

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Greggs plc, please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.



(Registered in England and Wales with registered number 502851)

**Registered office:**  
Greggs plc  
Quorum Business Park  
Newcastle upon Tyne  
NE12 8BU

13 April 2021

Dear Shareholder

#### **ANNUAL GENERAL MEETING (AGM)**

I enclose a formal notice of our Annual General Meeting, which is to be held at Greggs House, Quorum Business Park, Newcastle upon Tyne NE12 8BU on Friday 14th May 2021 at 9.00 a.m. **Please refer to the guidance below concerning physical attendance at the meeting.**

#### **Format of the meeting due to the Covid-19 pandemic**

As at the date of this Notice we have taken the decision to proceed with the Annual General Meeting, as is required by our articles of association. However, according to current public health guidance and legislation issued by the UK Government in relation to the Covid-19 pandemic, national lockdown restrictions preventing indoor public gatherings and non-essential travel will remain in force in England as at the date of the meeting.

**The safety of our shareholders, colleagues and customers is of the utmost importance to us during these continued difficult times. Due to the format of the meeting this year, we strongly encourage you to appoint the Chair of the meeting as your proxy to exercise your right to vote at the meeting in accordance with your instructions. Proxies must be submitted as soon as possible and, in any event, no later than 9.00 a.m. on Wednesday 12th May 2021.**

Consistent with national lockdown restrictions, the meeting is expected to be held with only three persons present, being the minimum required by our articles of association to form a quorate meeting. All social distancing precautions will be observed by the three persons who attend in person, and the duration of the Annual General Meeting will be minimised in accordance with government guidance.

**We regret that attendance of any other shareholder, proxy or corporate representative will not be permitted under national lockdown restrictions currently expected to be in force in England at the date of the meeting. No shareholder, proxy or corporate representative should attempt to attend the meeting in person, in order to protect the health and safety of fellow shareholders and our colleagues, and will not be permitted entry to the meeting venue if they intend to do so.**

#### **Shareholder engagement**

We recognise that the Annual General Meeting is an important meeting for shareholders in the annual calendar and your continued engagement and participation is important to us. We are therefore proposing the following for online viewing:

- A pre-recorded presentation from the Chief Executive will be shown, based on the most recent trading update released to the London Stock Exchange as of the date of the meeting.
- I will lead a series of responses from the directors to questions submitted in advance of the meeting.
- We will announce the outcome of the proxy vote via a webcast.

If you would like to view the meeting online, please provide your name and email address to [GreggsAGM@greggs.co.uk](mailto:GreggsAGM@greggs.co.uk), to reach us by 9.00 a.m. on Monday 3rd May 2021 and we will send joining instructions to registered attendees around a week before the meeting.

#### **How to ask questions**

If you would like to submit a question for consideration, please email it to [Greggsquestions@greggs.co.uk](mailto:Greggsquestions@greggs.co.uk) **to be received by 5.00 p.m. on Friday 7th May 2021.** We will answer as many as we can on the day, and any unanswered questions will receive a written reply.

The presentation, answers to questions raised, and the outcome of the proxy vote will be made available on the company's website following the Annual General Meeting.

### **Changes to Annual General Meeting arrangements**

We are continuing to monitor developments to the national lockdown restrictions and government guidance. In the unlikely event of an expedited relaxation of those restrictions that allows general in-person attendance at the meeting, we will notify shareholders via the Regulatory News Service of any changes to the arrangements made for the meeting, as well as any health and safety measures or requirements that we consider necessary to ensure the safety of any in-person attendees at the meeting. Please register to receive updates at <https://corporate.greggs.co.uk/investors/regulatory-news/email-signup>.

We hope you understand our decision in the circumstances and I very much hope that we can return to a more normal Annual General Meeting next year.

### **New Articles of Association**

In addition to our normal business we are seeking your authority to adopt new articles of association. The new articles will take effect from the close of the Annual General Meeting and will amend our existing articles, principally to reflect changes to law and market practice and to permit in future holding a combined physical and electronic meetings known as a "hybrid" meetings in the future.

Further details of the principal changes between the proposed new articles of association and the existing articles of association are set out in the explanatory notes to the resolutions and the Appendix to this Notice.

### **Resolutions to be determined by poll**

As is now established practice, all resolutions will be determined by poll vote, in accordance with best practice. On a poll, every shareholder has one vote for every share held.

### **Re-election of Directors**

In accordance with the UK Corporate Governance Code, all of the Directors will, in turn, resign as a Director and offer themselves for re-election.

I am pleased to confirm that, following evaluation and recommendation from the Nominations Committee, we are satisfied that each of the Directors seeking re-election at the meeting continues to make a valuable contribution to our discussions, has the best interests of the Company at heart, performs effectively and demonstrates commitment to the role, including commitment of time for Board and Committee meetings and any other required duties.

### **Forms of proxy**

A proxy form is enclosed for you to complete (according to the instructions printed on it) and send to the Company's Registrars, Link Asset Services, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL to be received by 9.00 a.m. on Wednesday 12th May 2021. CREST Members can cast their votes using CREST electronic proxy voting (further details of which are set out in note 10 on page 6 of this document).

### **Recommendation**

Your Directors believe that all the resolutions in the enclosed notice of Annual General Meeting are in the best interests of the Company and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each resolution, as they intend to do in respect of their own shareholdings in the Company.

Yours faithfully

**Ian Durant**  
Chairman

**GREGGS plc (Registered in England and Wales with registered number 502851)**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Greggs plc ("**the Company**") will be held at Greggs House, Quorum Business Park, Newcastle upon Tyne NE12 8BU on **Friday 14th May 2021 at 9:00 a.m.** for the following purposes:

**Ordinary Business**

1. To receive the accounts for the fifty-three weeks ended 2 January 2021 together with the reports of the Directors and of the Auditor thereon.
2. To appoint RSM UK Group LLP as auditor to the Company.
3. To authorise the Directors to determine the remuneration of the auditor of the Company.
4. To re-elect Mr I Durant as a Director.
5. To re-elect Mr R Whiteside as a Director.
6. To re-elect Mr R Hutton as a Director.
7. To re-elect Dr H Ganczakowski as a Director.
8. To re-elect Mr P McPhillips as a Director.
9. To re-elect Ms S Turner as a Director.
10. To re-elect Mrs K Ferry as a Director.
11. To approve the Directors' Remuneration report for the fifty-three weeks ended 2 January 2021.

To transact any other ordinary business of the Company.

**Special Business**

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed as to resolution 12 as an Ordinary Resolution and as to resolutions 13, 14, 15 and 16 as Special Resolutions:

12. THAT the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**2006 Act**") to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £674,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 13 August 2022 or, if earlier, the date of the next Annual General Meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

13. THAT, subject to the passing of resolution 12 set out in the notice of this meeting, the Directors be given the general power in accordance with section 570 of the Companies Act 2006 (the "**2006 Act**") to allot equity securities (as defined by section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by resolution 12 set out in the notice of this meeting or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:
  1. in connection with an offer by way of a rights issue:
    - (a) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
    - (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  2. (otherwise than pursuant to paragraph 1 above) up to an aggregate nominal amount of £101,000.

The power granted by this resolution will expire on 13 August 2022 or, if earlier, the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

14. That the Company be generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 ("**2006 Act**"), to make market purchases (as defined in section 693(4) of the 2006 Act) of ordinary shares in the capital of the Company ("**Ordinary Shares**") up to an aggregate nominal amount of £203,000 on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:
  - (a) the amount paid for each Ordinary Share (exclusive of expenses) shall not be more than five per cent above the average of the middle market quotation for an Ordinary Share as derived from the Daily Official List of London Stock Exchange plc for the five business days before the date on which the contract for the purchase is made and, in any event, not less than the nominal value of each Ordinary Share; and
  - (b) the authority herein contained shall expire at the conclusion of the next Annual General Meeting of the Company or on 13 August 2022, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred had not expired.
15. That a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company.
16. That with effect from conclusion of the Annual General Meeting the draft articles of association of the Company produced to the meeting and initialled by the Chair of the meeting for the purpose of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing Articles of Association.

Dated: 13 April 2020

Registered Office:  
Greggs plc  
Greggs House  
Quorum Business Park  
Newcastle upon Tyne  
NE12 8BU

By Order of the Board

**Jonathan D Jowett**  
Company Secretary

## Notes:

### Appointment of Proxies

1. **In light of current public health guidance and legislation issued by the UK Government in relation to the Covid-19 pandemic, the Annual General Meeting is expected to be held with only three persons present, being the minimum required by our articles of association to form a quorate meeting. The attendance of any other shareholder, proxy or corporate representative will not be permitted under national lockdown restrictions currently expected to be in force in England at the date of the meeting. Accordingly, the Company strongly encourages all shareholders to submit a proxy vote in advance of the meeting, appointing the Chair of the meeting as their proxy rather than a named person. These notes should be read in this context.**
2. If you are a member of the Company at the time set out in note 12 below, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting and you should have received a proxy form with this notice of meeting. As explained in note 1 above, shareholders will not currently be permitted to attend the Annual General Meeting in person. **Accordingly, those submitting a form of proxy are strongly encouraged to appoint the Chair of the meeting rather than a named person as their proxy.** This will ensure that your vote will be counted. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Link Asset Services on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Opening hours are 09.00-17.30 Mon-Fri excluding public holidays in England and Wales) or, if calling from outside the UK, on +44 371 664 0300. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the "Nominated persons" section below.
4. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chair of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes on that proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chair) and give your instructions directly to them.
5. You may appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
6. Appointment of a proxy does not preclude you from attending the Annual General Meeting and voting in person. If you have appointed a proxy and attend the Annual General Meeting in person, your proxy appointment will automatically be terminated.
7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting or any adjournment thereof.

### Appointment of proxy using hard copy proxy form

8. To appoint a proxy using the proxy form, the form must be:
  - completed and signed;
  - sent or delivered to the Company's Registrars, Link Asset Services, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL; and
  - received by the Company's Registrars no later than 9:00 a.m. on Wednesday 12th May 2021 or, if this Annual General Meeting is adjourned, not less than 48 hours before the time of the adjourned meeting.

In the case of a member which is a company, the proxy form must be executed under its Common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### Electronic appointment of proxies

9. As an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by visiting [www.greggshares.co.uk](http://www.greggshares.co.uk). You will require your user name and password in order to log in and vote. If you have forgotten your username or password, you can request a reminder via the shareholder portal. If you haven't previously registered to use the portal, you will require your investor code ("IVC") which can be found on your proxy form. For an electronic proxy appointment to be valid, your appointment must be received by the Company's Registrars, Link Asset Services no later than 9:00 a.m. on 12th May 2021.

### **Appointment of proxies through CREST**

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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. As explained in note 1 above, shareholders will not currently be permitted to attend the Annual General Meeting in person. **Accordingly, CREST members who wish to appoint a proxy or proxies by means of CREST are strongly encouraged to appoint the Chair of the meeting rather than a named person as their proxy.** This will ensure that your vote will be counted.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") 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 RAI0) by the latest time for receipt of proxy appointments specified in note 8 above. 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.

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.

### **Appointment of proxy by joint members**

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).

### **Entitlement to attend and vote**

12. Only those members registered on the Company's register of members at close of business on Tuesday 11th May 2021 or, if this Annual General Meeting is adjourned, at close of business two days prior to the adjourned meeting, shall be entitled to vote at the meeting. This year, shareholders must nominate the Chair of the meeting as their proxy in order for their votes to be counted. If you would like to view online, please send your name and email address to [GreggsAGM@greggs.co.uk](mailto:GreggsAGM@greggs.co.uk) to reach us by 9:00 a.m. on Monday 3rd May 2021. Access details will be sent to registered email addresses around a week before the meeting.

### **Website giving information in relation to the Annual General Meeting**

13. Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006, is available from <https://corporate.greggs.co.uk>.

### **Corporate representatives**

14. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

### **Issued shares and total voting rights**

15. As at the last business day prior to the publication of this notice, the Company's issued share capital comprised 101,496,803 ordinary shares of 2p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the last business day prior to the publication of this notice is 101,496,803.

The website referred to in note 13 includes information on the number of shares and voting rights.

### **Questions at the Meeting**

16. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the Annual General Meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - the answer has already been given on a website in the form of an answer to a question; or
  - it is undesirable, in the interests of the Company or the good order of the meeting, that the question be answered.

**As national lockdown restrictions are currently expected to remain in force in England as at the date of the meeting, if you would like to have a question considered at the Annual General Meeting, please submit it to [Greggsquestions@greggs.co.uk](mailto:Greggsquestions@greggs.co.uk) to be received by 5.00 p.m. on Friday 7th May 2021.**

### Website publication of audit concerns

17. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by a members or members meeting the qualification criteria set out at note 18 below, the Company must publish on its website, a statement setting out any matter that such member(s) propose to raise at the Annual General Meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting.

Where the Company is required to publish such a statement on its website:

- it may not require the member(s) making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the meeting.

The request:

- may be in hard copy form or in electronic form (see note 18 below);
- either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person or persons making it (see note 18 below); and
- be received by the Company at least one week before the meeting.

### Members' qualification criteria

18. In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 17), the relevant request must be made by:

- a member or members having a right to vote at the Annual General Meeting and holding at least 5% of total voting rights of the Company; or
- at least 100 members having a right to vote at the Annual General Meeting and holding, on average, at least £100 of paid up share capital.

For information on voting rights, including the total number of voting rights, see note 15 above and the website referred to in note 13.

### Submission of hard copy and electronic requests and authentication requirements

19. Where a member or members wishes to request the Company to publish audit concerns (see note 17), such request be must be made in accordance with one of the following ways:

- in the case of a request made in hard copy form, such request must be signed by a shareholder(s), state such shareholder(s) full name(s) and address and sent to the Company Secretary at Greggs plc, Greggs House, Quorum Business Park, Newcastle upon Tyne NE12 8BU.
- in the case of a request made in electronic form, such request must state such shareholder(s) full name(s) and address and be sent to [investorrelations@greggs.co.uk](mailto:investorrelations@greggs.co.uk).

### Nominated persons

20. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("**Nominated Person**") you may have a right under an agreement between you and the member ("**Relevant Member**") of the Company who has nominated you to have information rights, to be appointed or to have someone else appointed as a proxy for the Annual General Meeting.

If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

### Biographical details

21. Biographical details and Committee memberships of each Director who is being proposed for re-election by members are set out in the Annual Report and Accounts posted to members at the same time as this circular and available on the Company's website at <https://corporate.greggs.co.uk>.

**Documents on display**

22. The following documents will be available for inspection subject to coronavirus restrictions and by prior appointment, at the Company's registered office from the date of this notice until the time of the Annual General Meeting and at the meeting venue itself for at least 15 minutes prior to the meeting until the end of the meeting:

- copies of the service contracts of Executive Directors of the Company;
- copies of the letters of appointment of the Non-Executive Directors of the Company;
- copies of the deeds of indemnity for Executive and Non-Executive Directors of the Company; and
- a copy of the articles of association of the Company together with a copy of the amended form of articles of association of the Company that are proposed to be adopted by Resolution 16, which documents shall also be made available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ, United Kingdom from the date of this notice until the close of the meeting.

If you wish to inspect those documents, please make an appointment by emailing the Company Secretary at [Jonathan.Jowett@greggs.co.uk](mailto:Jonathan.Jowett@greggs.co.uk).

**Communication**

23. Except as provided above, members who have general queries about the Annual General Meeting should contact the Company Secretary at Greggs plc, Greggs House, Quorum Business Park, Newcastle upon Tyne NE12 8BU, on 0191 281 7721 or via email to [Jonathan.Jowett@greggs.co.uk](mailto:Jonathan.Jowett@greggs.co.uk) (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of Annual General Meeting; or
- any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

## Explanatory Notes:

### Ordinary Business

Section 439 of the Companies Act 2006 requires quoted companies, at each general meeting at which statutory accounts are to be laid, to propose an ordinary resolution approving the Directors' Remuneration report for the year. Resolution 11 will be proposed as an ordinary resolution for this purpose.

### Special Business

The Companies Act 2006 provides that Directors shall only allot new shares with the authority of shareholders in general meeting. Resolution 12 will be proposed as an Ordinary Resolution for the renewal of the Directors' general authority to allot shares up to an aggregate nominal amount of £674,000, representing approximately one third of the current issued share capital of the Company. The Directors have no present intention of exercising this authority and the authority will, unless renewed, varied or revoked by the Company, expire on 13 August 2022, or, if earlier the date of the next Annual General Meeting of the Company.

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 570 of the Companies Act 2006. Resolution 13 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561(1) of the Companies Act 2006, and authorises other allotments of up to a maximum aggregate nominal amount of £101,000, representing approximately 5 per cent of the current issued share capital of the Company. This authority also allows the Directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury (the Company does not currently hold any such shares). The Directors have no present intention of exercising this authority and in line with best practice, the Company has not issued more than 7.5% of its issued share capital for cash on a non-pro rata basis over the last three years.

Resolution 14 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market up to an aggregate nominal amount of £203,000, representing approximately 10 per cent of the issued share capital of the Company. The price payable shall not be more than 5 per cent above the average price of the middle market quotation as derived from the Daily Official List of London Stock Exchange plc for the Ordinary Shares for the five business days before the purchase is made and in any event not less than the nominal value of each Ordinary Share. It is the Directors' intention only to exercise the authority to purchase the Company's shares where it would increase the earnings per share of those Ordinary Shares that are not re-purchased. The Company intends either to cancel such shares or to hold them in treasury. This power will only be used if the Directors consider that to do so would be in the best interests of shareholders generally. The total number of warrants and options to subscribe for equity shares that are currently outstanding is 2,221,305, which represents approximately 2.2% of the current issued share capital of the Company. If the full authority to buyback shares (i.e. the existing authority and that being sought under Resolution 14 is used this would represent approximately 2.4% of the current issued share capital of the Company.

Resolution 15 will be proposed as a Special Resolution to allow the Company to continue to hold general meetings on 14 clear days' notice. The Company is currently able to call general meetings other than Annual General Meetings on 14 clear days' notice in accordance with its Articles of Association. However, the Companies (Shareholders' Rights) Regulations 2009 (the "**Regulations**"), which came into force on 3 August 2009, increased the required notice period for all general meetings to 21 days, which overrides the authority provided for in the Articles of Association. The Company is able to reserve the authority to call general meetings (other than the Annual General Meeting) on 14 clear days' notice, provided shareholders have approved this by passing a resolution annually at each Annual General Meeting and the Company has met the requirements for electronic voting under the Regulations. The Company does not intend to call general meetings on 14 clear days' notice as a matter of routine but would like to retain the flexibility to do so where the Directors believe that it is in the best interests of the Company, for example, where the Directors believe there is a financial or operational advantage which outweighs the benefit to shareholders of a longer notice period.

Resolution 16 will be proposed as a Special Resolution to adopt new articles of association of the Company (the "New Articles") to take effect from the conclusion of the Annual General Meeting. The New Articles will amend the Company's current articles of association ("Current Articles") to reflect changes to (i) the ability of the directors to postpone or move the place of a meeting without requiring an adjournment; (ii) the ability to hold combined physical and electronic meetings (known as 'hybrid' meetings); and (iii) quorum requirements. Other proposed amendments to the Articles reflect changes to the law and market practice.

The principal changes introduced in the New Articles are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes in law have not been noted in the Appendix.

## Appendix

### Summary of the principal changes to the Company's Articles of Association

The New Articles contain, among others, the following principal changes:

#### 1. Combined physical and electronic general meetings

The New Articles provide that the Directors may decide to hold a "hybrid" general meeting as a combined physical and electronic general meeting (including an annual general meeting) in such a way that enables shareholders to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic platform (Article 65). Voting in respect of all resolutions at a hybrid general meeting must be decided on a poll (Articles 65.3 and 67.4). This provision does not permit a general meeting to be held in an electronic only format. This provision provides further flexibility for the Directors to decide the format and arrangements for holding a general meeting to ensure it is appropriate in the circumstances. The New Articles also include a number of consequential changes to provide for a general meeting to be held as a physical general meeting or a combined physical and electronic general meeting, such as amendments to the method of voting and demand for poll (Article 67), the adjournment of meetings (Article 61) and the requirement for a quorum (Article 59).

#### 2. Attendance at and participation in general meetings

The New Articles provide greater detail on how a person is able to attend and participate in a general meeting (Article 66). This provision specifies that in determining whether persons are attending or participating in a general meeting, it is immaterial whether they are in the same place as each other or how they are able to communicate, provided that they have rights to speak or vote at that meeting. This provision provides further flexibility in the way that meetings are held and captures how a person is able to attend and participate in a physical meeting and a combined physical and electronic general meeting.

#### 3. Quorum for general meetings

The New Articles reduce the quorum requirement for general meetings from three members to two members present or represented by proxy and entitled to vote upon the business to be transacted.

#### 4. Postponement of general meetings

The New Articles contain new provisions in relation to the Directors' power to postpone a properly convened general meeting after notice of that meeting has been sent out but before the time at which the meeting is to be held (Article 55). The New Articles allow Directors to inform members of the new arrangements by giving notice as they see fit.

#### 5. Remuneration of non-executive directors

The New Articles include an aggregate cap on non-executive directors' fees of £750,000, which may be increased by an ordinary resolution of the Company (Article 92). The inclusion of a cap is in line with market practice.

#### 6. Borrowing powers

The New Articles contain an amendment to the borrowing powers provision (Article 126) to avoid a technical breach of the borrowing limits in relation to the operation of the IFRS 16 leasing standard and the change in treatment of operating leases.

#### 7. Untraced shareholders

The New Articles contain amended provisions in relation to untraced shareholders to bring those provisions more in line with current market practice. Although some of these formalities are no longer required, the New Articles still require the Company to comply with a number of formalities (such as sending notice to the last known physical or email address of the shareholder and using reasonable steps to trace the shareholder) before such shares can be sold (Article 174.1.2) but requirements to advertise in newspapers and notify the London Stock Exchange have been removed in line with market practice and changes in law. The New Articles provide that a relevant share may only be sold if: (i) during a period of twelve years at least three dividends in respect of that share have been announced but none have been claimed; and (ii) after the expiry of the twelve-year period, the Company has sent a notice to the member or person entitled by transmission and has not received any communication from such member or person entitled by transmission for a further period of three months (Article 174.1). Amendments have also been made in relation to the sale process to clarify that the net sale proceeds belong to the Company and the untraced shareholder has no further right to claim the proceeds (Article 174.3).

#### 8. Unclaimed dividends

The New Articles have been updated to clarify that a dividend is to be treated as unclaimed if the payee does not specify an address, bank account or other details necessary in order to make a payment of a dividend, or if payment cannot be made by the Company using the details provided (Article 144.1). This change is intended to provide clarity on what constitutes unclaimed dividends and the treatment by the Company of such unclaimed dividends and brings this provision into line with current market practice.

#### 9. Power to offer shares in lieu of cash dividends

The New Articles reduce the period for scrip dividend authorities to be renewed from five years to three years in line with Investment Association guidance (Article 152.1). The New Articles also provide the Directors with additional powers to decide whether a scrip dividend is made available in respect of a dividend declared at the same meeting (Article 152.8). This is in line with current market practice.

**10. Capitalisation of profits and reserves**

The New Articles have been amended to provide that treasury shares can participate in a bonus issue unless the ordinary resolution to approve the capitalisation provides otherwise (Article 153.1.3). This change brings the New Articles in line with market practice and allows the Company the benefit of the full flexibility allowed by the Companies Act 2006. The New Articles have also been updated to clarify and improve the capitalisation procedure. The New Articles provide that capitalised sums will be applied for the benefit of shareholders in proportion to their number of shares and allow for this position to be overridden by the ordinary resolution approving the capitalisation (Article 153.1.2).

**11. Election of persons entitled by transmission**

The New Articles have been updated to allow the Company to register a person who becomes entitled to a share by death or bankruptcy of a member as holder of the share if the notice requiring such person to make an election is not complied with within one year of being sent (Article 51.2). The intention behind this change is to assist the Company with efficient administration of the register.

**12. General**

The opportunity has been taken generally to incorporate amendments of a minor, technical or clarifying nature, or to clarify minor inconsistencies in certain other parts of the Current Articles. The New Articles also reflect current statutory and regulatory rules and redundant provisions have been removed. Gender neutral language has also been adopted throughout the New Articles.

