

**This document is important and requires your immediate attention.**

If you are in any doubt as to any aspects of the proposals referred to in this document or about the action you should take, you should seek your own personal financial advice from your stockbroker, accountant, solicitor, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred your shares in S&U plc, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However such documents should not be distributed, forwarded or transmitted into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

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## **S&U Plc**

*(incorporated and registered in England and Wales under registration number 342025)*

# **NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY CIRCULAR TO SHAREHOLDERS**

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Notice convening the Annual General Meeting of S&U plc (“the Company”) to be held at Nuthurst Grange, Hockley Heath, Warwickshire B94 5NL on Thursday 23 May 2019 at 12 noon is set out at the end of this document. Shareholders will find enclosed a form of proxy for use in connection with the Annual General Meeting. Shareholders are requested to complete the form of proxy in accordance with the instructions printed on it and return it to the Company’s registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive no later than 12 noon on Tuesday 21 May 2019. As an alternative to completing your hardcopy proxy form, you can appoint a proxy electronically at **[www.signalshares.com](http://www.signalshares.com)**. For an electronic proxy appointment to be valid, your appointment must be received by no later than 12 noon on Tuesday 21 May 2019.

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 2 to 4 of this document which recommends you to vote in favour of the resolutions to be proposed at the Annual General Meeting.

**S&U Plc**  
2 Stratford Court  
Cranmore Boulevard  
Solihull  
Birmingham  
B90 4QT

17 April 2019

*To ordinary and preference shareholders*

Dear Shareholder

### **Annual General Meeting 2019**

The 2019 Annual General Meeting of the Company will be held at Nuthurst Grange Hotel, Hockley Heath, Warwickshire B94 5NL on Thursday 23 May 2019 at 12 noon. The formal notice of the meeting is set out at the end of this document.

I am writing to give you details of the items of business that will be put before the meeting.

This year, shareholders will be asked to approve 17 resolutions. Resolutions 1 to 15 will be proposed as ordinary resolutions. This means that more than 50 per cent of the votes cast must support these resolutions. Resolutions 16 and 17 will be proposed as special resolutions. At least 75 per cent of the votes cast must support these resolutions if they are to be passed.

#### **Resolution 1: Annual report and accounts**

Each year the directors of the Company are required to lay before the annual general meeting the annual report and accounts of the Company together with the directors' report and auditors' report on those accounts. The annual report and accounts for the year ended 31 January 2019 are available on the Company's website at [www.suplc.co.uk](http://www.suplc.co.uk). In order to reduce our impact on the environment we encourage shareholders to receive electronic communications wherever possible. If you have elected to receive correspondence in hard copy, the copy of the annual report and accounts for the year ended 31 January 2019 will accompany this document.

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

As we are a listed company, it is a statutory requirement that the directors' remuneration report (other than the directors' remuneration policy) be subject to an advisory vote by shareholders at the annual general meeting. The directors' remuneration report describes how the Company's directors' remuneration policy has been implemented during the previous financial year and will be implemented in the current financial year. This vote is advisory and not binding, and, therefore, no entitlement of a director to remuneration is conditional on it.

The directors' remuneration report for the year ended 31 January 2019 is set out in full on pages 18 to 28 of this year's annual report and accounts.

#### **Resolution 3: Final dividend**

The directors are recommending a final dividend of 51 pence per ordinary share to holders of ordinary shares whose names appear on the register at the close of business on 21 June 2019. If approved, the final dividend will be paid on 12 July 2019.

#### **Resolutions 4 to 11: Reappointment of directors**

Resolutions 4 to 11, propose the reappointment of Anthony Coombs, Fiann Coombs, Graham Coombs, Tarek Khlat, Demetrios Markou, Graham Pedersen, Chris Redford and Guy Thompson as directors of the Company. In accordance with provision 18 of the UK Corporate Governance Code, at each annual general meeting, all directors wishing to continue in office will submit themselves for election or re-election. All of the directors will stand for re-election at the 2019 Annual General Meeting.

Biographical details of each of these directors are set out on pages 16 and 17 of this year's annual report and accounts and in the case of any non-executive directors proposed to be reappointed further explanation is given on page 32 of this year's annual report and accounts.

## **Resolutions 12 and 13: Reappointment and remuneration of auditors**

The Company is required to appoint auditors at each annual general meeting at which its annual accounts are laid, to hold office until the next such meeting. Therefore, Resolution 12 proposes the reappointment of Deloitte LLP as auditors and, in accordance with normal practice, Resolution 13 authorises the directors to determine the auditors' remuneration.

## **Resolution 14: Political donations and political expenditure**

The Company's policy is not to make donations to political parties and there is no intention to change that policy. However the Companies Act 2006 ("Act") defines political expenditure, political donations and political organisations very widely such that normal business activities which might not be thought to be political expenditure or a political donation to a political organisation in the usual sense may be included and thus require prior shareholder approval. For example, sponsorship of industry forums, funding of seminars and other functions to which politicians are invited, matching employees' donations to certain charities, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community and communicating with the Government and political parties at local, national and European level may fall under the terms of the Act.

Accordingly, the Company, in common with many other public companies, proposes to seek authority to incur a level of political donations and political expenditure to cover these kinds of activities on a precautionary basis, in order to avoid possible inadvertent contravention of the Act. The authority does not purport to authorise any particular donation or expenditure but is expressed in general terms, as required by the Act. Furthermore, as permitted under the Act, the authority covers any political donations made or political expenditure incurred, by any subsidiaries of the Company and covers three categories: (i) donations to political parties or independent election candidates; (ii) donations to political organisations; and (iii) political expenditure. Therefore, as a precautionary measure, you will be asked to give the Company authority to make political donations to political parties or independent election candidates not exceeding £20,000 in total, to make political donations to political organisations (other than political parties) not exceeding £20,000 in total and to incur political expenditure not exceeding £50,000 in total.

If given, this authority will expire at the conclusion of the Company's next annual general meeting. It is the directors' intention to renew this authority each year.

## **Resolution 15: Authority to allot shares**

Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 15 is in two parts.

If passed, part (a) of resolution 15 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company) in connection with a rights issue only up to an aggregate nominal amount of £150,142 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (b) of resolution 15). This amount (before any reduction) represents approximately 10% of the issued ordinary share capital of the Company as at 12 April 2019, being the last practicable date before the publication of this document.

If passed, part (b) of resolution 15 will authorise the directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £150,142 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part (a) of resolution 15). This amount (before any reduction) represents approximately 10% of the issued ordinary share capital of the Company as at 12 April 2019, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next AGM or on 23 August 2020 (whichever is the earlier). It is the directors' intention to renew the allotment authority each year.

As at the date of this document, no ordinary shares are held by the Company in treasury.

The directors have no current intention to exercise either of the authorities sought under resolution 15. However, the directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

## **Resolutions 16 and 17: Purchase by the Company of its own shares**

Resolutions 16 and 17, which will be proposed as special resolutions, seek to renew a similar authority granted at the Company's last annual general meeting. If passed, Resolution 16 will allow the Company to buy back up to £200,000 4.2 per cent cumulative preference shares in the market. Resolution 17 will, if passed, allow the Company to buy back up to 3,598,506 31.5 per cent cumulative preference shares in the market. The directors have no current intention of exercising either authority and would only do so if they were satisfied that the purchases would be likely to result in an increase in expected earnings per share, and would be in the best interests of shareholders generally.

Any shares purchased under this authority would be cancelled. The board does not intend that any shares will be held as treasury shares.

If given, these powers will expire at the conclusion of the Company's next AGM or on 23 August 2020 (whichever is the earlier). It is the directors' intention to renew these powers each year.

### **Recommendation**

The directors consider that the resolutions set out in the notice of annual general meeting at the end of this document are in the best interests of the Company and its shareholders as a whole and, accordingly, recommend that you vote in favour of them, as the directors intend to do in respect of their own beneficial shareholdings.

### **Action to be taken**

You will find enclosed a proxy form for use in respect of the annual general meeting. As a member you are entitled to appoint one or more persons as proxies to exercise all or any of your rights to attend, speak and vote at the annual general meeting. A proxy need not be a member of the Company. You may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by photocopying the proxy form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. If you do not intend to attend the meeting in person, please complete and return this form indicating how you wish your votes to be cast on each of the resolutions. You will still be able to attend and vote at the meeting should you wish to do so.

To be effective, the proxy form must be completed in accordance with the instructions printed on it and returned as soon as possible but, in any event, so as to reach the Company's registrar, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 12 noon on Tuesday 21 May 2019 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.signalshares.com](http://www.signalshares.com). For an electronic proxy appointment to be valid, your appointment must be received by no later than 12 noon on Tuesday 21 May 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Yours sincerely

**Anthony Coombs**

Chairman

## NOTICE OF MEETING

Notice is hereby given that the 2019 Annual General Meeting of S&U plc will be held at Nuthurst Grange Hotel, Hockley Heath, Warwickshire B94 5NL on Thursday 23 May at 12 noon for the following purposes:

To consider and, if thought fit, pass the following resolutions. Resolutions 1 to 15 will be proposed as ordinary resolutions and resolutions 16 to 17 will be proposed as special resolutions.

### Ordinary Resolutions

1. To receive the directors' report and the Company's annual accounts for the year ended 31 January 2019, together with the auditor's report on those accounts and the auditable part of the directors' remuneration report.
2. To approve the directors' remuneration report (other than the part that contains the director's remuneration policy) for the year ended 31 January 2019.
3. To declare a final dividend for the year ended 31 January 2019 of 51.0 pence per ordinary share in the capital of the Company, to be paid on 12 July 2019 to holders of ordinary shares whose names appear on the register at close of business on 21 June 2019.
4. To re-elect as a director of the Company Anthony Coombs (Age 66)
5. To re-elect as a director of the Company Fiann Coombs (Age 50)
6. To re-elect as a director of the Company Graham Coombs (Age 66)
7. To re-elect as a director of the Company Tarek Khlat (Age 52)
8. To re-elect as a director of the Company Demetrios Markou (Age 75)
9. To re-elect as a director of the Company Graham Pedersen (Age 64)
10. To re-elect as a director of the Company Chris Redford (Age 54)
11. To re-elect as a director of the Company Guy Thompson (Age 63)
12. To re-appoint Deloitte LLP as auditors of the Company until the conclusion of the next annual general meeting at which accounts are laid before the Company.
13. To authorise the directors to fix the remuneration of the auditors.
14. That pursuant to section 366 of the Companies Act 2006 ("2006 Act"), the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution shall have effect, be and are hereby authorised, in aggregate:
  - (a) to make political donations (as defined in section 364 of the 2006 Act) ("Political Donations") to political parties (as defined in section 363(1) of the 2006 Act) ("Political Parties") and/or to independent election candidates (as defined in section 363(3) of the 2006 Act) not exceeding £20,000 in total;
  - (b) to make Political Donations to political organisations (as defined in section 363(2) of the 2006 Act) other than Political Parties not exceeding £20,000 in total; and
  - (c) (to incur political expenditure (as defined in section 365 of the 2006 Act) ("Political Expenditure") not exceeding £50,000 in total,

in each case, during the period beginning with the date of the passing of this resolution and ending on the conclusion of the next AGM of the Company after the passing of this resolution or on 23 August 2020 (whichever is the earlier). In any event: (i) the aggregate amount of Political Donations and Political Expenditure to be made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £90,000; and (ii) each of the amounts referred to in this resolution may comprise one or more sums in different currencies which, for the purposes of calculating any such amount, shall be converted at such rate as the directors may, in their absolute discretion, determine to be appropriate.

15. That, pursuant to section 551 of the 2006 Act, the directors be and they are generally and unconditionally authorised to exercise all the powers of the Company to allot Relevant Securities:

(a) comprising equity securities (as defined in section 560(1) of the 2006 Act) up to an aggregate nominal amount of £150,142 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (b) of this resolution) in connection with a rights issue:

(i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

(ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

(b) otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £150,142 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph (a)),

provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on 23 August 2020 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, "**Relevant Securities**" means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 551 of the 2006 Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

## **Special Resolutions**

16. That the Company be generally and unconditionally authorised, in accordance with Section 701 of the 2006 Act, to make market purchases (within the meaning of Section 693(4) of the 2006 Act) of Cumulative Preference Shares of £1 each in the capital of the Company ("**Cumulative Preference Shares**") provided that:

(a) the maximum number of 4.2 per cent Cumulative Preference Shares hereby authorised to be purchased is 200,000;

(b) the price to be paid for the shares is such price as the Board considers to be reasonable and in the interests of shareholders as a whole, having taken independent financial advice.

(c) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on 23 August 2020 (whichever is the earlier) unless such authority is renewed prior to that time (except in relation to the purchase of Cumulative Preference Shares the contract for which was concluded before such time and which will or may be executed wholly or partly after such time).

17. That the Company be generally and unconditionally authorised, in accordance with Section 690 of the 2006 Act, to make market purchases (within the meaning of Section 693 of the 2006 Act) of 31.5 per cent Cumulative Preference Shares of £0.125 each in the capital of the Company ("31.5 per cent Cumulative Preference Shares") provided that:

(a) the maximum number of 31.5 per cent Cumulative Preference Shares hereby authorised to be purchased is 3,598,506;

(b) the price to be paid for the shares is such price as the Board considers to be reasonable and in the interests of shareholders as a whole, having taken independent financial advice.

(c) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or on 23 August 2020 (whichever is the earlier) unless such authority is renewed prior to that time (except in relation to the purchase of 31.5 per cent Cumulative Preference Shares the contract for which was concluded before such time and which will or may be executed wholly or partly after such time).

By Order of the Board

**Chris Redford**

Secretary

17 April 2019

Registered office: 2 Stratford Court, Cranmore Boulevard, Solihull, West Midlands, B90 4QT.

## Notes:

1. Only shareholders whose names appear on the register of members of the Company as at close of business on 21 May 2019 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
2. A shareholder is entitled to appoint one or more persons as proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by photocopying the proxy form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the shareholder may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. The right of a shareholder under section 324 of the 2006 Act to appoint a proxy does not apply to a person nominated to enjoy information rights under section 146 of the 2006 Act.

Any person to whom this Notice is sent who is a person nominated under Section 146 of the 2006 Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting if he or she so wishes. A proxy may only be appointed in accordance with the procedures set out in this note 3 and note 4 below and the notes to the proxy form.

3. As at 12 April 2019 (being the last practicable date prior to the publication of this notice), the Company's issued ordinary share capital consists of 12,011,426 ordinary shares of £0.125 each, 200,000 4.2% cumulative preference shares of £1 each and 3,598,506 31.5% cumulative preference shares of £0.125 each. The ordinary shares carry one vote each at the AGM, whilst neither the 4.2% cumulative preference shares nor the 31.5% cumulative preference shares carry a vote at the business of the AGM and therefore, the total voting rights in the Company for the purposes of the resolutions proposed at the AGM as at 12 April 2019 are 12,011,426.

A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Link Asset Services, PXS , 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 12 noon on Tuesday 21 May 2019 (or, in the event that the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.signalshares.com](http://www.signalshares.com). For an electronic proxy appointment to be valid, your appointment must be received by no later than 12 noon on Tuesday 21 May 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

4. A shareholder or shareholders having a right to vote at the meeting and holding at least five per cent of the total voting rights of the Company, or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital, may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the meeting relating to either the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last annual general meeting of the Company in accordance with section 527 of the 2006 Act.

Any such request must:

- identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;
- may be made either:
  - (i) in hard copy, by sending it to the Company Secretary, 2 Stratford Court Cranmore Boulevard, Solihull, B90 4QT; or
  - (ii) in electronic form, by sending it to fax number 0121 7057878 marked for the attention of the Company Secretary or email [info@suplc.co.uk](mailto:info@suplc.co.uk) (please insert "S & U: AGM" in the subject line of the email);
- state the full name(s) and address(es) of the shareholder(s);
- where the request is made in hard copy form (or by fax) be signed by the shareholder(s); and
- be received by the Company at least one week before the meeting.
- Where the Company is required to publish such a statement on its website:
  - (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
  - (ii) it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website; and
  - (iii) the statement may be dealt with as part of the business of the meeting.

5. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with section 319A of the 2006 Act. The Company must answer any such question unless:

- to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the meeting that the question be answered

6. The following information is available for inspection during normal business hours at the registered office of the Company (excluding weekends and public holidays). It will also be available for inspection at the place of the AGM from 15 minutes immediately before the meeting until its conclusion:

- copies of the service contracts and letters of appointment of the directors;

7. Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out on pages 16 and 17 of the annual report and accounts.

8. The information required by section 311A of the 2006 Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at [www.suplc.co.uk](http://www.suplc.co.uk).

Except as provided above, shareholders who wish to communicate with the Company in relation to the meeting should do so using the email address [info@suplc.co.uk](mailto:info@suplc.co.uk). No other methods of communication will be accepted.