 Offer Agreement”) between the Companies (1), the directors of the Companies (2), the Manager (3) and Howard Kennedy (4) under which the Manager has undertaken, as agent of the Companies, to use its reasonable endeavours to procure applicants under the offers for subscription that were launched by the Companies on 30 November 2022 (the “2022 Offers”) and Howard Kennedy agreed to act as sponsor to the 2022 Offers. Pursuant to the 2022 Offer Agreement an initial application fee of 3 per cent of the application amount, or 3.5 per cent for applications received from applicants who have not invested their money through an intermediary/financial adviser and have invested directly into the Companies, is paid by the relevant Company to the Manager, in consideration for which the Manager agreed to meet the costs associated with the 2022 Offers, save for commissions payable to execution only brokers, on behalf of the Companies. As is usual in contracts of this type, the Manager agreed to indemnify the Companies against the costs of the 2022 Offers (excluding commission) exceeding 3 per cent of the application amount. Under the 2022 Offer Agreement, which could be terminated by the Companies, the directors of the Companies and the Manager in certain circumstances, warranties were given by the Companies, the directors of the Companies and the Manager to the other parties, subject to certain limitations. The warranties were in the usual form for a contract of this type.
- 5.2 An offer agreement dated 22 September 2021 (the “2021 Offer Agreement”) between the Companies (1), the directors of the Companies (2), the Manager (3) and Howard Kennedy (4) under which the Manager undertook, as agent of the Companies, to use its reasonable endeavours to procure applicants under the offers for subscription that were launched by the Companies on 21 September 2021 (the “2021 Offers”) and Howard Kennedy agreed to act as sponsor to the 2021 Offers. Pursuant to the 2021 Offer Agreement an initial application fee of 3 per cent of the application amount, or 3.5 per cent for applications received from applicants who did not invest their money through an intermediary/financial adviser and who invested directly into the Companies, was paid by the relevant company to the Manager, in consideration for which the Manager agreed to meet the costs associated with the 2021 Offers, save for commissions payable to execution only brokers, on behalf of the Companies. As is usual in contracts of this type, the Manager agreed to indemnify the Companies against the costs of the 2021 Offers (excluding commission) exceeding 3 per cent of the application amount. Under the 2021 Offer Agreement, which could be terminated by the Companies, the directors of the Companies and the Manager in certain circumstances, warranties were given by the Companies, the directors of the Companies and the Manager to the other parties, subject to certain limitations. The warranties were in the usual form for a contract of this type.
- 5.3 YFM Private Equity Limited has acted as the Company’s investment manager and performed administrative and secretarial duties for the Company under an agreement dated 28 February 1996 and as varied by agreements dated 1 July 2009, 16 November 2012, 17 October 2014, 24 August 2015, and 18 November 2019 (the “IAA”). The IAA may be terminated by not less than twelve months’ notice given by either party at any time.

The annual fee payable to the Manager is 1.0 per cent on all surplus cash, defined as all cash above £7.5 million. The annual fee on all other assets is 2.0 per cent per annum. This is calculated half yearly at 31 March and 30 September. The annual fee for the twelve months ending 31 March 2023 was £2,782,000 equal to 1.8 per cent of the average NAV.

The Manager receives an annual accounting and secretarial fee, index linked to RPI, which is currently £85,000. The annual fee for the twelve months to 31 March 2023 was £75,000, equal to 0.1 per cent of the average NAV. Under the IAA the Manager is entitled to receive advisory fees in connection with new investments which are paid by the Company. There is an aggregate annual cap applied to these fees for new investments of 3 per cent and for further investments of 2 per cent, with any fees above this cap being payable to the Company. Where expenses have been incurred and the investment does not proceed, the Manager pays any abort fees. The Manager also receives monitoring or non-executive director fees from unquoted portfolio companies. These fees are capped at a maximum of £40,000 per annum for an unquoted company.

- 5.4 Pursuant to an incentive agreement (the “Incentive Agreement”) dated 7 July 2009, as varied by deeds of variation dated 15 August 2014, 13 October 2014 and 27 November 2018, a performance incentive fee is payable to the Manager subject to BSC achieving a target level of total return (the “BSC Total Return Hurdle”) and dividend (“BSC Dividend Hurdle”). Subject to meeting the BSC Total Return Hurdle, the Manager will receive an amount equivalent to 20 per cent of the amount by which dividends paid per Share exceeds the BSC Dividend Hurdle, multiplied by the number of Shares in issue at the year end. The incentive fee in any financial year will be subject to a cap if the excess of dividends paid over the BSC Dividend Hurdle is greater than the sum of the excess of the BSC Total Return over the BSC Total Return Hurdle divided by 1.2. With effect from 31 March 2019 the BSC Total Return Hurdle was 228.6 pence per Share and the annual increase is equivalent to 4.0 pence per Share, as increased or decreased by the percentage increase or decrease (if any) in RPI from 1 April 2009. For the year ended 31 March 2023 the annual increase in the BSC Total Return Hurdle was 6.1 pence per Share.

The BSC Dividend Hurdle was 4.0 pence per Share (increasing in line with RPI) from 1 April 2009. For the year ended 31 March 2023 the BSC Dividend Hurdle was 6.1 pence per Share.

The BSC Total Return Hurdle for the year ended 31 March 2023 was 258.2 pence per Share. The BSC Total Return as at 31 March 2023 (prior to the accrual for the subsequent incentive fee) was 258.6 pence per Share, an excess of 0.4 pence. The BSC Dividend Hurdle was 6.1 pence per Share. The total dividends paid in the year were 8.5 pence per Share. Consequently both hurdles were exceeded, resulting in a performance related incentive fee being payable. This was calculated by taking the lower excess of the two hurdles, being 0.4 pence, divided by 1.2 to adjust for the impact of the fee due to be paid (0.33 pence); 20 per cent of this figure (0.067 pence) gave the resulting incentive fee per Share in issue; with 187,679,279 Shares in issue, this resulted in a total fee payable of £125,000 for the year ended 31 March 2023.

The BSC Total Return Hurdle for the year ending 31 March 2024 is 265.5 pence per Share. The BSC Dividend Hurdle is 7.0 pence per Share.

If the annual incentive fee exceeds £5.0 million then the excess is deferred until following the next year’s annual general meeting. Payment of the remainder is made five Business Days after the relevant annual general meeting at which the audited accounts are presented to Shareholders.

The amount of the incentive payment paid to the Manager for any one year shall, when taken with all other relevant costs, ensure that BSC’s total costs in a single year do not exceed 5 per cent of net assets. Any excess over the 5 per cent is carried forward to be included in the calculation of the amount that can be paid in future years. Except with Shareholder approval the maximum fee payable in any 12 month period will not exceed £7.5 million.

There are also provisions for a compensatory fee in circumstances where BSC is taken over or the incentive agreement between BSC and the Manager is terminated, which is calculated as a percentage of the fee that would otherwise be payable under that incentive agreement by reference to the accounting period following its termination. In this instance 80 per cent is payable in the first accounting period after such an event, 55 per cent in the second, 35 per cent in the third and nothing is payable thereafter.

- 5.5 By the terms of a letter of engagement dated 26 November 2016 between the Company and Panmure Gordon (UK) Limited (“Panmure Gordon”), Panmure Gordon agreed to act as brokers to the Company, and, inter alia, to act as a market maker in the Shares and to carry out Share purchases on the Company’s behalf. Panmure Gordon is entitled to receive an annual fee of £10,000, plus VAT if applicable, payable quarterly in advance on 1 January, 1 April, 1 July and 1 October. The Company indemnifies Panmure Gordon against losses arising out of Panmure Gordon’s appointment except where such losses arise from Panmure Gordon’s breach of agreement, negligence or wilful default.
- 5.6 The Deed of Release dated 21 June 2023 entered into by the Company which, subject to the passing of Resolution 2 at the General Meeting, waives any rights of the Company against the Directors and the Past Director who approved the allotment of the Excess Shares.

6. Significant Change

- 6.1 Save in respect of the net sum of £44.35 million raised under the 2022 Offers, there have been no significant changes in the financial position of the Company since 31 March 2023, the date of the last audited published financial information of the Company, to the date of this document.

7. Other

- 7.1. The Company was incorporated and registered in England and Wales on 6 December 1995 as a public company limited by shares under the Companies Act 1985 with registered number 03134749 (LEI: 213800QXD4A9A3GGB469).
- 7.2. Audited statutory accounts of the Company for the year ended 31 March 2023, in respect of which the Company's auditors, BDO LLP, registered auditor of 55 Baker Street, London W1U 7EU, a registered member firm of the Institute of Chartered Accountants in England and Wales, made an unqualified report under section 495 of the CA 2006, have been published and delivered to the Registrar of Companies and these audited statutory accounts did not contain any statements under section 498(2) or (3) of the CA 2006. A copy of these audited statutory accounts is available at www.bscfunds.com.
- 7.3. Under the 2022 Offers, Purvi Sapre subscribed for £6,000 of Shares. Save for this Director's subscription, the fees paid to the Directors as detailed in paragraph 3.3 above and the fees paid under the agreements detailed in paragraphs 5.1 to 5.4 above, there have been no other related party transactions or fees paid by the Company to a related party during the period of the audited statutory accounts referred to at paragraph 7.2 above and for the subsequent period up to the date of this document.
- 7.4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the 12 months immediately preceding the date of this document, which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.
- 7.5. Howard Kennedy has given and has not withdrawn its written consent to the issue of this document, with references to its name in the form and context in which they are included and the inclusion of the statement on page 6 of this document that Howard Kennedy has advised the Board that it considers the Deed of Release to be fair and reasonable so far as the Shareholders are concerned.

8. Documents Available for Inspection

The Articles and the New Articles will be available for inspection, by prior appointment, from the date of this document at the registered office of the Company during normal business hours on any day (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting and will also be available for inspection at the place of the General Meeting during, and for at least 15 minutes before, the General Meeting and may also be inspected at the Company's website address at www.bscfunds.com.

21 June 2023

Part IV - Definitions

“Articles”	the articles of association of the Company currently in force
“Article 3”	article 3 of the Articles
“BSC” or the “Company”	British Smaller Companies VCT plc
“BSC2”	British Smaller Companies VCT2 plc
“Board”	the board of BSC
“Business Day”	a day (excluding Saturday and Sunday and public holidays in England and Wales) when the banks are generally open for business in London
“CA 2006”	the Companies Act 2006
“Companies”	BSC and BSC2
“Deed of Release”	the deed of release proposed to be entered into by the Company in favour of the Directors and the Past Director who approved the allotment of the Excess Shares
“Directors”	the present directors of the Company (and each a “Director”)
“Excess Shares”	the Shares allotted by the Company as set out in the Annex to this document
“FCA”	the Financial Conduct Authority
“General Meeting” or “GM”	the general meeting of the Company convened for 14 September 2023 (or any adjournment thereof)
“Howard Kennedy”	Howard Kennedy Corporate Services LLP
“Listing Rules”	the Listing Rules pursuant to the FCA’s handbook
“Manager”	YFM Private Equity Limited, registered number 02174994, in its position as the FCA authorised and regulated subsidiary of YFM Equity Partners LLP, registered number OC384467
“NAV”	net asset value per Share
“New Articles”	the articles of association of the Company to be adopted pursuant to Resolution 3 at the General Meeting
“Past Director”	Helen Sinclair, a former director of the Company who approved an allotment of the Excess Shares
“Proposals”	the proposals to approve the Resolutions
“Resolutions”	the resolutions to be proposed at the General Meeting (and each a “Resolution”)
“RPI”	the general index of retail prices published by the Office of National Statistics each month
“Shareholders”	holders of Shares (and each a “Shareholder”)
“Shares”	ordinary shares of 10p each in the capital of the Company (and each a “Share”)

British Smaller Companies VCT plc

(Registered in England and Wales with registered number 03134749)

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a general meeting of British Smaller Companies VCT plc (the “**Company**”) will be held at 10 am on 14 September 2023, at 8-10 Hill Street, London, W1J 5NG for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions:

1. That,
 - 1.1 the allotment of the Excess Shares be ratified and adopted; and
 - 1.2 the Directors be retrospectively authorised and empowered to allot the Excess Shares as though the Articles had been amended with effect from 7 January 2022 to replace Article 3 by the following: “The authorised share capital of the Company as at 7 January 2022 is £26,824,695, divided into 268,246,950 Ordinary Shares of 10p each”).
2. That, conditional on the passing of Resolution 1 above, any and all claims which the Company may have against the Directors and the Past Director arising in relation to the allotment of the Excess Shares be released and that the Deed of Release in favour of the Directors and the Past Director be entered into by the Company in the form of the deed produced to the meeting and signed by the Chair for the purposes of identification.
3. That, the articles of association produced to the meeting, and for the purposes of identification initialled by the Chair, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

For the purpose of these Resolutions, words and expressions defined in the circular issued to Shareholders dated 21 June 2023 shall have the same meanings in these Resolutions, save where the context requires.

Dated 21 June 2023

By order of the Board

The City Partnership (UK) Limited
Secretary

Registered Office:

5th Floor, Valiant Building
14 South Parade
Leeds
LS1 5QS

Information regarding the General Meeting, including the information required by section 311A of the CA 2006 is available from: www.bscfunds.com.

Notes:

- (a) A member entitled to attend and vote at the General Meeting may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a member.
- (b) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

NOTICE OF GENERAL MEETING

- (c) A form of proxy is enclosed which, to be effective, must be completed and delivered to the registrars of the Company, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH or alternatively, you may register your proxy electronically at proxy-bsc-gm.cpip.io, in each case, so as to be received by no later than 48 hours before the time the General Meeting is scheduled to begin.

Appointment of a proxy, or any CREST proxy instruction (as described in paragraph (c) below) will not preclude a member from subsequently attending and voting at the meeting should they choose to do so. This is the only acceptable means by which proxy instructions may be submitted electronically.

- (d) To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (8RA57) not later than 48 hours (excluding non-working days) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (e) Any person receiving a copy of the Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a 'Nominated Person') should note that the provisions in Notes (a) and (b) above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only Shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
- (f) Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the General Meeting which relates to the business of the meeting although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting.
- (g) A copy of the Notice of General Meeting and the information required by Section 311A Companies Act 2006 is available from www.bscfunds.com. Copies of the Directors' letters of appointment, the register of Directors' interests in the ordinary shares of the Company kept in accordance with the Listing Rules and a copy of the articles of association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday from the date of this notice until the General Meeting, and at the place of that meeting for at least 15 minutes prior to the commencement of the meeting until its conclusion.
- (h) As at 20 June 2023 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 241,239,184 ordinary shares, carrying one vote each, and 22,007,765 treasury shares. Therefore, the total voting rights in the Company as at 20 June 2023 are 241,239,184.
- (i) 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, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
- (j) Except as provided above, members who have general queries about the General Meeting should contact Tracey Nice at YFM Private Equity Limited on 0113 261 6478/07500 330986 or tracey.nice@yfmepl.com. No investment advice can be given.
- (k) Members may not use any electronic address provided either in this notice of General Meeting, or any related documents (including the Chair's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

Annex

Schedule of Excess Shares

Date of Allotment	No. of Shares Allotted
7 January 2022	39,514,174
12 July 2022	1,029,555
3 October 2022	1,054,908
11 January 2023	2,507,454
4 April 2023	53,559,905
28 July 2023	Up to 5,000,001

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