

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.**

**If you have sold or transferred all of your ordinary shares in Civitas Social Housing PLC, you should pass this document, together with the accompanying form of proxy, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.**



## **CIVITAS SOCIAL HOUSING PLC Notice of Annual General Meeting**

Notice of the Annual General Meeting which has been convened for Wednesday, 17 May 2017 at 10:00 a.m. at 3 More London Riverside, London, SE1 2AQ is set out on pages 3 to 5 of this document.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting.



Registered Office:  
5 Old Bailey  
London  
EC4M 7BA

Your ref: LB

10 April 2017

Dear Shareholder

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

I am pleased to be writing to you with details of our first Annual General Meeting (“**AGM**”) of Civitas Social Housing PLC (the “**Company**”) which we are holding at 10.00 a.m. on 17 May 2017 at 3 More London Riverside, London, SE1 2AQ. The formal notice of the AGM is set out on pages 3 to 5 of this document.

If you would like to vote on the resolutions but cannot attend the AGM, please fill in the proxy form sent to you with this notice and return it to your registrars as soon as possible. They must receive it by 10.00 a.m. on 15 May 2017.

The AGM is an opportunity for shareholders to express their views and to ask questions of the Board. We, as your Board, are committed to open dialogue with our shareholders and our AGM is an excellent means to engage with you directly. If you would like to submit a question in advance, please write to the Company Secretary at 5 Old Bailey, London, EC4 7BA or email: [Civitas-admin@langhamhall.com](mailto:Civitas-admin@langhamhall.com).

### **Recommendation**

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the proposed resolutions as they intend to do in respect of their beneficial holdings.

Yours sincerely,

Michael Wrobel  
*Chairman*

(Company Number 10402528)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the First Annual General Meeting of Civitas Social Housing PLC (the “**Company**”) will be held at 10.00 a.m. on 17 May 2017 at 3 More London Riverside, London, SE1 2AQ for the following purposes:

To consider, and if thought fit, approve the following resolutions. Resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and resolutions 8 to 11 (inclusive) will be proposed as special resolutions.

**For further information on all resolutions, please refer to the Explanatory Notes which can be found on pages 9 to 11.**

### **Directors**

1. To elect Michael Wrobel as a Director of the Company.
2. To elect Alastair Moss as a Director of the Company.
3. To elect Peter Baxter as a Director of the Company.
4. To elect Caroline Gulliver as a Director of the Company.

### **Auditors**

5. To appoint PricewaterhouseCoopers LLP as Auditors of the Company, to hold office until the conclusion of the next general meeting at which the Company’s annual accounts and reports are laid before the Company.
6. To authorise the Audit & Risk Committee to determine the remuneration of the Auditors.

### **Directors Authority to Allot Shares**

7. That the Directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company:
  - (a) up to an aggregate nominal amount of £116,666,666 such amount to be reduced by the nominal amount of any equity securities (as defined in section 560 of the Act) allotted or granted under paragraph (b) of this resolution 7 in excess of £116,666,666; and
  - (b) comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £233,333,333 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 7) in connection with an offer by way of rights issue to:
    - (I) the holders of ordinary shares in the Company 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 as the Directors of the Company otherwise consider necessary,

and so that the Directors of the Company 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 the requirements of any regulatory body or stock exchange or any other matter.

These authorities shall expire at the end of the next Annual General Meeting of the Company after the date of passing of this resolution or 17 August 2018, whichever is the earlier, save that under each authority the Company may, before such expiry, make any offers or enter into agreements which would or might require shares to be allotted or rights granted to subscribe for

or convert any security into shares after such expiry and the Directors may allot shares or grant such rights in pursuance of any such offers or agreements as if the relevant authority conferred by this resolution had not expired.

## Special Resolutions

### Disapplication of pre-emption rights

8. That, subject to the passing of resolution 7 above, the Directors be generally and unconditionally authorised for the purposes of section 570 and section 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash either pursuant to the authority conferred by resolution 7 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment or sale, provided this authority:

- (a) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of resolution 7, by way of a rights issue only) to:
  - (I) the holders of ordinary shares in the Company 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 as the Directors of the Company otherwise consider necessary,

and so that the Directors of the Company may impose any limits or restrictions and make any arrangements which it considers 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 the requirements of any regulatory body or stock exchange or any other matter; and

- (b) in the case of the authority granted under paragraph (a) of resolution 7 and/or in the case of any sale or transfer of treasury shares which is treated as an allotment of equity securities under section 560(3) of the Act, shall be limited to the allotment of equity securities, other than pursuant to paragraph (a) above of this resolution 8, up to an aggregate nominal amount of £17,500,000,

and shall (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution or, 17 August 2018, whichever is earlier, save that the Company may before the expiry of this authority make any offers or enter into any agreements which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offers or agreements as if the authority conferred by this resolution had not expired.

9. That, subject to the passing of resolution 7 above, the Directors be generally and unconditionally authorised for the purposes of section 570 and section 573 of the Companies Act 2006 (the "Act") in addition to any authority granted under resolution 8 above, to allot equity securities, (within the meaning of section 560 of the Act) for cash either pursuant to the authority conferred by resolution 7 or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this authority shall be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £17,500,000; and
- (b) used only for the purpose 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 Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

and shall (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution or, 17 August 2018, whichever is earlier, save that, in each case, the

Company may, before the expiry, make any offers or enter into any agreements which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the Directors may allot equity securities or sell treasury shares in pursuance of any such offers or agreements as if the authority conferred by this resolution had not expired.

#### **Authority to purchase own shares**

10. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the “**Act**”) to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 100 pence (£1) each in the capital of the Company (“**Ordinary Shares**”) in such manner and on such terms as the Directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:
- (a) the maximum number of Ordinary Shares which may be purchased is 35,000,000;
  - (b) the minimum purchase price which may be paid for any Ordinary Share is 100 pence (exclusive of expenses);
  - (c) the maximum purchase price which may be paid for any Ordinary Share shall not be more than the higher of (in each case exclusive of expenses):
    - (I) an amount equal to 105 per cent of the average of the middle market quotations for an Ordinary Share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and
    - (II) an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid on the trading venues where the purchase is carried out;
  - (d) this authority shall take effect on the date of passing of this resolution and shall (unless previously revoked, renewed or varied) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, on 17 August 2018, whichever is earlier; and
  - (e) the Company may at any time prior to the expiry of such authority enter into a contract or contracts under which a purchase of Ordinary Shares under such authority will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase Ordinary Shares in pursuance of any such contract or contracts as if the authority under this resolution had not expired.

#### **Notice period for general meetings other than annual general meetings**

11. 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**  
**Langham Hall UK Services LLP**

#### **Company Secretary**

Registered Office:  
5 Old Bailey  
London  
EC4M 7BA

(Company Number 10402528)

## Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member 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 that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita on 0871 664 0391 (calls cost 12p per minute plus your phone company's access charge). If you are outside the United Kingdom, please call +44 371 664 0391. (Calls outside the United Kingdom will be charged at the applicable international rate.) We are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales; OR by e-mail at [shareholderenquiries@capita.co.uk](mailto:shareholderenquiries@capita.co.uk). Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 15 below.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10:00 a.m. on 15 May 2017, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 13(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
5. If you wish to attend the Annual General Meeting (“AGM”) in person, you should make sure that you arrive at the venue for the AGM in good time before the commencement of the meeting. Access to the offices where the meeting will be held requires photo identification for entry. Please bring a current photo ID if you plan on attending.
6. For online voting members may go to the following website: [www.capitashareportal.com](http://www.capitashareportal.com). You should select “Register for the Share Portal” and enter (insert company name). The company name will be presented on the next screen and you should click on this. Once you have clicked this you should follow the prompts on the screen by entering your surname, investor code, postcode, email address and to select a password. Once you have registered you will have the opportunity to cast your online vote.
7. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a “vote” in law and will not be counted in the calculation of the proportion of the votes “For” and “Against” a resolution.
8. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 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.
9. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
10. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at close of business on 15 May 2017 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in



their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
12. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information, or (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. As at 7 April 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 350,000,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 7 April 2017 are 350,000,000. No shares are held in treasury.
15. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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. Please note the following.
  - (a) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited'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 is 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 issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of 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 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.
  - (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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 service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
  - (c) 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 (as amended).
16. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either

by the appointment of a proxy (described in Notes 3 to 5 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.

17. Copies of the letters of appointment of the Non-Executive Directors will be available for inspection during normal business hours at 5 Old Bailey, London EC4M 7BA from 7 April 2017 (Saturdays, Sundays and public holidays excepted) until the date of the AGM and will also be available at the place of the AGM from 9.45 a.m. until the conclusion of the AGM.
18. A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found at [www.civitassocialhousing.com](http://www.civitassocialhousing.com).
19. Any electronic address provided either in this notice or in any related documents (including the form of proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.



## **Explanatory Notes**

An explanation of each of the resolutions is set out below:

### **Directors**

Resolutions 1 to 4 are to approve the election of the Directors of the Board. As this is the Company's first Annual General Meeting ("**AGM**") and in accordance with the UK Corporate Governance Code, all Directors will retire and those willing to serve again will submit themselves for election. The Directors believe that the Board offers an appropriate balance of knowledge and skills and that all the non-executive Directors are independent in character and judgement. Biographical details of each of the Directors standing for election are as follows:

#### Michael Wrobel – Independent non-executive Chairman

Michael Wrobel has over 30 years of experience in the investment industry. He is the non-executive chairman of Diverse Income Trust PLC. He serves as a trustee director of the BAT UK Pension Fund and chair of its Investment and Funding Committee. He is also the chairman of trustees of the Thorntons Pensions Scheme, a trustee of the Cooper Gay (Holdings) Ltd Retirement Benefits Scheme and acts as an investment advisor to a number of Rio Tinto pension schemes. Formerly, he was a non-executive director of JPMorgan European Smaller Companies Trust PLC and NatWest Smaller Companies PLC. He has served as a director of the Association of Investment Companies and Investment Management Association. He previously worked at Morgan Grenfell, Fidelity International, Gartmore Investment Management and F&C Management. Michael has an M.A. in Economics from Cambridge University.

#### Alastair Moss – Independent non-executive director

Alastair is a property development lawyer with over 20 years' experience and Partner at Memery Crystal LLP. He is a non-executive director of Notting Hill Housing Group and is a member of their audit and treasury committees. He has been a board member of Soho Housing Association and was a member of the Area Board of CityWest Homes. He was a councillor at Westminster City Council for 12 years, including his tenure as chairman of the Planning & City Development Committee. Alastair is the chairman of the Investment Committee of the City of London Corporation and its Property Investment Board. He is also the deputy chairman of the City's Planning and Transportation Committee. He is a trustee of Marshall's Charity and a mentor to commercial directors in government departments.

#### Peter Baxter – Independent non-executive director

Peter Baxter has 28 years of experience in the investment management industry. He is a non-executive director of BlackRock Greater European Investment Trust plc and is a member of the Conduct Committee of the Financial Reporting Council. He is also a board member and chair of the investment committee for Trust for London, a charitable foundation. In the past, Peter served as chief executive of Old Mutual Asset Managers (UK) Ltd, and has worked for Schroders and Hill Samuel in a variety of investment roles. Peter holds an MBA from London Business School and is an associate of the Society of Investment Professionals.

#### Caroline Gulliver – Independent non-executive director

Caroline is a chartered accountant with over 25 years' experience at Ernst & Young LLP, latterly as an executive director before leaving in 2012. During that time, she specialised in the asset management sector and developed an extensive experience of investment trusts and was a member of The Association of Investment Companies' Technical Committee. She is also a non-executive director and audit committee chair for JP Morgan Global Emerging Markets Income Trust plc and International Biotechnology Trust plc. She has also been a member of the AIC SORP working party for the revision to the 2009 investment trust SORP.

### **Auditors**

Resolution 5 is to approve the appointment of the Auditors, PricewaterhouseCoopers LLP who are being elected for the first time. The Auditors will hold office until the conclusion of the next general meeting at which accounts are presented.

Resolution 6 is to authorise the Audit & Risk Committee to determine the remuneration of the Auditors.

### **Directors Authority to Allot Shares**

Resolution 7 is to provide the Directors' with authority to allot shares.

The authority given to Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 551 Companies Act 2006.

The authority in paragraph (a) of this resolution will allow the Directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £116,666,666 (116,666,666 ordinary shares), which is equivalent to approximately one-third of the current issued ordinary share capital of the Company as at 7 April 2017. The authority will expire immediately following the AGM in 2018 or on 17 August 2018, whichever is the earlier.

In accordance with guidance from the Investment Association on the expectations of institutional investors in relation to the authority of directors to allot shares, the authority in paragraph (b) of this resolution will allow the Directors to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount of £233,333,333 (233,333,333 ordinary shares). This amount (before any reduction) represents approximately two-thirds of the Company's current issued ordinary share capital as at 7 April 2017 (inclusive of the nominal amount of £116,666,666 sought under paragraph (a) of the resolution). This authority will also expire immediately following the next AGM in 2018 or on 17 August 2018, whichever is the earlier.

As a result, if resolution 7 is passed, Directors could allot shares representing up to two-thirds of the current issued ordinary share capital pursuant to a rights issue.

The Directors intend to renew these authorities at each AGM, in accordance with current practice. The Directors have no present intention of exercising either of the authorities sought under this resolution.

As at 7 April 2017 (being the latest practicable date before the publication of this notice), the Company did not hold any shares in treasury.

#### **Disapplication of pre-emption rights**

Resolutions 8 & 9 If the Directors wish to allot new shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) company law requires that these shares are first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the Directors will need the flexibility to finance business opportunities to allot new shares (or to grant rights over shares) for cash or to sell treasury shares for cash without first offering them to existing shareholders in proportion of their holdings. This cannot be done unless the shareholders have first waived their pre-emption rights.

Resolution 8 would authorise the Directors to do this by allowing the Directors to allot shares for cash or sell treasury shares for cash (i) by way of a rights issue (subject to certain exclusions), or by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions); or (ii) otherwise up to an aggregate nominal value of £17,500,000, which is equivalent to approximately five per cent of the Company's issued ordinary share capital as at 7 April 2017, being the latest practicable date prior to the publication of this notice.

Resolution 8 also seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive issue so as to allow the Directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders.

In accordance with the Pre-Emption Group's Statement of Principles (as updated in March 2015) (the "Statement of Principles") regarding cumulative usage of authorities, the Directors do not intend to issue, under a general authority to disapply pre-emption rights used other than in conjunction with an acquisition or specified capital investment in line with the Statement of Principles, more than 7.5 per cent of the issued ordinary share capital (excluding treasury shares) of the Company for cash on a non-pre-emptive basis in any rolling three year period pursuant to resolution 8 without prior consultation with shareholders.

The Directors are seeking an additional authority under resolution 9 to offer shares (or sell treasury shares) for cash otherwise than to existing shareholders pro rata to their holdings up to an aggregate nominal value of £17,500,000, which is equivalent to approximately five per cent of the Company's

issued ordinary share capital as at 7 April 2017. This extra authority is being sought in accordance with the Statement of Principles. The Statement of Principles permits disapplication authorities of up to 10 per cent of issues ordinary share capital in total to be sought provided the extra five per cent is used only in connection with the financing (or refinancing) of an acquisition or specified capital investment (as defined in the Statement of Principles). The Directors confirm that they intend to use the authority sought in resolution 9 only in connection with such an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue.

The Company undertakes that ordinary shares will only be issued pursuant to these authorities at a premium to the prevailing net asset value at the time of issue in order to take account of the costs of such issue and will therefore be non-dilutive to the prevailing net asset value for existing shareholders.

Resolutions 8 and 9 will be proposed as special resolutions to provide the Company with the necessary authorities. If given, the authorities contained in resolutions 8 and 9 will expire at the conclusion of the next AGM of the Company in 2018 or, if earlier, 18 August 2018 (the date which is 15 months after the passing of the resolution).

### **Authority to purchase own shares**

Resolution 10 In certain circumstances, it may be advantageous for the Company to purchase its own shares and this resolution seeks the authority from shareholders to do so. The Directors will exercise this authority only when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and is in the best interests of shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account when exercising this authority.

Under the Companies Act 2006 (the “Act”), the Company is allowed to hold its own shares in treasury following a buy back, instead of having to cancel them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under resolution 7 above) and provides the Company with additional flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company’s assets may be made to the Company in respect of the treasury shares. If the Directors exercise the authority conferred by resolution 10, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

The resolution specifies the maximum number of ordinary shares that may be acquired (approximately 10 per cent of the Company’s issued ordinary share capital as at 7 April 2017) and the maximum and minimum prices at which they may be bought.

There are no warrants or options to subscribe for ordinary shares outstanding at 7 April 2017.

Resolution 10 will be proposed as a special resolution to provide the Company with the necessary authority. If given, this authority will expire at the conclusion of the next AGM of the Company in 2018 or, if earlier, 18 August 2018 (the date which is 15 months after the date of passing of the resolution).

The Directors intend to seek renewal of this authority at subsequent AGMs.

### **Notice period for general meetings, other than annual general meetings**

Resolution 11 is to allow the Company to hold general meetings (other than an AGM) on 14 clear days’ notice. The notice period required by the Act for general meetings of the Company is 21 clear days unless: (i) shareholders approve a shorter notice period, which cannot however be less than 14 clear days; and (ii) the Company offers the facility for all shareholders to vote by electronic means. AGMs must always be held on at least 21 clear days’ notice. It is intended that the flexibility offered by this resolution will only be used for time sensitive, non-routine business and where merited in the interests of shareholders as a whole. The approval will be effective until the Company’s next AGM, when it is intended that a similar resolution will be proposed.

