

20 December 2021

## Numis Corporation plc

### Annual Report and Notice of Annual General Meeting

Numis Corporation plc (the "Company") announces that it has today posted the following documents onto its website [www.numis.com](http://www.numis.com):

1. Annual Report and Accounts for the year ended 30 September 2021
2. Notice of the Annual General Meeting ("AGM") to be held on Tuesday 8 February 2022

Hard copies of these documents have been printed and should be received during the week of 20 December 2021 by those shareholders who have specifically requested that hard copies are posted to them. Anyone who would like to request a hard copy of the documents once they have been printed should email: [investor\\_relations@numis.com](mailto:investor_relations@numis.com). At the present time, it is expected that UK Government rules and advice relating to the COVID-19 pandemic will permit a physical meeting to be held, but this may be subject to change at short notice.

#### Explanation in relation to historic dividends and buybacks

In addition to the routine business proposed at the AGM, the Notice of AGM contains a special resolution in connection with the payment of historic dividends of the Company which were not compliant with the technical requirements of the Companies Act 2006 (the "Act"). As announced on 7 May 2021, the Board has become aware of certain issues in respect of the payment of historical dividends over the period between February 2007 to February 2021 (together, the "Relevant Dividends"). The total aggregate amount of the Relevant Dividends is approximately £111.8 million. These issues resulted in each of the Relevant Dividends being made otherwise than in accordance with the Act.

At the time the Company made the Relevant Dividends, it did not have sufficient distributable profits. There were sufficient distributable profits within the Group as a whole, but the assessments made in calculating the amount of profits that were required to be remitted to the Company in order to create sufficient distributable profits were incorrect. This led to insufficient distributable profits in the Company at those times. Accordingly, the Relevant Dividends were, regrettably, made by the Company otherwise than in accordance with the Act. The Group's current and historical capital positions are unaffected.

The Company has been advised that, as a consequence of each of the Relevant Dividends having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Relevant Dividends to recover the amount paid by way of the dividends. Similarly, the Company has also been advised that it may have claims against persons who were directors at the time of payment of each of the Relevant Dividends (the "Relevant Directors"). It is not the intention of the Company that any such claims should be made by the Company against either its shareholders or its past or present directors.

In order to: (i) remedy the potential consequences of the Relevant Dividends having been made by the Company otherwise than in accordance with the Act; and (ii) put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Dividends been made in accordance with the requirements of the Act, the Company is proposing resolution 12, which is proposed as a special resolution to:

- a) authorise and confirm the appropriation of the relevant distributable profits of the Company to the payment of each of the Relevant Dividends;
- b) waive and release those shareholders who appeared on the register of members on the record date for each of the Relevant Dividends from any and all claims which the Company has or may have in respect of the payment of each of the Relevant Dividends, such waiver and release to be effected by way of the entry by the Company into a shareholders' deed of release (the "Shareholders' Deed of Release"); and
- c) waive and release any rights of the Company to make claims against the Relevant Directors in respect of each of the Relevant Dividends, such waiver and release to be effected by way of the entry by the Company into a directors' deed of release (the "Directors' Deed of Release", and together with the Shareholders' Deed of Release, the "Deeds of Release").

The approach that the Company is proposing by way of resolution 12 in respect of the Relevant Dividends is consistent with the approach taken by other listed companies that have, similarly, made such distributions otherwise than in accordance with the Act. The Board has taken steps to ensure that, in future, the issues referred to in this announcement and the Notice of AGM do not arise in relation to the payment of dividends.

In addition, resolution 13 seeks shareholder approval for the cancellation of 10,671,088 ordinary shares as part of a Court-approved reduction of capital process (the "Reduction of Capital"). If resolution 13 is passed, the Company shall apply to the Court for an order to confirm the Reduction of Capital and those ordinary shares shall be cancelled. It is anticipated that, if approved by shareholders, the Reduction of Capital will be completed by the end of March 2022.

The Reduction of Capital is proposed as a result of technical issues affecting certain purchases of ordinary shares made by the Company between June 2013 and February 2021 (the "Buybacks"). In accordance with the Act, the Company intended to fund the Buybacks from distributable profits, rather than the proceeds of a fresh issue of shares. However, the Buybacks were undertaken at times when the Company had insufficient distributable reserves, for the reasons set out above. Resolution 13 intends to put the Company and the shareholders in the position that would have arisen if the Buybacks were undertaken as intended and the shares bought back were cancelled. Further details in respect of the Buybacks are set out in the Notice of AGM.

## Related Party Transaction

The entry by the Company into the Deeds of Release and consequential waiver of any rights of the Company to make claims in respect of the Relevant Dividends constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies (the "AIM Rules"), in respect of (a) Aktieselskabet af 1.3.2017 (being a shareholder who is currently interested in more than 10 per cent. of the total voting rights to be cast at the AGM, the "Substantial Shareholder"); and (b) each of the directors of the Company as at the date of this announcement (the "Directors").

In lieu of any independent directors' recommendation due to all Directors being in office at the time some of the Relevant Dividends were proposed and paid, Grant Thornton UK LLP, in its capacity as Nominated Adviser to the Company for the purposes of the AIM Rules, considers that the entry by the Company into (a) the Shareholders' Deed of Release as it relates to the Substantial Shareholder, and (b) the Directors' Deed of Release as it relates to the Directors, to be fair and reasonable insofar as the shareholders of the Company are concerned.

The votes of each of the Directors and their respective associates and those of former directors shall not be taken into account in establishing whether the majority necessary for the passing of resolution 12 has been obtained. The Directors have undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on resolution 12.

**END**

## Contacts

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## Notice of Annual General Meeting 2022

**Please see the explanatory notes attached to this notice.**

NOTICE is hereby given that the **Annual General Meeting** of Numis Corporation Plc (the "Company") will be held at the offices of Numis Corporation Plc, 45 Gresham Street, London EC2V 7BF on **Tuesday 8 February 2022, at 12.30 p.m.** to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 to 13 will be proposed as special resolutions.

### Ordinary Resolutions

1. To receive and adopt the Company's annual accounts for the financial year ended 30 September 2021, together with the Directors' Report and Auditors' Report.
2. To declare a final dividend for the year ended 30 September 2021 of 8.0p per ordinary share payable on 11 February 2022 to shareholders on the register at 6.00 p.m. on 17 December 2021.
3. To reappoint as a director Mr Alexander Ham (Co-CEO), who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.
4. To reappoint as a director Mr Luke Savage (Non-Executive Director), who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.
5. To reappoint PricewaterhouseCoopers LLP as Auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company.
6. To authorise the Audit Committee to determine the remuneration of the Auditor on behalf of the Board.
7. THAT in accordance with sections 366 and 367 of the Companies Act 2006 (the "Act"), the Company is, and all companies that are, at any time during the period for which this resolution has effect, subsidiaries of the Company (as defined in the Act), are hereby authorised in aggregate to:
  - (i) make political donations as defined in section 364 of the Act, to political parties and/or independent election candidates, as defined in section 363 of the Act, not exceeding £50,000 in total;
  - (ii) make political donations to political organisations other than political parties, as defined in section 363 of the Act, not exceeding £50,000 in total; and
  - (iii) incur political expenditure, as defined in section 365 of the Act, not exceeding £50,000 in total,

in each case during the period commencing on the date of passing this resolution and ending on the date of the next Annual General Meeting of the Company to be held in 2023 or at 6.00 p.m. on 1 May 2023, whichever is sooner. In any event, the aggregate amount of political expenditure made or incurred under this authority shall not exceed £100,000.

8. THAT the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") 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, shares in the Company ("Relevant Securities"):
  - (a) up to a maximum aggregate nominal amount equal to £1,906,124 (equivalent to 38,122,482 ordinary shares); and
  - (b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount equal to £1,906,124 (equivalent to 38,122,482 ordinary shares) in connection with an offer by way of a rights issue to:
    - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the directors otherwise consider necessary,
 and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

The authorities conferred on the directors under paragraphs (a) and (b) to allot Relevant Securities shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023, or, if earlier, at 6.00 p.m. on 1 May 2023, unless previously revoked, varied or renewed by the Company in a general meeting. The Company shall be entitled to make, prior to the expiry of such authorities, any offer or agreement which would or might require Relevant Securities to be allotted after the expiry of these authorities and the directors may allot Relevant Securities pursuant to such offer or agreement as if these authorities had not expired. All prior authorities to allot Relevant Securities shall be revoked but without prejudice to any allotment of Relevant Securities already made thereunder.



### Special Resolutions

9. THAT, subject to and conditional upon the passing of resolution 8 set out in the notice of this meeting, the directors be generally empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 8 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 8 above, by way of a rights issue only) to:
  - (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash having an aggregate nominal amount not exceeding £285,918 (equivalent to 5,718,372 ordinary shares),

such authorities to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023 or, if earlier, at 6.00 p.m. on 1 May 2023, unless previously revoked, varied or renewed, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

10. THAT, subject to the passing of resolution 8, the directors be given powers pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act") and in addition to any authority granted under resolution 9, to allot equity securities (as defined in section 560(1) of the Act) for cash under the authority given by resolution 8 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, as if section 561(1) and sub-sections (1) to (6) of section 562 of the Act did not apply to any such allotment, provided that such power be:

- (a) limited to the allotment of equity securities up to a nominal amount of £285,918; and
- (b) 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 determine to be an acquisition or other capital investment of a kind contemplated by the Pre-Emption Group's Statement of Principles most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023 or at 6.00 p.m. on 1 May 2023, whichever is sooner (unless previously renewed, varied or revoked by the Company at a general meeting). The Company may before this authority expires, make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

11. THAT the Company be generally authorised pursuant to section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the directors shall determine, provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is limited to an aggregate of 11,436,744 ordinary shares (equivalent to £571,837);
- (b) the minimum price, exclusive of any expenses, which may be paid for each ordinary share is 5p;
- (c) the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share of the Company as derived from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such share is contracted to be purchased;
- (d) this authority shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023, or, if earlier, 1 May 2023, unless previously revoked, varied or renewed; and
- (e) the Company may make a contract to purchase ordinary shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares pursuant to any such contract as if such authority had not expired.

## Notice of Annual General Meeting continued

12. THAT in relation to certain historical final and interim dividends paid by the Company over the period from February 2007 to February 2021 (the "Relevant Dividends") in relation to which the Company had insufficient distributable reserves (the "Deficits"):
- (a) the appropriation to such Deficits of equal distributable profits of the Company (from intra-group dividends received as shown in the audited financial statements of the Company for the year ended 30 September 2021), be and is hereby authorised and confirmed;
  - (b) any and all claims which the Company has or may have arising out of or in connection with the payment of the Relevant Dividends against those current and former shareholders who appeared on the register of members on the record date for the Relevant Dividends be waived and released, and that a deed of release in favour of such shareholders be entered into by the Company in the form produced to the Annual General Meeting and initialled by the Chairman for the purposes of identification and any director in the presence of a witness or any two directors or any director and the Company Secretary be authorised to execute the deed of release as a deed poll for and on behalf of the Company (the "Release");
  - (c) any distribution involved in the giving of the Release in relation to the Relevant Dividends be made out of the relevant distributable profits of the Company appropriated to the Relevant Dividends by reference to a record date identical to the record date for each of the Relevant Dividends; and
  - (d) any and all claims which the Company has or may have against each of its directors (whether past or present) arising out of or in connection with the approval, declaration or payment of the Relevant Dividends be waived and released and a deed of release in favour of such persons be entered into by the Company in the form produced to the Annual General Meeting and initialled by the Chairman for the purposes of identification and any director in the presence of a witness or any two directors or any director and the Company Secretary be authorised to execute the same as a deed poll for and on behalf of the Company.

13. THAT the capital of the Company be reduced by cancelling and extinguishing all of the 10,671,088 ordinary shares of 5p each purportedly purchased by the Company between June 2013 and February 2021 and held in treasury, as further described on page 165 of the annual accounts of the Company for the year ended 30 September 2021.

By order of the Board



**Andrew Holloway**  
Chief Financial Officer & Company Secretary

8 December 2021

Registered in England & Wales  
Company Registered No: 2375296  
Registered Office  
45 Gresham Street  
London  
EC2V 7BF



**Notes to the Notice of the Annual General Meeting***Right to appoint a proxy*

- Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- A proxy form which may be used to make such appointment and give proxy directions accompanies this Notice. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact the Company's Registrar, Computershare Investor Services PLC, on 0370 707 1203.

*Procedure for appointing a proxy*

- To be valid, the proxy form must be received by post or (during normal business hours only) by hand at the office of the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 4 February 2022 at 12.30 p.m. (or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority.
- CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from <https://my.euroclear.com/users/en/login>). 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.
- In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message ("CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 3RA50) by 4 February 2022 at 12.30 p.m. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system 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(5)(a) of the Uncertificated Securities Regulations 2001.
- The return of a completed proxy form or the transmission of a CREST Proxy Instruction as described above, will not preclude a member from attending the Annual General Meeting and voting in person if he or she wishes to do so.

*Record date*

- To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company as at 6.00 p.m. on 4 February 2022 or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting.

*Corporate representatives*

- Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

*Communications*

- Members who have general enquiries about the meeting should use the following means of communication. No other means of communication will be accepted. You may:
  - call our members' helpline on 0370 707 1203
  - write to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ

*Total Voting Rights*

- As at 8 December 2021, being the latest practicable date prior to the date of this Notice, the Company's issued share capital consisted of 125,038,536 ordinary shares, carrying one vote each, and 10,671,088 (9.33 per cent.) treasury shares. Therefore, the total number of voting rights in the Company as at 8 December 2021 was 114,367,448.

## Notice of Annual General Meeting continued

### Documents available for inspection

12. There will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays), and for at least 15 minutes prior to and during the Annual General Meeting, copies of:
- the deed of release with the shareholders of the Company;
  - the deed of release with the directors of the Company;
  - the Service Contract of each Executive Director; and
  - the Letters of Appointment of each Non-Executive Director.

### Explanatory Notes to the Notice of 2022 Annual General Meeting

#### Resolution 1 – To receive the Report and Accounts

The Board asks that shareholders receive the reports of the directors and the financial statements for the year ended 30 September 2021, together with the report of the auditors.

#### Resolution 2 – Declaration of final dividend

A final dividend can only be paid if it is recommended by the directors and approved by the shareholders at a general meeting. The directors propose that a final dividend of 8.0p per ordinary share be paid on 11 February 2022 to ordinary shareholders who are on the Register of Members at 6.00 p.m. on 17 December 2021 (the "Final Dividend").

Pursuant to the Dividend Investment Plan ("DRIP"), shareholders will again be offered the opportunity to elect to use their cash dividend to buy additional shares in the Company instead of any cash dividend to which they would otherwise have been entitled. The DRIP allows shareholders to increase their shareholdings in the Company in a simple and cost-effective way. Once a shareholder has elected to participate in the DRIP, any cash dividend will be reinvested in ordinary shares in the Company bought on the London Stock Exchange through a specially arranged share dealing service. As the DRIP does not require the creation of any new ordinary shares in the Company and therefore does not lead to dilution of the value of the existing ordinary shares in the Company, the directors believe that the DRIP is beneficial to the shareholders as a whole.

If you have already joined, or choose to join the DRIP, the Final Dividend will be used to buy ordinary shares in the Company. A dealing commission of 0.75 per cent. of the value of the ordinary shares purchased will be charged (subject to a minimum of £2.50) and deducted from the amount of the Final Dividend.

If you have not already joined the DRIP and wish to do so, you should either apply online at [www.investorcentre.co.uk](http://www.investorcentre.co.uk) or, alternatively, contact the Company's registrar on 0370 707 1203 to request the terms and conditions of the DRIP and a printed mandate form, which must be returned to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, so as to arrive no later than **6.00 p.m. on 21 January 2022**. If you have already joined the DRIP and wish to continue receiving dividends in shares, or if you have not already joined the DRIP and wish to continue receiving dividends in cash, you need take no further action.

#### Resolutions 3 and 4 – Election and re-election of directors

The Articles of Association of the Company require the nearest number to one third of the directors to retire at each Annual General Meeting.

Messrs. Ham (Co-CEO) and Savage (Non-Executive Director) are each required to retire by rotation and offer themselves for re-election in accordance with the Articles of Association of the Company.

The directors believe that the Board continues to maintain an appropriate balance of experience, skills, personal qualities and capabilities and that all the Non-Executive Directors are independent in character and judgement. Biographical details of all our directors can be found on pages 72 and 73 of the 2021 Annual Report and on Numis' corporate website.

#### Resolutions 5 and 6 – Reappointment and remuneration of Auditor

The Company is required to appoint auditors at each Annual General Meeting to hold office until the next such meeting at which accounts are presented. Resolution 5 proposes the reappointment of the Company's existing auditors, PricewaterhouseCoopers LLP.

Resolution 6 proposes that the Audit Committee be authorised to determine the level of the auditors' remuneration on behalf of the Board.



### Resolution 7 – Authority to make Political Donations

The Act prohibits companies from making any political donations to political organisations, independent candidates or incurring political expenditure unless authorised by shareholders in advance. The Company does not make and does not intend to make donations to political organisations or independent election candidates, nor does it incur any political expenditure.

However, the definitions of political donations, political organisations and political expenditure used in the Act are very wide. As a result this can cover activities such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform. Shareholder approval is being sought on a precautionary basis only, to allow the Company and any company which, at any time during the period for which this resolution has effect, is a subsidiary of the Company, to continue to support the community and put forward its views to wider business and government interests without running the risk of inadvertently breaching the legislation.

The Board is therefore seeking authority to make political donations to political organisations and independent election candidates not exceeding £50,000 in total and to incur political expenditure not exceeding £50,000 in total. In line with best practice guidelines published by the Investment Association, this resolution is put to shareholders annually rather than every four years as required by the Act. For the purposes of this resolution, the terms 'political donations', 'political organisations', 'independent election candidate' and 'political expenditure' shall have the meanings given to them in sections 363 to 365 of the Act.

### Resolution 8 – Authority to allot relevant securities

Resolution 8 is proposed to renew the directors' powers to allot shares. The directors' existing authority, which was granted (pursuant to section 551 of the Act) at the Annual General Meeting held on 9 February 2021, will expire at the end of this year's Annual General Meeting. Accordingly, paragraph (a) of resolution 8 would renew and increase this authority by authorising the directors (pursuant to section 551 of the Act) to allot relevant securities up to an aggregate nominal amount equal to approximately one third of the current issued share capital of the Company.

In accordance with The Investment Association's Share Capital Management Guidelines, resolution 8(b) seeks to grant the directors authority to allot ordinary shares equal to a further one third of the Company's issued share capital in connection with a rights issue in favour of ordinary shareholders. If the directors were to use this additional authority, then all of the directors would submit themselves for re-election at the following Annual General Meeting.

Save in respect of the issue of new ordinary shares pursuant to the Company's share incentive schemes or as a result of scrip dividends, the directors currently have no plans to allot relevant securities, but the directors believe it to be in the interests of the Company for the Board to be granted this authority, to enable the Board to take advantage of appropriate opportunities which may arise in the future.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the annual general meeting of the Company to be held in 2023, or at 6.00 p.m. on 1 May 2023, whichever is sooner, unless renewed or revoked prior to such time.

### Resolutions 9 and 10 – Disapplication of statutory pre-emption rights

Resolutions 9 and 10 are to approve the disapplication of pre-emption rights. The passing of these resolutions would allow the directors to allot shares for cash and/or sell treasury shares without first having to offer such shares to existing shareholders in proportion to their existing holdings.

The authority under resolution 9 would be limited to:

(a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary; and

(b) allotments or sales (otherwise than pursuant to (a) above) up to an aggregate nominal amount of £285,918 (equivalent to 5,718,372 ordinary shares), being an amount equal to approximately 5 per cent. of the current issued share capital of the Company as at 8 December 2021 (being the latest practicable date prior to the publication of this Notice).

Resolution 10 would give the directors authority to allot a further 5 per cent. of the issued ordinary share capital of the Company as at 8 December 2021 (being the latest practicable date prior to the publication of this Notice) for the purposes of financing a transaction which the directors determine to be an acquisition or other capital investment contemplated by the Pre-Emption Group's Statement of Principles most recently published by the Pre-Emption Group prior to the date of this Notice (the "Statement of Principles").

The disapplication authorities under resolutions 9 and 10 are in line with guidance set out in the Statement of Principles. The Statement of Principles allow a board to allot shares for cash otherwise than in connection with a pre-emptive offer (i) up to 5 per cent. of a company's issued share capital for use on an unrestricted basis, and (ii) up to a further 5 per cent. of a company's issued share capital for use in connection with an acquisition or specified capital investment announced either contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

In accordance with the Statement of Principles, the directors confirm that they do not intend to issue shares for cash representing more than 7.5 per cent. of the Company's issued ordinary share capital in any rolling three-year period (save in accordance with resolution 10) without prior consultation with shareholders. The authorities contained in resolutions 9 and 10 will expire at the conclusion of the annual general meeting of the Company to be held in 2023 or at 6.00 p.m. on 1 May 2023, whichever is sooner.



## Notice of Annual General Meeting continued

### Resolution 11 – Authority to purchase Company's own shares

Resolution 11 seeks to grant the directors authority (until the next Annual General Meeting to be held in 2023 or, if earlier, 1 May 2023, unless such authority is revoked or renewed prior to such time) to make market purchases of the Company's own ordinary shares, up to a maximum of 11,436,744 ordinary shares (equivalent to £571,837), being an amount equal to approximately 10 per cent. of the current issued share capital of the Company. The maximum price payable would be an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share of the Company for the five business days immediately preceding the date of purchase and the minimum price would be the nominal value of 5p per ordinary share.

The directors intend to continue to purchase shares to offset the dilutive impact of share awards granted to staff, subject to prevailing market conditions, financial position and the outlook for the business generally. The directors believe it is in the interests of shareholders to mitigate the potential dilution arising from our strategy to use equity to incentivise and reward staff. Furthermore, the authority will only be exercised if the directors believe the purchase would enhance earnings per share and be in the best interests of shareholders generally. The Company may hold in treasury any of its own shares that it purchases in accordance with the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base.

### Resolution 12 – Relevant Dividends rectification and releases

#### The Relevant Dividends

As announced on 7 May 2021, the Board has become aware of certain issues in respect of the payment of the historical dividends over the period paid between February 2007 to February 2021 (together, the "Relevant Dividends"). These issues resulted in each of the Relevant Dividends being made otherwise than in accordance with the Act.

### The consequences of the Relevant Dividends having been made by the Company otherwise than in accordance with the Act

Under the Act, a public limited company may pay a dividend only out of its distributable profits as shown in the last accounts filed at Companies House. In addition to having sufficient distributable profits, the Act provides that a public limited company may only pay a dividend: (i) if at the time the dividend is paid the amount of its net assets is not less than the aggregate of its called-up share capital and undistributable reserves; and (ii) if, and to the extent that, the dividend does not reduce the amount of those net assets to less than the aggregate amount of its called-up share capital and undistributable reserves.

Prior to paying any dividend, the Company should have ensured that at all times it had the requisite level of distributable profits and the requisite level of net assets by reference in each case to relevant accounts (as defined in the Act).

At the time the Company made the Relevant Dividends, it did not have sufficient distributable profits. There were sufficient distributable profits within the Group as a whole, but the assessments made in calculating the amount of profits that were required to be remitted to the Company in order to create sufficient distributable profits were incorrect. This led to insufficient distributable profits in the Company at those times. Accordingly, the Relevant Dividends were, regrettably, made by the Company otherwise than in accordance with the Act. The Group's current and historical capital positions are unaffected.

The Company has been advised that, as a consequence of each of the Relevant Dividends having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Relevant Dividends to recover the amount paid by way of the dividends.

Similarly, the Company has also been advised that it may have claims against persons who were directors at the time of payment of each of the Relevant Dividends (the "Relevant Directors").

It is not the intention of the Company that any such claims should be made by the Company against either its shareholders or its past or present directors.

#### Related party transaction

The entry by the Company into the Deeds of Release and consequential waiver of any rights of the Company to make claims in respect of the Relevant Dividends constitutes an AIM Rule 13 related party transaction pursuant to the AIM Rules for Companies ("AIM Rules"), in respect of (a) Aktie-selskabet af 1.3.2017 being a shareholder who is currently interested in more than 10 per cent. of the total voting rights to be cast at the AGM; and (b) each of the current directors and persons who were directors of the Company in the twelve months prior to the date of the publication of this document.



In lieu of any independent directors' recommendation in relation to resolution 12, due to all directors being in office at the time some of the Relevant Dividends were proposed and paid, Grant Thornton UK LLP, in its capacity as Nominated Adviser to the Company for the purposes of the AIM Rules, considers that resolution 12 (and specifically the entry by the Company into the Shareholders' Deed of Release and the Directors' Deed of Release (as defined below)) is fair and reasonable insofar as the shareholders of the Company are concerned.

### Shareholder Resolution

In order to: (i) remedy the potential consequences of the Relevant Dividends having been made by the Company otherwise than in accordance with the Act; and (ii) put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Dividends been made in accordance with the requirements of the Act, the Company is proposing resolution 12, which is proposed as a special resolution.

If passed, the effect of the resolution will be to:

- (a) (authorise and confirm the appropriation of the relevant distributable profits of the Company to the payment of each of the Relevant Dividends;
- (b) waive and release those shareholders who appeared on the register of members on the record date for each of the Relevant Dividends from any and all claims which the Company has or may have in respect of the payment of each of the Relevant Dividends, such waiver and release to be effected by way of the entry by the Company into a shareholders' deed of release (the "Shareholders' Deed of Release"); and
- (c) waive and release any rights of the Company to make claims against the Relevant Directors in respect of each of the Relevant Dividends, such waiver and release to be effected by way of the entry by the Company into a directors' deed of release (the "Directors' Deed of Release", and together with the Shareholders' Deed of Release, the "Deeds of Release").

Copies of the form of the Deeds of Release will be available for inspection at the AGM.

The approach that the Company is proposing by way of resolution 12 in respect of the Relevant Dividends is consistent with the approach taken by other listed companies that have, similarly, made such distributions otherwise than in accordance with the Act. The Board has taken steps to ensure that, in future, the issues referred to in this document do not arise in relation to the payment of dividends.

### Resolution 13 – Reduction of Capital

Resolution 13 seeks shareholder approval for the cancellation of 10,671,088 ordinary shares as part of a Court-approved reduction of capital process (the "Reduction of Capital"). If this resolution is passed, the Company shall apply to the Court for order to confirm the reduction of capital and those ordinary shares shall be cancelled.

The Reduction of Capital is proposed as a result of technical issues (described below) affecting certain purchases of ordinary shares made by the Company between June 2013 and February 2021 (the "Buybacks").

In accordance with the Act, the Company intended to fund the Buybacks from distributable profits, rather than the proceeds of a fresh issue of shares. The Act provides that a public company may make a payment out of its distributable profits as shown in the last accounts circulated to members or, if interim accounts are used, those that have been filed at Companies House.

It was always the intention of the Company to fund the Buybacks in full compliance with the Act and all other regulatory requirements, and at all times the Group had sufficient distributable profits to justify the funding of the Buybacks. However, 19,308,221 ordinary shares were purchased at times when the Company did not have sufficient distributable reserves. As 8,637,133 of these shares were reissued under the Group's employee shares schemes and are no longer held in treasury, the Group intends to cancel the remaining 10,671,088 ordinary shares (the "Remaining Shares") which continue to be held in treasury.

The Company is now, therefore, seeking to cancel the Remaining Shares by means of the Reduction of Capital. The Act permits a company to reduce its capital by obtaining approval of its shareholders by special resolution and then applying to the High Court of Justice of England and Wales for an order confirming the reduction ("Court Order"). Resolution 13 seeks the shareholders' approval of the Reduction of Capital and, if passed, the Company will then make an application for a Court Order.

This resolution intends to put the Company and the shareholders in the position that would have arisen if the Buybacks were undertaken as intended and the shares bought back were cancelled.

### Board Recommendation

Your directors consider that resolutions 1 to 11 and 13 to be put to the meeting are in the best interests of the Company and its shareholders as a whole, and unanimously recommend shareholders to vote in favour of resolutions 1 to 11 and 13, as they intend to do in respect of their own beneficial holdings. However, as the directors are parties to the Deeds of Release proposed in resolution 12, they recommend that shareholders consider whether this resolution is in the best interests of the Company and that shareholders do cast their votes on such resolution.

The votes of each of the directors and their respective associates and those of former directors shall not be taken into account in establishing whether the majority necessary for the passing of resolution 12 has been obtained. The directors have undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on resolution 12.



## Information for shareholders

### Financial calendar

2021-2022

December	Year end results announced
December	Annual report issued
February	Annual General Meeting
February	Final dividend paid
May	Half year results announced and half year report issued
July	Interim dividend paid

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