

## Notice of annual general meeting

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the capital of the Company, please forward this document to the purchaser or transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

### THE SIMPLYBIZ GROUP plc (the “Company”)

(incorporated in England & Wales with registered number 09619906)

#### Directors:

Ken Davy (Chairman)  
 Neil Stevens (Joint CEO)  
 Matt Timmins (Joint CEO)  
 Gareth Hague (Group Finance Director)  
 Tim Trotter (Non-Executive Director)  
 Tim Clarke (Independent Non-Executive Director)  
 Gary Hughes (Senior Independent Non-Executive Director)

9 March 2020

#### Registered Office:

The SimplyBiz Group plc  
 The John Smith’s Stadium  
 Stadium Way  
 Huddersfield  
 HD1 6PG

### To the holders of Ordinary Shares

Dear Shareholder

#### 2020 annual general meeting

On behalf of the Directors of The SimplyBiz Group plc (together the “Directors”), it gives me great pleasure to invite you to attend the annual general meeting (“AGM”) of The SimplyBiz Group plc (the “Company”) which will be held at our registered office: The John Smith’s Stadium, Stadium Way, Huddersfield, HD1 6PG on Monday 27 April 2020 at 12:00 noon (UK time).

A copy of the 2019 annual report and accounts is enclosed. This contains the financial statements for the year ended 31 December 2019. A resolution relating to the financial statements is included in the ordinary business of the AGM.

The formal Notice of AGM is set out on pages 80 to 82 of this document, detailing the resolutions that the shareholders are being asked to vote on with explanatory notes of the business to be conducted at the AGM on pages 85 to 87. Details of the arrangements for the AGM are set out on pages 83 and 84. The AGM provides shareholders with an opportunity to communicate with the Directors and we welcome your participation.

#### Action to be taken

Shareholders are requested to ensure any proxy appointments are received by close of business on Thursday 23 April 2020. The easiest way to do this is to visit [www.signalshares.com](http://www.signalshares.com) and follow the instructions for electronic submission. Alternative methods are outlined in paragraphs 2 and 3 of the section marked “Important Information” within the notice. The return of a form of proxy will not preclude a shareholder from attending and voting at the AGM if he/she so wishes.

#### Recommendation

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders and unanimously recommend that shareholders vote in favour of all resolutions to be proposed at the AGM. The Directors who own Ordinary Shares intend to vote in favour of the resolutions to be proposed at the AGM.

I look forward to seeing you at the AGM.

Yours faithfully

**Ken Davy**  
 Chairman

## Notice of annual general meeting continued

NOTICE is hereby given that the inaugural annual general meeting of the Company will be held on 27 April 2020 at 12:00 noon at our registered office: The John Smith's Stadium, Stadium Way, Huddersfield, HD1 6PG for the transaction of the following business:

### ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

#### FINANCIAL STATEMENT AND REPORTS

- 1 To receive the annual accounts and reports of the Company and the Auditor's report on those accounts and reports for the financial year ended 31 December 2019.

#### FINAL DIVIDEND

- 2 To declare a final dividend upon the recommendation of the Directors for the year ended 31 December 2019 of 2.85 pence per Ordinary Share payable on 4 May 2020 to shareholders on the register at the close of business on 20 March 2020 with an ex-dividend date of 19 March 2020.

#### DIRECTORS ELECTION

- 3 To re-elect Ken Davy as a Director of the Company.
- 4 To re-elect Neil Stevens as a Director of the Company.
- 5 To re-elect Matt Timmins as a Director of the Company.
- 6 To re-elect Gareth Hague as a Director of the Company.
- 7 To re-elect Tim Clarke as a Director of the Company.
- 8 To re-elect Gary Hughes as a Director of the Company.

#### AUDITOR'S RE-APPOINTMENT AND REMUNERATION

- 9 To re-appoint KPMG as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company.
- 10 To authorise the Directors to fix the remuneration of the auditor of the Company.

#### AUTHORITY FOR POLITICAL DONATIONS OR EXPENDITURE

- 11 That, in accordance with section 366 of the Companies Act 2006, to authorise the Company, and all companies that are its subsidiaries at any time during the period for which this resolution has effect, to make political donations and incur political expenditure (as such terms are defined in sections 364 and 365 of the Companies Act 2006) not exceeding £25,000 in aggregate during the period beginning with the date of the passing of this resolution to the conclusion of the next annual general meeting of the Company.

#### AUTHORITY TO ALLOT SHARES

- 12 That, subject to and in accordance with article 12 of the articles of association of the Company and pursuant to section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company and grant rights to subscribe or to convert any security into shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company as follows:
  - 12.1 up to an aggregate nominal amount of £322,607.65 in connection with the allotment of equity securities (within the meaning of section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly may be) to the respective number of Ordinary Shares deemed to be held by them; and
  - 12.2 otherwise than pursuant to paragraphs 12.1 above up to an aggregate nominal amount of £322,607.65 to such persons at such times and generally on such terms and conditions as the Directors may determine,

provided that this authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) at the end of the next annual general meeting of the Company, or, if earlier, at the close of business on the date 15 months after the date of this resolution, save that the Company may during the relevant period make any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority expires, and the Directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised authorities previously granted to 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 but is without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

## SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the following resolutions that will be proposed as special resolutions:

### DISAPPLICATION OF PRE-EMPTION RIGHTS

13 That if resolution 12 is passed, the Directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

13.1 any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of Ordinary Shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

13.2 the allotment of equity securities or sale of treasury shares, otherwise than pursuant to paragraph 13.1 of this resolution, up to a nominal amount of £48,391.15,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

### ADDITIONAL DISAPPLICATION OF PRE-EMPTION RIGHTS

14 That if resolution 12 is passed, the Directors be empowered in addition to any authority granted under resolution 13 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 given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

14.1 limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £48,391.15; and

14.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors of the Company 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 this notice,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

## Notice of annual general meeting continued

### SPECIAL RESOLUTIONS continued

#### PURCHASE OF OWN SHARES

- 15 That the Company is generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of Ordinary Shares of £0.01 each in the capital of the Company, on such terms and in such manner as the Directors may from time to time determine, provided that:
- 15.1 the maximum aggregate number of Ordinary Shares that may be purchased is 9,678,230, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 9 March 2020 (the latest practicable date prior to publication of this notice);
- 15.2 the minimum price (excluding expenses) that may be paid for each Ordinary Share is £0.01;
- 15.3 the maximum price (excluding expenses) that may be paid for each Ordinary Share is the higher of:
- 15.3.1 105% of the middle market quotation of an Ordinary Share in the capital of the Company for the five business days immediately prior to the day the purchase is made, the middle market quotation being derived from the AIM Appendix to the Daily Official List of the London Stock Exchange; and
- 15.3.2 the value of an Ordinary Share in the capital of the Company, being the higher of:
- (a) the price of the last independent trade in such a share on the trading venue where the purchase is carried out; and
- (b) the highest current independent bid for such a share on such trading venue;
- 15.4 this authority shall expire on the earlier of the conclusion of the Company's next annual general meeting after the passing of this resolution and the date 15 months after the date of this resolution; and
- 15.5 the Company may make a contract for the purchase of Ordinary Shares under this authority before it expires, notwithstanding that such contract will, or might, have its terms executed wholly or partly after this authority expires, and the Company may make a purchase pursuant to such a contract after the expiry of this authority.

#### SHORTER NOTICE OF GENERAL MEETINGS

- 16 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

**Vicky Williams**

Company Secretary

## IMPORTANT INFORMATION

The following notes explain your general rights as a shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

- 1 A shareholder entitled to attend and vote at the AGM may appoint a proxy or proxies (who need not be a shareholder or shareholders of the Company) to exercise all or any of that shareholder's rights to attend, speak and vote at the AGM. Where more than one proxy is appointed, each proxy must be appointed for different shares.
- 2 Proxies may only be appointed by:
  - 2.1 making an online proxy appointment by going to [www.signalshares.com](http://www.signalshares.com) and following the instructions for electronic submission provided there; or
  - 2.2 requesting a paper proxy card from the Company's registrars, Link Asset Services on 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, or email Link at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)
    - 2.2.1 Forms must be completed and returned together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, to the Company's registrars, Link Asset Services, at PXS, 34 Beckenham Road, Beckenham, BR3 4TU by post or (during normal business hours only) by hand; or
  - 2.3 having an appropriate CREST message transmitted through the CREST electronic proxy appointment service as described in the CREST Manual (a CREST Proxy Instruction). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf (see note 3 below). Please refer to the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)) for further information.

To be effective the form of proxy or other instrument appointing a proxy must be received by the Company's registrars, or received electronically via [www.signalshares.com](http://www.signalshares.com) or, in the case of shares held through CREST, via the Euroclear website, in each case not later than 12:00 noon (UK time) on Thursday 23 April 2020.

Completion of a proxy form, online proxy appointment or CREST Proxy Instruction will not prevent a shareholder from attending and voting in person at the meeting.

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

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of the receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated by other means.

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

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(3)(a) of the Uncertificated Securities Regulations 2001.

- 4 Only those shareholders included in the register of members of the Company close of business on Thursday 23 April 2020 or, if the meeting is adjourned, on the day which is two working days before the time for holding the adjourned meeting, will be entitled to attend and to vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.

## Notice of annual general meeting continued

### IMPORTANT INFORMATION continued

- 5 Copies of the service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office during normal business hours from the date of dispatch of this notice until the end of the AGM (Saturdays, Sundays and public holidays excepted) and will also be available at the place of the AGM for at least 15 minutes before and during the meeting.
- 6 The electronic addresses provided in this notice are provided solely for the purpose of enabling shareholders to register the appointment of a proxy or proxies for the meeting or to submit their voting directions electronically. You may not use any electronic address provided in this notice to communicate with the Company for any purposes other than those expressly stated.
- 7 A copy of this notice, and other information required by the Companies Act 2006, can be found at [www.simplybizgroup.co.uk/investors](http://www.simplybizgroup.co.uk/investors).
- 8 Shareholders attending the AGM have a right to ask questions relating to the business being dealt with at the meeting. The Company must answer such questions unless:
  - 8.1 answering would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;
  - 8.2 the answer has already been given on a website in the form of an answer to a question; or
  - 8.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- 9 As at 9 March 2020, being the last business day prior to publication of this AGM notice, the Company's issued share capital comprised 96,782,296 Ordinary Shares of £0.01 each. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 9 March 2020 is 96,782,296.
- 10 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 11 If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
- 12 Voting on all resolutions at the AGM will be conducted by show of hands. As soon as practicable following the AGM, the results of the voting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website at [www.simplybizgroup.co.uk/investors](http://www.simplybizgroup.co.uk/investors).

## EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING

The resolutions to be proposed at the AGM of the Company to be held on 27 April 2020 at 12:00 noon are set out in the Notice of AGM. The following notes provide an explanation to the resolutions being put to shareholders.

### Ordinary resolutions

Resolutions 1 to 12 are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

#### Resolution 1 – Financial Statements and Accounts

The Directors are required to present to shareholders at the AGM the reports of the Directors and auditor and the audited accounts of the Company for the year ended 31 December 2019.

#### Resolution 2 – Final Dividend

A final dividend can only be paid after the shareholders have approved it at a general meeting. The Directors are recommending a final dividend of 2.85 pence per Ordinary Share, payable to shareholders on the register at the close of business on 20 March 2020. If approved, the final dividend will be paid on 4 May 2020.

#### Resolutions 3 to 8 – Re-election of Directors

Tim Trotter has advised that he will not stand for re-appointment at the AGM and instead retires by rotation. In keeping with industry best practise, all other Directors are retiring and seek re-appointment at the AGM. Having considered the performance of and contribution made by each of the Directors and following performance evaluation for those Directors standing for election, the Board of Directors is satisfied that, and the Chairman confirms that, the performance of each Director continues to be effective and to demonstrate commitment to the role and as such the Board recommends their re-election.

A biography of each Director appears on pages 18 and 19 of the Company's annual report and on the Company's website at [www.simplybizgroup.co.uk/investors](http://www.simplybizgroup.co.uk/investors).

#### Resolution 9 – Re-appointment of auditor

The Companies Act 2006 requires that auditor be appointed at each general meeting at which accounts are laid to hold office until the next such meeting. The appointment of KPMG as auditor of the Company terminates at the conclusion of the AGM. It has indicated its willingness to stand for re-appointment as auditor of the Company until the conclusion of the annual general meeting in 2021. The Company's Audit Committee keeps under review the independence and objectivity of the external auditor and further information can be found in the annual report and accounts on page 23. After considering the relevant information, the Audit Committee has recommended to the Board that KPMG be re-appointed as auditor.

#### Resolution 10 – Authorising and fixing the remuneration of the auditor

It is normal practice for shareholders to resolve at the annual general meeting that the Directors decide on the level of remuneration of the auditor for the audit work to be carried out by it in the next financial year. The amount of the remuneration paid to the auditor for the next financial year will be disclosed in the next audited accounts of the Company.

#### Resolution 11 – Political donations

The Companies Act 2006 requires political donations and expenditure to be authorised by shareholders by ordinary resolution. Whilst it is not the intention of the Company to make any direct political donations or incur any political expenditure, the statutory provisions are very broadly drafted and may catch activities such as functions to which politicians are invited, or may extend to bodies concerned with policy review, law reform and representation of the business community that the Company and its subsidiaries might wish to support. For this reason, the Company is asking its shareholders to authorise any donations and expenditure that may fall within the remit of the Companies Act 2006, up to an aggregate amount of £25,000 for the Company and its subsidiary companies. This resolution, if passed, will renew the Directors' authority until next year's annual general meeting (when the Directors intend to renew this authority).

#### Resolution 12 – Authority to allot shares

The Directors may only allot shares or grant rights over shares if authorised to do so by shareholders.

The Investment Association (IA) guidelines on authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital. In addition they will treat as routine a request for authority to allot shares representing an additional one-third of the Company's issued share capital provided that it is only used to allot shares for the purpose of a fully pre-emptive rights issue.

Accordingly, resolution 12, if passed, would authorise the Directors under section 551 of the CA 2006 to allot new shares or grant rights to subscribe for, or convert any security into, new shares (subject to shareholders' pre-emption rights) up to a maximum nominal amount of £645,215.30, representing the IA guideline limit of approximately 66% of the Company's issued Ordinary Share capital as at 9 March 2020 (being the latest practicable date prior to the publication of this document).

Resolution 12.1 would give the Directors authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £322,607.65, representing approximately one-third of the Company's existing issued share capital in connection with a rights issue in favour of ordinary shareholders.

## Notice of annual general meeting continued

### EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING continued

#### Ordinary resolutions continued

##### Resolution 12 – Authority to allot shares continued

Resolution 12.2, if passed, would give the Directors general authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £322,607.65, representing approximately one-third of the Company's existing issued share capital. As resolution 12.2 imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 12.2 so as to enable the whole two-thirds to be used in connection with a rights issue. Where the usage of this authority exceeds one-third of the issued share capital, the Directors intend to follow best practice as regards its use.

The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of the resolution.

Passing this resolution will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

#### Special resolutions

Resolutions 13 to 16 are special resolutions. These resolutions will be passed if not less than 75% of the votes are cast in favour of them.

##### Resolution 13 – Disapplication of pre-emption rights and Resolution 14 – Additional disapplication of pre-emption rights

The CA 2006 requires that if the Company issues new shares or grants rights to subscribe for or to convert any security into shares for cash, or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. In certain circumstances, it may be in the best interests of the Company to allot shares (or to grant rights over shares) for cash without first offering them proportionately to existing shareholders. This cannot be done under the CA 2006 unless the shareholders have first waived their pre-emption rights. In accordance with investor guidelines, therefore, approval is sought by the Directors to issue a limited number of Ordinary Shares for cash without first offering them to existing shareholders.

Resolution 13 contains a two-part disapplication of pre-emption rights which seeks the Directors' authority to issue equity securities of the Company for cash without application of pre-emption rights pursuant to section 561 of the CA 2006.

Other than in connection with a rights or other pre-emptive issue, scrip dividend or other similar issue, the authority contained in resolution 13 would be limited to a maximum nominal amount of £48,391.15 (which would equate to 4,839,115 Ordinary Shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 9 March 2020, being the latest practicable date prior to the publication of this AGM notice.

Resolution 13 seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which might arise, for example, with overseas shareholders.

Resolution 14 is an optional disapplication of pre-emption rights limited to an additional 5% of issued Ordinary Share capital to be used for transactions which the Directors determine to be an acquisition or specified capital investment. The authority contained in the resolution would be limited to a maximum nominal amount of £48,391.15 (which would equate to 4,839,115 Ordinary Shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 9 March 2020, being the latest practicable date prior to the publication of this AGM notice.

If passed, these authorities will expire at the same time as the authority to allot shares given pursuant to resolution 12 (Authority to allot shares).

Save for share issues in respect of employee share schemes and any share dividend alternatives, the Directors have no current plans to utilise either of the authorities sought by resolutions 12 (Authority to allot shares), 13 (Disapplication of pre-emption rights) or 14 (Additional disapplication of pre-emption rights), although they consider their renewal appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

**EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING** continued**Special resolutions** continued**Resolution 15 – Purchase of own shares**

This resolution seeks authority for the Company to make market purchases of its own shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase a maximum of 9,678,230 of its Ordinary Shares in aggregate, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 9 March 2020 (the latest practicable date prior to publication of this notice).

The resolution specifies the minimum and maximum prices (excluding expenses) that may be paid for any Ordinary Shares purchased under this authority. This authority will expire on the earlier of the conclusion of the Company's next annual general meeting and the date 15 months after the date of this resolution.

The Directors have no present intention of exercising the authority granted by this resolution, but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will only exercise the authority granted by this resolution to purchase Ordinary Shares if they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per Ordinary Share for the remaining shareholders.

**Resolution 16 – Shorter notice of general meetings**

Under the Companies Act 2006 all listed company general meetings must be held on at least 21 days' notice, but companies may reduce this period to 14 days (other than for annual general meetings) if shareholders agree to a shorter notice period and the Company has met certain requirements for electronic voting. Resolution 16 is therefore being proposed as a special resolution to renew the authority granted by shareholders at last year's annual general meeting which permitted the Company to call general meetings, other than AGMs, on 14 clear days' notice. If the resolution is passed, the authority conferred would be effective until the Company's next annual general meeting, when it is intended that the approval be renewed.

The Directors confirm that the shorter notice period would not be used as a matter of routine. The Directors will consider on a case-by-case basis whether the use of the flexibility offered by the shorter notice period is merited taking into account all the circumstances, including whether the business of the meeting is time sensitive. An electronic voting facility will be made available to all shareholders for any meeting held on 14 clear days' notice.