

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what 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 of your shares in On the Beach Group plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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## **ON THE BEACH GROUP PLC**

### **Notice of Annual General Meeting**

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Notice of the Annual General Meeting of the Company to be held at 11.00 am on 5 February 2021 at Aeroworks, 5 Adair Street, Manchester M1 2NQ as set out at pages 4 to 8 of this circular.

**In light of the COVID-19 pandemic and in anticipation of social distancing measures remaining in force, it is intended that the meeting will be run as a closed meeting and shareholders must not attend in person. Shareholders are strongly advised to vote in advance of the meeting.**

Please vote electronically or request a proxy form from our Registrars and return such form, in each case, in accordance with the instructions contained in the notes to this Notice of Annual General Meeting. Proxy forms must be received by 11.00 am on 3 February 2021. Any proxy form received after this date will be invalid.

## LETTER FROM THE CHAIRMAN OF THE BOARD

5 January 2021

Dear Shareholder

### Annual General Meeting

The Annual General Meeting ('AGM') is to take place at 11.00 am on 5 February 2021 at Aeroworks, 5 Adair Street, Manchester M1 2NQ. The formal notice of the AGM is set out on pages 4 to 8 and an explanation of the resolutions to be proposed at the AGM is set out on pages 9 to 11 of this circular.

### Arrangements for the 2021 AGM

In light of the COVID-19 pandemic and in anticipation of social distancing measures remaining in force at the date of the AGM, it is intended that the meeting will be run as a closed meeting with only the Directors and Company Secretary present to conduct the formal business in accordance with the provisions of the Corporate Insolvency and Governance Act 2020 (as amended). We ask therefore that shareholders do not attend the meeting in person. Shareholders and guests who travel to the meeting will not be admitted.

The Board will, however, continue to monitor developments in relation to the pandemic. Should guidance issued by the UK Government change in advance of the meeting, then the Board will look to hold an open meeting if this can be done safely and we will update shareholders accordingly if that is the case. We therefore ask shareholders to monitor the Company's website and regulatory news for any further updates in relation to the arrangements for the AGM.

Shareholders are strongly advised to vote in advance of the meeting. Given that the AGM will be run as a closed meeting (unless notified otherwise), shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy. If you appoint any person other than the Chairman of the meeting as your proxy, such person will not be permitted to attend the AGM in person as things currently stand. In these circumstances, your appointment will be deemed to be an appointment of the Chairman of the meeting. This will ensure that your vote still counts.

### Shareholder Engagement

The directors recognise that the AGM provides an important opportunity to engage with shareholders and that, notwithstanding the ongoing COVID-19 pandemic, it is important to maintain that.

Shareholders are invited to submit any questions on the formal business of the meeting or which they may have wanted to ask at the Company's usual post-meeting Q&A. Questions should be submitted to [AGM2021@onthebeach.co.uk](mailto:AGM2021@onthebeach.co.uk) before 11am on 3 February 2021. We will endeavour to respond to questions as soon as practicable. Questions which relate to the same issue may be grouped together, and responses will be published on our website. Please note that the e-mail address above is only to be used for submitting questions in advance of the meeting and for no other purpose. Any questions received will be answered in accordance with paragraph 9 of the general notes to the notice of meeting.

### Voting

Voting on all resolutions will be conducted by way of a poll meaning that shareholders will have one vote for each ordinary share held.



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5 Adair Street, Manchester M1 2NQ

On the Beach Group plc, a company registered in England and Wales with company registration number 09736592

**Action to be taken**

Your vote is important and you can vote by either using our electronic voting facility at [www.signalshares.com](http://www.signalshares.com), requesting a hard copy form of proxy from our Registrars, Link Asset Services, or, for CREST members, by utilising the CREST electronic proxy appointment service. Further details regarding the different means of voting are set out in the notes to the notice of meeting.

The results of the AGM will be announced through a Regulatory Information Service and on the Company website, [www.onthebeachgroupplc.com](http://www.onthebeachgroupplc.com) as soon as possible once known.

**Recommendation**

The directors of the Company consider that all the resolutions to be considered at the AGM are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions, as they intend to do in respect of their own beneficial holdings (save in respect of those resolutions in which they are interested).

Yours sincerely

**Richard Pennycook**  
*Chairman of the Board*  
*On the Beach Group plc*

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of On the Beach Group plc (Company) will be held at 11.00 am on 5 February 2021 at Aeroworks, 5 Adair Street, Manchester, M1 2NQ.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12 to 15 will be proposed as special resolutions.

### RESOLUTIONS

#### ORDINARY RESOLUTIONS

- 1 To receive the annual accounts of the Company for the year ended 30 September 2020 together with the reports of the directors and the auditor thereon.
- 2 To approve the directors' remuneration report (other than the part containing the summary of the directors' remuneration policy) for the year ended 30 September 2020.
- 3 To reappoint Richard Pennycook as a director of the Company.
- 4 To reappoint Simon Cooper as a director of the Company.
- 5 To appoint Shaun Morton as a director of the Company.
- 6 To reappoint David Kelly as a director of the Company.
- 7 To reappoint Elaine O'Donnell as a director of the Company.
- 8 To reappoint Ernst & Young LLP as auditor to the Company for the period from the conclusion of this meeting to the conclusion of the next general meeting of the Company at which accounts are laid.
- 9 To authorise the directors to determine the auditor's remuneration.
- 10 That the directors are 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 £1,049,588.24, of which one-half may be allotted or made the subject of Allotment Rights in any circumstances and the other half may be allotted or made the subject of Allotment Rights pursuant to any rights issue (as referred to in the Financial Conduct Authority's listing rules) or pursuant to any arrangements made for the placing or underwriting or other allocation of any shares or other securities included in, but not taken up under, such rights issue;
  - (b) this authority shall expire on 31 March 2022 or, if earlier, on the conclusion of the Company's next annual general meeting;
  - (c) the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry and the directors may allot shares or grant Allotment Rights under any such offer or agreement as if the authority had not expired; 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.
- 11 That, from the date of this resolution until the earlier of 31 March 2022 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
  - (c) to incur political expenditure,

up to an aggregate total amount of £50,000, 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 board 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”.

### SPECIAL RESOLUTIONS

12 That, subject to the passing of resolution 10 in the notice of this meeting, the directors are empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 10 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 Financial Conduct Authority’s listing rules) or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security 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 15(a) above) with an aggregate nominal value of £78,719.12,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 10 in the notice of this meeting, 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 and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

13 That, subject to the passing of resolution 10 in the notice of this meeting and in addition to the power contained in resolution 12 set out in the notice of this meeting, the directors are empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash, pursuant to the authority conferred on them by resolution 10 in the notice of this meeting or by way of sale of treasury shares as if section 561 of that Act did not apply to any such allotment, provided that this power is:

- (a) limited to the allotment of equity securities up to an aggregate nominal value of £78,719.12; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within six months after the date of the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of this meeting,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by resolution 10 in the notice of this meeting, 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 and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

- 14 That the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in section 693(4) of the Companies Act 2006) of its own shares up to an aggregate number of 15,743,824 ordinary shares (representing approximately 10% of the Company's issued ordinary share capital) subject to:
- (a) the minimum price per ordinary share, excluding expenses, being £0.01; and
  - (b) the maximum price per ordinary share, excluding expenses, being the higher of:
    - (i) 5% above the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for an ordinary share over five business days before the purchase; and
    - (ii) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out.

This authority shall expire on 31 March 2022 or, if earlier, on the conclusion of the Company's next annual general meeting (unless previously revoked or varied by the Company in general meeting) save that under such authority the Company may, before such expiry, enter into any contract for the purchase of its own shares which might be executed and completed wholly or partly after such expiry and to make purchases of its own shares in pursuant of any such contract or contracts.

- 15 That any general meeting of the Company that is not an annual general meeting may be called by not less than 14 clear days' notice.

**By order of the Board**

**Kirsteen Vickerstaff**

*Company Secretary*

Dated: 5 January 2021

**On the Beach Group plc**

Registered in England and Wales No 09736592

Registered Office: 5 Adair Street, Manchester, M1 2NQ

## NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

- 1 As explained in the Chairman's letter, due to the COVID-19 pandemic and the current legislation and guidance issued by the UK Government, unless shareholders are notified otherwise, the AGM will be run as a closed meeting with only the Directors and Company Secretary permitted to attend. As permitted by the Corporate Insolvency and Governance Act 2020, members will not be permitted to attend the AGM in person.
- 2 Every eligible member is entitled to appoint one or more proxies to exercise all or any of his or her rights in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member and subject to the above restrictions on attendance at the AGM. Members who wish to appoint a proxy to vote at the AGM should appoint the Chairman of the meeting. In light of the social distancing measures currently imposed by the UK Government as a result of the current COVID-19 pandemic, any proxy you appoint other than the Chairman of the meeting will be refused entry to the meeting. Subject to any other decision by the Board, if a member appoints any person(s) other than the Chairman of the meeting as their proxy, such member shall be deemed to have appointed the Chairman of the meeting and not the other named person(s) as their proxy.
- 3 The right of a member of the Company to vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by the close of business on 3 February 2021 in order to be entitled to attend and vote at the meeting as a member in respect of those shares. References in this note to the right to attend the AGM shall as regards attendance at the meeting in person be read subject to note 1 above and to any legislation temporarily limiting such right.
- 4 It is intended that each resolution will be voted on by way of a poll, rather than on a show of hands.
- 5 Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member in accordance with section 323 of the Companies Act 2006, provided that they do not do so in relation to the same shares. Any such representative should present 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. Please note that, unless the Board decides otherwise, a person other than the Chairman of the meeting who is appointed as a representative will not be permitted to attend the meeting in person.
- 6 Any member wishing to vote at the meeting or (in the case of a corporation) through its duly appointed representative may do so either:
  - (a) by logging on to [www.signalshares.com](http://www.signalshares.com) and following the instructions
  - (b) by requesting a hard copy form of proxy directly from the Registrars, Link Asset Services, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can request a hard copy form of proxy by emailing [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)
  - (c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below

In order for a proxy appointment to be valid a 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 item) to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by 11am on 3 February 2021.
- 7 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 (nominated person) may have a right under an agreement between him and that 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 2 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.
- 8 As at 21 December 2020 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 157,438,238 ordinary shares, carrying one vote each, and (ii) the total voting rights in the Company were 157,438,238.

- 9 Subject to any legislation temporarily limiting such right, each member 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. Members who wish to ask questions relating to the business of the meeting can do so by sending them in advance of the meeting to [AGM2021@onthebeach.co.uk](mailto:AGM2021@onthebeach.co.uk) before 11am on 3 February 2021. 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.onthebeachgroupplc.com](http://www.onthebeachgroupplc.com). A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
- 10 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 that Act setting out any matter that 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 auditors 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.
- 11 CREST members who wish to appoint one or more proxies through the CREST system may do so by using 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. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (CREST proxy appointment instruction) 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, 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 be transmitted so as to be received by Link Asset Services (ID RA10), as the Company's "issuer's agent", by 11am on 3 February 2021. 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 instructions. 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.

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The following notes provide an explanation as to why the resolutions set out in the notice are to be put to shareholders.

**Resolutions 1 to 11 are ordinary resolutions. These resolutions will be passed if more than 50% of the votes cast for or against are in favour.**

### **Resolution 1 – Laying of accounts**

The directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the directors and auditor, and the audited accounts of the Company, for the year ended 30 September 2020. The reports of the directors and the audited accounts have been approved by the directors, and the report of the auditor has been approved by the auditor, and a copy of each of these documents may be found in the annual accounts and reports.

### **Resolution 2 – Directors' remuneration report**

This resolution seeks shareholders' approval for the directors' remuneration report for the year ended 30 September 2020. The directors' remuneration report can be found on pages 84 to 106 (inclusive) of the annual report and accounts.

Resolution 2 is proposed as an ordinary resolution. The vote is advisory in nature and the directors' entitlement to remuneration is not conditional on the resolution being passed. This resolution does not include the parts of the directors' remuneration report containing the summary of the directors' remuneration policy set out on pages 89 to 92 (inclusive) of the annual report and accounts (the full policy, which was approved at the 2019 AGM, is detailed in our 2018 annual report and accounts, which can be found on the Company's corporate website, [www.onthebeachgroupplc.com](http://www.onthebeachgroupplc.com)). The Companies Act 2006 requires the directors' 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 three years. The Company is not proposing any changes to the directors' remuneration policy approved at the annual general meeting in 2019.

### **Resolutions 3 to 7 – Appointment/reappointment of directors of the Company**

Shaun Morton was appointed to act as a director by the Board on 17 July 2020 and, in line with Article 19.2 of the Company's Articles of Association (the Articles), Shaun is retiring and seeking appointment by the shareholders. Details of the recruitment process that was followed and resulted in the selection of Shaun Morton as Chief Financial Officer is set out on page 76 of the annual report and accounts.

In accordance with the provisions of the UK Corporate Governance Code and best practice, all directors wishing to continue their appointments are seeking re-appointment by the Company's shareholders.

Having undertaken a review of each director's skillset and looking at the knowledge, experience, background and diversity represented by the current directors, the Nomination Committee believes that the Board has a good blend of commercial and governance experience, with a diverse range of skills and backgrounds. Richard Pennycook, in his capacity as Chairman of the Board, is satisfied that each of the directors standing for re-election continues to be effective and demonstrates a commitment to the role. This follows a process of performance evaluation which confirmed that each director makes an effective and valuable contribution to the board and that each of the directors continues to be able to dedicate sufficient time to their duties. The directors retiring and seeking reappointment are Richard Pennycook, Simon Cooper, David Kelly and Elaine O'Donnell. Biographical information in relation to each of the directors is shown on pages 64 to 65 of the annual report and accounts. Such biographies summarise the skills and experience of each of the directors, which highlight their individual contributions to the Board and their composite experience.

### **Resolution 8 – Reappointment of Auditor**

The Company is required to appoint an auditor at every general meeting at which accounts are presented to hold office until the conclusion of the next general meeting at which accounts are presented and the Directors are proposing the reappointment of EY LLP as the Company's Auditor.

The Audit Committee have recommended the appointment of EY LLP and have confirmed that such recommendation is free from influence by a third party and that no restrictive contractual terms have been imposed on the Company.

#### **Resolution 9 – Auditor’s remuneration**

In accordance with standard practice, this resolution gives authority to the Directors, acting through the Audit Committee, to determine the Auditor’s remuneration.

#### **Resolution 10 – Authority of the directors to allot shares**

This resolution, if passed, gives the directors authority to allot relevant securities in the Company and to grant rights to subscribe for or to convert any security into shares in the Company.

Paragraph (a) of resolution 10, if passed, would give the directors the authority to allot shares or grant rights to subscribe for or to convert any security into shares in the Company an aggregate nominal amount of £1,049,588.24 (representing 104,958,824 Ordinary Shares) which represents approximately two-thirds of the existing issued share capital of the Company calculated as at 21 December 2020 (being the latest practicable date prior to publication of this notice).

Half of this amount (being an aggregate nominal amount of £524,794.12 (representing 52,479,412 Ordinary Shares)) may be allotted or made the subject of rights to subscribe for or to convert any security into shares in any circumstances and the other half (being an aggregate nominal amount of £524,794.12 (representing 52,479,412 Ordinary Shares)) may be allotted or made the subject of rights to subscribe for or to convert any security into shares in connection with a rights issue, to existing shareholders in proportion (as nearly as may be practicable) to their existing shareholdings.

The directors are seeking this resolution to ensure that the Company has maximum flexibility in managing the Company’s resources. The directors have no present intention to exercise this authority and would use it only if satisfied at the time that to do so would be in the interests of the Company. The terms of this resolution comply with guidance issued by the Investment Association. The authority granted by this resolution will expire on 31 March 2022 or, if earlier, on the conclusion of the Company’s next annual general meeting. The Company does not currently hold any shares in treasury.

#### **Resolution 11 – Political donations**

Although the Company does not make donations to or incur expenditure on behalf of political parties, other political organisations or independent election candidates, the Companies Act 2006 defines these terms very widely, such that activities that form part of the normal relationship between the Company and bodies concerned with policy review, law reform and other business matters affecting the Company may be included. Such activities, which are in the shareholders’ interests for the Company to conduct, are not designed to support or implement support for a particular political party, other political organisation or independent election candidate. The Company believes that the authority proposed under this resolution is only necessary to ensure that it does not commit any technical breach that could arise from the uncertainty generated by the wide definitions contained within the Companies Act 2006 when carrying out activities in the furtherance of its legitimate business interests. The Company neither made political donations nor incurred political expenditure in the financial year ended 30 September 2020.

**Resolutions 12 to 15 are special resolutions. These resolutions will be passed if not less than 75% of the votes cast for and against are in favour.**

#### **Resolutions 12 and 13 – Disapplication of statutory pre-emption rights**

Resolutions 12 and 13, if passed, give the directors authority to allot ordinary shares or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. These resolutions reflect the Pre-emption Group’s Statement of Principles which states that a company may seek power to issue, on a non-pre-emptive basis for cash, in any one year, shares representing no more than 5% of the company’s issued ordinary share capital for any purposes, and an additional 5% of the company’s issued ordinary share capital in connection with an acquisition or a form of capital investment contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group.

Resolution 12, if passed, will permit the directors to allot ordinary shares for cash on a non-pre-emptive basis both in connection with a rights issue or similar pre-emptive issues and, otherwise in connection with such issue, up to a maximum nominal amount of £78,719.12. This amount represents approximately 5% of the Company's issued ordinary share capital as at 21 December 2020 (being the last practicable date prior to publication of this notice). This resolution will allow the directors to allot shares for cash, up to the specified level, in any circumstances.

Resolution 13, if passed, will permit the directors to allot ordinary shares for cash on a non-pre-emptive basis up to a further maximum nominal amount of £78,719.12. This amount again represents approximately 5% of the Company's issued ordinary share capital as at 21 December 2020 (being the last practicable date prior to publication of this notice). This resolution will allow the directors to allot shares only in connection with an acquisition or capital investment contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group.

The directors are seeking these resolutions to ensure that the Company has maximum flexibility in managing the Company's resources. The directors have no present intention to exercise these authorities and would only do so if they were satisfied that it would be in the best interests of the Company. The authority granted by this resolution will expire on 31 March 2022 or, if earlier, on the conclusion of the Company's next annual general meeting.

#### **Resolution 14 – Purchase of own shares**

This resolution, if passed, gives the Company authority to purchase its own ordinary shares and is proposed as a special resolution.

The authority sought covers up to a maximum of 15,743,824 shares, representing approximately 10% of the issued share capital as at 21 December 2020 (being the latest practicable date prior to publication of this notice).

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

Purchases would only be made after careful consideration and where the directors believe that it would be in the best interests of the shareholders generally and if it would result in an increase in earnings or net assets per share for the remaining shareholders. The Company has not purchased any ordinary shares to date and the directors have no current intention to use this authority but consider it prudent to obtain authority so as to preserve flexibility.

The minimum price that the Company can pay for an ordinary share, excluding expenses, is £0.01 and the maximum price, excluding expenses, is the higher of (a) 5% above the average of the middle market quotations as derived from the London Stock Exchange Daily Official List for an ordinary share over five business days before the purchase, and (b) the higher of the price of the last independent trade and the highest current independent bid on the market where the purchase is carried out. Any ordinary shares so purchased would be either held as treasury shares or cancelled.

As at 21 December 2020, there were 2,747,561 options to subscribe for ordinary shares in the capital of the Company, representing 1.75 % of the Company's issued ordinary share capital. If the authority conferred by Resolution 14 were to be exercised in full, these options would represent 1.94 % of the issued ordinary share capital of the Company.

The authority granted by this resolution will expire on 31 March 2022 or, if earlier, on the conclusion of the Company's next annual general meeting.

#### **Resolution 15**

General meetings (other than AGMs) must be held on at least 21 days' notice unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. AGMs must always be held on at least 21 clear days' notice. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole.

The authority granted by this resolution will expire on 31 March 2022 or, if earlier, on the conclusion of the Company's next annual general meeting.

