

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 (the **AGM**) of Civitas Social Housing PLC (the **Company**) to be held on Thursday, 5 September 2019 at 2.00 p.m. at 3 More London Riverside, London, SE1 2AQ, is set out on pages 4 to 10 of this document.

Whether or not you propose to attend the AGM, please submit a proxy vote in accordance with the voting instructions on page 7. To be valid the proxy must be submitted, or in the case of a paper proxy signed, completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Link 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:
Beaufort House
51 New North Road
Exeter
EX4 4EP

21 June 2019

Dear Shareholder

Notice of Annual General Meeting

I am pleased to be writing to you with details of the third Annual General Meeting (**AGM**) of Civitas Social Housing PLC (the **Company**) which we are holding at 2.00 p.m. on Thursday, 5 September 2019 at 3 More London Riverside, London, SE1 2AQ. There will be an update presentation from Civitas Housing Advisors Limited (the **Investment Adviser**) at the start of the AGM.

The formal notice of the AGM is set out on pages 4 to 10 of this document.

Voting

Your vote is important to us and if you would like to vote on the resolutions but cannot attend the AGM, we encourage you to vote by proxy. As indicated last year, we are not distributing hard copies of the proxy form but are requesting shareholders vote by:

- Completing the online form of proxy by logging on to www.signalshares.com and selecting Civitas Social Housing PLC. If you have not yet registered with www.signalshares.com you will need your investor code which is detailed on your share certificate. If you need help with voting online, or require a paper proxy form, please contact our Registrar, Link Asset Services, by email at enquiries@linkgroup.co.uk, or you may call Link on 0871 664 0391 (if calling from the UK) or +44 (0) 371 664 0391 (if calling from outside of the UK). We are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales
- Requesting a hard copy proxy from Link Asset Services on the telephone number shown above and returning the completed form to the address shown on the form.
- In the case of CREST members, using the CREST electronic proxy service in accordance with the procedures shown on pages 8 and 9.

Your vote should be returned, so as to be received by Link Asset Services, as soon as possible and, in any event, no later than 2.00 p.m. on 3 September 2019, or not less than 48 hours before the time of the holding of any adjourned meeting. Appointing a proxy will not prevent you from attending the AGM and voting in person, should you wish to do so.

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 Beaufort House, 51 New North Road, Exeter, EX4 4EP or email: civitas_cosec@linkgroup.co.uk.

Proposed amendment to the Company's published investment policy and investment restrictions

At the present time, the Company has restricted itself through the Investment Restrictions to investing in Social Homes located in England and Wales. This was determined at the time of the IPO to enable the Company to focus on building a significant presence within England and Wales before giving consideration to other parts of the UK that form the balance of the United Kingdom.

Today, the Company is invested in more than 150 local authority areas in England and Wales and has created a geographically diversified portfolio which it continues to expand and deepen. Whilst maintaining a core focus on England and Wales, it is now considered an appropriate moment to extend



the geographical reach to the rest of the UK, to include Scotland and Northern Ireland. Both these parts of the UK have a welfare benefit system that is similar to that in England and Wales with policies that are regarded as at least as supportive of the provision of Social Housing as those in England and Wales.

Both Scotland and Northern Ireland have experienced issues of shortage with respect of affordable housing and the Company wishes to be in a position to consider investments in these parts of the UK, should any meet its criteria for investment.

The proposed amendment to the Company's published investment policy and investment restrictions is conditional upon the passing of Resolution 11 at the AGM.

The Board, as advised by the Investment Adviser and, subject to shareholders' approval of Resolution 11 at the AGM, intends to expand the geographical restrictions of the current investment policy which limits investments to England and Wales to include Scotland and Northern Ireland. The Investment Adviser believes that the proposed changes to the investment policy and investment restrictions will either have a neutral effect on diversification or enhance it as the potential geographical scope is expanded.

Directors' Remuneration

Under the Company's Articles of Association (**Articles**), the maximum aggregate annual remuneration payable to Directors is £200,000 and this amount has not been increased since the date the Articles were adopted in 2016. As set out in the Annual Report and Financial Statements, the Board is in the process of seeking to appoint a fifth Director, to add further depth to the Board and to help with succession planning. It is therefore proposed that the Articles be amended to increase the aggregate annual remuneration to £250,000. This will provide some headroom for the appointment of a new Director and include some flexibility for future increases in remuneration. Notwithstanding the increase in fee cap, as set out in the Directors' Remuneration Report for the year ended 31 March 2019, no increase in the current level of Directors' fees is being proposed.

AGM

All holders of Ordinary Shares are entitled to attend and vote at the AGM. In accordance with the Articles of Association, all holders of Ordinary Shares present in person or by proxy shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Ordinary Share held. In order to ensure that a quorum is present at the AGM, it is necessary for two holders of Ordinary Shares entitled to vote to be present, whether in person or by proxy (or, if a corporation, by a representative. Voting at the meeting will be conducted on a show of hands.

Recommendation

The Board considers that all the resolutions to be put to the AGM 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 Annual General Meeting of Civitas Social Housing PLC (the **Company**) will be held at 2.00 p.m. on 5 September 2019 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 13 (inclusive) will be proposed as ordinary resolutions and resolutions 14 to 16 (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 10 to 14.

ORDINARY RESOLUTIONS

Annual Report and Financial Statements

1. To receive the Strategic Report, Directors' Report, and the consolidated financial statements for the financial year ended 31 March 2019, together with the Independent Auditor's Report on those audited financial statements.

Remuneration Report

2. To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy), for the financial year ended 31 March 2019, as set out in the Company's Annual Report and Financial Statements for the financial year ended 31 March 2019.

Remuneration Policy

3. To approve the Directors' Remuneration Policy, as set out in the Directors' Remuneration Report in the Company's Annual Report and Financial Statements for the financial year ended 31 March 2019.

Directors

4. To re-elect Michael Wrobel as a Director of the Company.
5. To re-elect Peter Baxter as a Director of the Company.
6. To re-elect Caroline Gulliver as a Director of the Company.
7. To re-elect Alastair Moss as a Director of the Company.

Auditors

8. To re-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 are laid before the meeting.
9. To authorise the Audit and Management Engagement Committee to determine the remuneration of the Auditors.

Dividend Payment

10. To authorise the Directors to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not to be categorised as a final dividend that would ordinarily be subject to Shareholder approval.

Amendment to the Company's published investment policy and investment restrictions

11. To approve an amendment to the Company's published investment policy and investment restrictions by replacing references to "England and Wales" with "the United Kingdom".

Amendment to the Company's Articles of Association re Directors' Remuneration

12. THAT, in accordance with Article 94 of the Company's Articles of Association, Article 94 of the Company's Articles of Association be amended by deleting the figure "£200,000" and replacing it with the figure "£250,000".



Directors' Authority to Allot Shares

13. THAT, and in substitution for all subsisting authorities to the extent unused, 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 ordinary shares of 1 pence each in the capital of the Company (**Ordinary Shares**) up to an aggregate nominal amount equal to £622,461 (being approximately 10% of the issued ordinary share capital of the Company at the date of this Notice) during the period commencing on the date of the passing of this Resolution and expiring at the end of the next Annual General Meeting of the Company after the date of passing of this resolution or 30 September 2020, whichever is the earlier, save that 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 an offer or agreement as if the relevant authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

Disapplication of pre-emption rights

14. THAT, subject to the passing of Resolution 13 above, and in substitution for all subsisting authorities to the extent unused, 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 13 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 shall be limited to:

- (a) the allotment or sale of equity securities up to an aggregate nominal amount equal to £622,461 (being approximately 10% of the issued ordinary share capital of the Company at the date of this Notice); and
- (b) the allotment or sale of equity securities at a price not less than the net asset value per share,

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, 30 September 2020, 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 an offer or agreement as if the authority conferred by this resolution had not expired.

Authority to purchase own shares

15. 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 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, provided that:

- (a) the maximum number of Ordinary Shares which may be purchased is 93,306,960 or, if less, 14.99% of the number of Ordinary Shares in issue (excluding treasury shares) immediately following the passing of this resolution;
- (b) the minimum purchase price which may be paid for any Ordinary Share is 1 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% 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 30 September 2020, 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

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

Link Company Matters Limited

Company Secretary

Registered Office:

Beaufort House

51 New North Road

Exeter

EX4 4EP

(Company Number 10402528)

21 June 2019



Notes:

1. Only holders of Ordinary Shares are entitled to vote at the AGM.
2. 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/her discretion as to whether and, if so, how he or she votes.
3. A proxy need not be a member of the Company but must attend the meeting in person for the member's vote to be counted. Where more than one proxy is appointed, each must be appointed to exercise the rights attached to a different share or shares held by the member. This year we are not distributing a hard copy of the proxy form unless specifically requested. Members are being encouraged to vote electronically. Detailed below are the methods available to appoint a proxy:
 - (a) To be effective, the proxy vote must be submitted at www.signalshares.com so as to have been received by the Company's registrars, not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it. By registering on the Signal shares portal at www.signalshares.com, you can manage your shareholding, including:
 - > cast your vote
 - > change your dividend payment instruction
 - > update your address
 - > select your communication preference.
 - (b) Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. If a paper form of proxy is requested from the registrar, it should be completed and returned to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF to be received not less than 48 hours before the time of the meeting.

If you need help with voting online, or require a paper proxy form, please contact our Registrar, Link Asset Services by email at enquiries@linkgroup.co.uk, or you may call Link on 0871 664 0391 (if calling from the UK) or +44 (0) 371 664 0391 (if calling from outside of the UK). We are open between 9.00 a.m.- 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
 - (c) In the case of CREST members, using the CREST electronic proxy service in accordance with the procedures set out below in Note 13,

and in each case received by Link Asset Services no later than 2.00 p.m. on 3 September 2019. Submission of a proxy vote will not prevent the member from attending the meeting and voting in person. Amended instructions must also be received by Link Asset Services by the deadline for receipt of forms of proxy.
4. 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.
5. 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.



6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the **Act**) to enjoy information rights (a **Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 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.
8. 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 3 September 2019 (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.
9. 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).
10. 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.
11. 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.
12. As at 20 June 2019 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 622,461,380 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 20 June 2019 are 622,461,380. No shares are held in treasury.
13. 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).
14. 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 2 and 3 above) or of a corporate representative. A corporation may 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. 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 Act. To be able to attend and vote at the meeting, corporate representatives will be required to produce, prior to their entry to the meeting, evidence satisfactory to the Company of their appointment.
15. Under Section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Act.
- The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.
16. Members satisfying the thresholds in Section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the Annual General Meeting unless (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.
17. Members satisfying the thresholds in Section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless (i) it is defamatory of any person or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.



18. Copies of the letters of appointment of the non-executive Directors will be available for inspection during normal business hours at the Company's Registered Office, Beaufort House, 51 New North Road, Exeter EX4 4EP (Saturdays, Sundays and public holidays excepted) until the date of the AGM and will also be available at the place of the AGM from 1.45 pm until the conclusion of the AGM
19. A copy of this notice, and other information required by section 311A of the Act can be found at www.civitassocialhousing.com.
20. 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:

ORDINARY RESOLUTIONS

Resolution 1 – Annual Report & Accounts

The Directors are required to present the Strategic Report, Directors' Report and the consolidated financial statements together with the Independent Auditor's Report for the financial year ended 31 March 2019 to the meeting. These are contained in the Annual Report which is included in this mailing.

Resolution 2 – Remuneration Report

Shareholders are being requested to receive and approve the Directors' Remuneration Report for the financial year ended 31 March 2019 which is set out in full on pages 78 to 82 of the Annual Report. The vote is advisory in nature and does not affect the actual remuneration paid to any Director.

Resolution 3 – Remuneration Policy

Shareholders are being requested to receive and approve the Directors' Remuneration Policy which is set out in full on pages 78 and 79 of the Annual Report. The Directors' Remuneration Policy sets out the Company's policy with respect to the making of remuneration payments and payments for loss of office to Directors and is intended to take effect immediately following its approval at the AGM on 5 September. The only change to the Policy that was approved at the 2018 AGM is to increase the aggregate amount of remuneration payable to the Directors from £200,000 to £250,000, as set out in Resolution 12. The vote on the Directors' Remuneration Policy is binding, since, in general terms, once the Directors' Remuneration Policy becomes effective, the Company will only be able to make a remuneration payment to a current or prospective Director or a payment for loss of office to a current or past Director if that payment is consistent with the Directors' Remuneration Policy.

Resolutions 4 to 7 – Directors

It is the policy of the Board that all Directors should seek annual re-election at the Company's annual general meetings. This is in line with the recommendation of the UK Corporate Governance Code.

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, with each non-executive Director's contribution being important to the Company's long-term sustainable success. Biographical details of each of the Directors standing for election are as follows:

Michael Wrobel – Independent non-executive Chairman

Michael has over 40 years' experience in the investment industry. He is the non-executive Chairman of The Diverse Income Trust plc. He serves as a trustee director of the BAT UK Pension Fund and Chair of the Deutsche Bank UK Pension Schemes, a trustee of the Cooper Gay (Holdings) Ltd Retirement Benefits Scheme and acts as an investment adviser to a number of Rio Tinto pension schemes. Formerly, Michael was a portfolio manager at Morgan Grenfell and Fidelity International. He was then responsible for



Fidelity's European Institutional business and later, Gartmore's retail business. He also worked at F&C Management. 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, the Investment Management Association and CoFunds. Michael has an MA in Economics from Cambridge University.

Peter Baxter – Independent non-executive Director

Peter has 30 years' of experience in the investment management industry. He is a managing director of Project Snowball LLP, a social impact investment organisation, and a trustee of Trust for London, a charitable foundation. He is also a non-executive director of BlackRock Greater European Investment Trust plc. Previously he served as Chief Executive of Old Mutual Asset Managers (UK) Ltd, and has worked for Schrodgers and Hill Samuel in a variety of investment roles. He 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. During that time before leaving in 2012, she specialised in the asset management sector and developed extensive experience of investment trusts. She was a member of various technical committees of the Association of Investment Companies. She is also a non-executive director and audit committee chair for JP Morgan Global Emerging Markets Income Trust plc, International Biotechnology Trust plc and Aberdeen Standard European Logistics Income PLC.

Alastair Moss – Independent non-executive Director

Alastair is a property development lawyer with over 20 years' experience and is Co-Head of Real Estate at Memery Crystal LLP. He has been a non-executive director of Notting Hill Genesis Trust and formerly a member of the Audit and Treasury Committees. He is a former Chairman of the Investment Committee of the City of London Corporation and chaired its Property Investment Board. He is currently Chair of the City's Planning and Transportation Committee and, as such, is the political lead for all built environment and transport matters in the Square Mile. He is a Trustee of Marshall's Charity. He has also 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.

Resolutions 8 and 9 – Auditors

At each general meeting at which the Company's financial statements are presented to its members, the Company is required to appoint an auditor to serve from the conclusion of that meeting until the conclusion of the next such meeting. The Board, on the recommendation of the Audit and Management Engagement Committee, recommends the re-appointment of PricewaterhouseCoopers LLP. Resolution 8 authorises the Audit and Management Engagement Committee to determine the Auditor's remuneration.

Resolution 10 – Dividend Payment

The Company's policy is to pay dividends on a quarterly basis, with dividends typically declared in October, January, April and July and paid in December, March, June and September each year. As the fourth dividend is payable prior to the annual general meeting, it is declared as an interim dividend and accordingly, there is no final dividend payable.

The Board is conscious that this means that shareholders will not be given the opportunity to vote on the payment of a final dividend. Accordingly, it has been decided that shareholders will be asked to confirm their ongoing approval of the Company's current policy to continue to pay four interim dividends per year.

Resolution 11 – Amendment to the Company's published investment policy and investment restrictions

At the present time, the Company has restricted itself through the Investment Restrictions to investing in Social Homes located in England and Wales. This was determined at the time of the IPO to enable the Company to focus on building a significant presence within England and Wales before giving consideration to other parts of the UK that form the balance of the United Kingdom.



Today, the Company is invested in more than 150 local authority areas in England and Wales and has created a geographically diversified portfolio which it continues to expand and deepen. Whilst maintaining a core focus on England and Wales it is now considered an appropriate moment to extend the geographical reach to include Scotland and Northern Ireland. Both these parts of the UK have a welfare benefit system that is similar to that in England and Wales with policies that are regarded as at least as supportive of the provision of Social Housing as those in England and Wales.

Both Scotland and Northern Ireland have experienced issues of shortage with respect of affordable housing and the Company wishes to be in a position to consider investments should any meet its criteria for investment.

The Board, as advised by the Investment Adviser, intends to expand the geographical restrictions of the current investment policy which limits investments to England and Wales to include Scotland and Northern Ireland.

The Investment Adviser believes that the proposed changes to the investment policy and investment restrictions will either have a neutral effect on diversification or enhance it as the potential geographical scope is expanded. The Company has received written approval from the Financial Conduct Authority in respect of the proposed amendment.

Should Resolution 11 be passed by shareholders, the investment policy and investment restrictions will be amended by replacing references to "England and Wales" with "the United Kingdom". A revised investment policy and investment restrictions implementing this change is set out at Schedule 1 to this notice.

Resolution 12 – Amendment to the Articles of Association re Directors’ Remuneration

Under the Company’s Articles of Association, the maximum aggregate annual remuneration payable to Directors is £200,000. Total remuneration paid in respect of the year ended 31 March 2019 was £150,000. The Board is in the process of seeking to appoint an additional Director. It is therefore proposed that the Articles be amended to increase the aggregate annual remuneration stated in Article 94 from the current figure of £200,000 to £250,000. This will provide the Company with some headroom for the appointment of a new Director and include some flexibility for future increases in remuneration. Notwithstanding the increase in the fee cap, as set out in the Directors’ Remuneration Report for the year ended 31 March 2019, no increase in the current level of Directors’ fees is being proposed.

Resolution 13 – Directors’ 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 **Act**).

The authority in this resolution will allow the Directors to allot new Ordinary 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 £622,461 (62,246,100 Ordinary Shares), which is equivalent to approximately 10% of the current issued Ordinary Share capital of the Company as at 20 June 2019.

The authority will expire immediately following the AGM in 2020 or on 30 September 2020, whichever is the earlier.

The Directors intend to renew this authority at each AGM, in accordance with current practice for investment companies. The Directors have no present intention of exercising the authority sought under this resolution.

As at 20 June 2019 (being the latest practicable date before the publication of this notice), the Company did not hold any shares in treasury.



SPECIAL RESOLUTIONS

Resolution 14 – Disapplication of pre-emption rights

If the Directors wish to exercise the authority under Resolution 13 and offer shares (or sell treasury shares which the Company may purchase and elect to hold as treasury shares) for cash, company law requires that unless shareholders have given specific authority for the waiver of their statutory pre-emption rights, the new shares must be first offered to existing shareholders in proportion to their existing holdings. There may be occasions, however, when the Directors will need the flexibility 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 in order to make investments in line with the Company's investment policies. This cannot be done unless the shareholders have first waived their pre-emption rights.

Resolution 14 would authorise the Directors to do this by allowing the Directors to allot shares for cash or sell treasury shares for cash up to an aggregate nominal value of £622,461, which is equivalent to approximately 10% of the Company's issued Ordinary Share capital as at 20 June 2019 (being the latest practicable date prior to the publication of this notice). The allotment or sale of shares from cash will be at a price not less than the net asset value per share.

The Directors do not currently intend to allot shares other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the Company's shareholders to do so.

In accordance with UK Listing Rules, the Company will only issue Ordinary Shares pursuant to this authority at a price that is not less than the prevailing net asset value at the time of issue.

Resolution 14 will be proposed as a special resolution to provide the Company with the necessary authority. If given, the authority will expire at the conclusion of the next AGM of the Company in 2020 or, if earlier 30 September 2020. The Directors intend to renew such authority at successive AGMs in accordance with current best practice.

As at 20 June 2019, being the latest practicable date before the publication of this notice, the Company held no equity securities in treasury.

Resolution 15 – Authority to purchase own shares

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 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 14 above) and provides the Company with additional flexibility in the management of its capital base. 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 15, the Company will have the option of either holding in treasury or cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

The resolutions specify the maximum number of Ordinary Shares that may be acquired, being up to 93,306,960 Ordinary Shares (approximately 14.99% of the Company's issued Ordinary Share capital as at 20 June 2019). The resolution specifies the maximum and minimum prices at which the Ordinary Shares may be bought.



There are no warrants or options to subscribe for Ordinary Shares outstanding at 20 June 2019.

Resolution 15 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 2020 or, if earlier, 30 September 2020.

The Directors intend to seek renewal of the authority to purchase Ordinary Shares at the next AGM of the Company in 2020 and at subsequent AGMs.

Resolution 16 – Notice period for general meetings, other than annual general meetings

This resolution 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.



SCHEDULE 1 – REVISED INVESTMENT POLICY

Investment objective

The Company's investment objective is to provide Shareholders with an attractive level of income, together with the potential for capital growth from investing in a portfolio of Social Homes, which benefits from inflation adjusted long-term leases or occupancy agreements with Registered Providers and to deliver, on a fully invested and geared basis, a targeted dividend yield of 5 per cent per annum¹, which the Company expects to increase broadly in line with inflation

Investment policy

The Company's investment policy is to invest in a diversified portfolio of Social Homes throughout ~~England and Wales~~ **the United Kingdom**. The Company intends to meet the Company's investment objective by acquiring, typically indirectly via Special Purpose Vehicles, portfolios of Social Homes and entering into long-term inflation adjusted leases or occupancy agreements for terms primarily ranging from 10 years to 40 years with Registered Providers, where all management and maintenance obligations will be serviced by the Registered Providers. The Company will not undertake any development activity or assume any development or construction risk. However, the Company may engage in renovating or customising existing homes, as necessary.

The Company may make prudent use of leverage to finance the acquisition of Social Homes and to preserve capital on a real basis.

The Company is focused on delivering capital growth and expects to hold its Portfolio over the long term and therefore it is unlikely that the Company will dispose of any part of the Portfolio. In the unlikely event that a part of the Portfolio is disposed of, the Directors intend to reinvest proceeds from such disposals in assets in accordance with the Company's investment policy.

Investment restrictions

The Company invests and manages the Portfolio with the objective of delivering a high quality, diversified Portfolio through the following investment restrictions:

- the Company only invests in Social Homes located in ~~England and Wales~~ **the United Kingdom**;
- the Company only invests in Social Homes where the counterparty to the lease or occupancy agreement is a Housing Association or Local Authority;
- no lease or occupancy agreement shall be for an unexpired period of less than 10 years, unless the shorter leases or occupancy agreements represent part of an acquisition of a portfolio which the Investment Adviser intends to reorganise such that the average term of lease or occupancy agreement is increased to 15 years or above;
- the aggregate maximum exposure to any single Local Authority or single Housing Association is 25 per cent of the Gross Asset Value, once the capital of the Company is fully invested;
- no investment by the Company in any single geographical area, in relation to which the houses and/or apartment blocks owned by the Company are located on a contiguous or largely contiguous basis, exceeds 20 per cent of the Gross Asset Value of the Company on a Portfolio NAV basis;
- the Company only acquires completed Social Homes and will not forward finance any development of new Social Homes;
- the Company does not invest in other alternative investment funds or closed-end investment companies; and
- the Company is not engaged in short selling.

¹ The target dividends are targets only and do not represent a profit forecast. There can be no assurance that the targets can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yields are reasonable or achievable.



The investment limits detailed above apply at the time of the acquisition of the relevant investment in the Portfolio once fully invested. The Company would not be required to dispose of any investment or to rebalance the Portfolio as a result of a change in the respective valuations of its assets.

Gearing limit

The Directors seek to use gearing to enhance equity returns. The level of borrowing is set on a prudent basis for the asset class and seeks to achieve a low cost of funds, whilst maintaining the flexibility in the underlying security requirements and the structure of both the Portfolio and the Company.

The Company may, following a decision of the Board, raise debt from banks and/or the capital markets and the aggregate borrowings of the Company is always subject to an absolute maximum, calculated at the time of drawdown, of 40 per cent of the Gross Asset Value.

Debt is secured at asset level, whether over a particular property or a holding entity for a particular series of properties, without recourse to the Company and also potentially at Company level with or without a charge over the Portfolio (but not against particular assets), depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles. Otherwise there will be no cross-financing between investments in the Portfolio and the Company will not operate as a common treasury function between the Company and its investments.

Use of derivatives

The Company may choose to utilise derivatives for efficient portfolio management. In particular, the Directors may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred in accordance with the gearing limits as part of the management of the Portfolio.

Cash management

Until the Company is fully invested, and pending re-investment or distribution of cash receipts, the Company invests in cash, cash equivalents, near cash instruments and money market instruments.

REIT status

The Directors conduct the affairs of the Company so as to enable it to remain qualified as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).