

**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 System1 Group 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.

# **System1 Group PLC**

## **Notice of Annual General Meeting**

Notice of the annual general meeting which has been convened for Friday, 13 August 2021 at 09:30 a.m. at Floor 3, 52 Bedford Row, Holborn, London, England, WC1R 4LR is set out in this document.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, PXS1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting.

## System1 Group PLC

(incorporated and registered in England and Wales under number 05940040)

### Registered Office:

52 Bedford Row  
Holborn  
London  
WC1R 4LR

20 July 2021

Dear Shareholder

### Notice of annual general meeting

I am pleased to be writing to you with details of our annual general meeting ("**AGM**") which we are holding on Friday, 13 August 2021 at Floor 3, 52 Bedford Row, Holborn, London, England, WC1R 4LR at 09:30 a.m. The formal notice of our AGM is set out on pages 3 to 6 of this document.

The Board takes the well-being of its colleagues and shareholders seriously and has been closely monitoring the evolving Coronavirus (COVID-19) pandemic. The AGM is an important event in the Company's corporate calendar but this year, in view of the continuing risk posed by COVID-19, our AGM will be purely functional in format to comply with the relevant legal requirements and to enable shareholders to pass the necessary resolutions for the conduct of the business and affairs of the Company.

Only the Chairman and a limited number of directors will be in attendance at the AGM to ensure a quorum and to conduct the business of the meeting, and all other shareholders, directors or employees are strongly encouraged not to attend the meeting in person. The usual format of the AGM will be condensed and will include only the formal business of the meeting. The process for virtual attendance at the AGM is described below in "Virtual Attendance of the AGM" and a live webcast of the AGM will be available to shareholders.

### Virtual attendance of the AGM

Shareholders can attend the AGM 'virtually' by using the link below (or contacting [legal@system1group.com](mailto:legal@system1group.com) to receive an invitation to join the Microsoft Teams meeting): [https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_MDlhNzk5YWEtY2NmNS00Njk5LWJiOGUtMTg0Yzg0ZGI5MWMz%40thead.v2/0?context=%7b%22Tid%22%3a%22f8a46a38-2d3d-4672-ae57-34e8f266feb4%22%2c%22Oid%22%3a%22bc2b3118-35f8-47fc-868c-367a3233ed64%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDlhNzk5YWEtY2NmNS00Njk5LWJiOGUtMTg0Yzg0ZGI5MWMz%40thead.v2/0?context=%7b%22Tid%22%3a%22f8a46a38-2d3d-4672-ae57-34e8f266feb4%22%2c%22Oid%22%3a%22bc2b3118-35f8-47fc-868c-367a3233ed64%22%7d)

Shareholders attending virtually will not be able to vote or ask questions during the meeting.

### Shareholder questions

Shareholders can submit questions to the Board in advance of the AGM by emailing them to [legal@system1group.com](mailto:legal@system1group.com) by no later than 09:30 a.m. on 2 August 2021. We will consider all questions received and seek to provide a written response in due course.

## **Voting arrangements**

Shareholders are strongly encouraged to submit their voting instructions as soon as possible. If you would like to vote on the resolutions, you may appoint a proxy:

- if you hold your shares in certificated form (that is, not via the CREST system):
  - via [www.signalshares.com](http://www.signalshares.com) by following the instructions on that website; or
  - by completing the enclosed form of proxy. You may request further hard copies of the form of proxy directly from the Company's Registrar, Link Group on 0371 664 0391 if calling from the United Kingdom, or +44(0)371 664 0391 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales; or
- if you hold your shares in CREST, via the CREST system.

Notice of your appointment of a proxy should reach the Company's Registrar, Link Group, by no later than 09:30 a.m. (BST) on 11 August 2021.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 9 to 12 of this document.

## **Recommendation of the Board**

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours sincerely

**Graham Blashill**  
**Chairman**

**Company number: 05940040**

## **SYSTEM1 GROUP PLC**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of System1 Group PLC (the "**Company**") will be held at Floor 3, 52 Bedford Row, Holborn, London, England, WC1R 4LR on Friday 13 August 2021 at 9.30 a.m. for the following purposes.

As ordinary business of an annual general meeting to consider and, if thought fit, pass the following ordinary resolutions:

1. To receive and adopt the financial statements of the Company for the financial year 2020/2021 and the reports of the directors and auditors on those financial statements.
2. To receive, adopt and approve the directors' remuneration report for the financial year 2020/2021.
3. To re-elect Mr Graham Blashill, who retires by rotation and offers himself for re-election by general meeting, as a director of the Company.
4. To re-elect Mr John Kearon, who retires by rotation and offers himself for re-election by general meeting, as a director of the Company.
5. To re-elect Ms Sophie Tomkins, who retires by rotation and offers herself for re-election by general meeting, as a director of the Company.
6. To re-elect Ms Jane Wakely, who retires by rotation and offers herself for re-election by general meeting, as a director of the Company.
7. To re-elect Mr Chris Willford, who retires by rotation and offers himself for re-election by general meeting, as a director of the Company.
8. To re-elect Mr Stefan Barden, who retires by rotation and offers himself for re-election by general meeting, as a director of the Company.
9. To elect as director of the Company Mr Rupert Howell, who was appointed on 15 February 2021 and offers himself for election by general meeting, as a director of the Company.
10. To re-appoint RSM UK Audit LLP as auditors and to authorise the directors to determine the auditors' remuneration.
11. To authorise the Company to amend the terms of outstanding awards granted under the System1 Group PLC Long Term Incentive Plan (originally approved by shareholders on 22 March 2017) as set out in the Explanatory Notes to this notice of annual general meeting.
12. To approve the amended System1 Group PLC Long Term Incentive Plan (originally approved by shareholders on 22 March 2017), the principal amendments to which are set out in the Explanatory Notes to this notice of annual general meeting and the amended rules of which are produced at the annual general meeting and for the purposes of identification initialled by the Chairman.
13. To authorise the Company to amend the terms of the outstanding award granted under the System1 Group PLC Non-Employee Plan (originally approved by shareholders on

31 July 2019) as set out in the Explanatory Notes to this notice of annual general meeting.

14. To approve the amended System1 Group PLC Non-Employee Plan (originally approved by shareholders on 31 July 2019), the principal amendments to which are set out in the Explanatory Notes to this notice of annual general meeting and the rules of which are produced at the annual general meeting and for the purposes of identification initialled by the Chairman.

As special business of an annual general meeting to consider and, if thought fit, pass resolution 15 as an ordinary resolution and resolutions 16 to 17 as special resolutions.

**Ordinary resolution:**

15. That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to:
  - (a) allot shares in the Company and grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £44,089.24; and
  - (b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £88,178.48 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this resolution 15) in connection with an offer by way of a rights issue to:
    - (i) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and
    - (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors of the Company otherwise consider necessary,

and so that the directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

These authorities shall apply in substitution for all previous authorities (but without prejudice to the validity of any allotment pursuant to such previous authority) and shall expire at the end of the next annual general meeting of the Company or, if earlier, 15 months after the date of this resolution, save that the Company may before such expiry make any offer or agreement 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 offer or agreement as if the power and authority conferred by this resolution had not expired.

**Special resolutions:**

16. That, subject to the passing of resolution 15 above, the directors be generally and unconditionally empowered for the purposes of section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash:
  - (a) pursuant to the authority conferred by resolution 15 above; or

- (b) where the allotment constitutes an allotment by virtue of section 560(3) of the Act,

in each case as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted under paragraph (b) of resolution 15, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only) to:
- (A) the holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them; and
- (B) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors of the Company otherwise consider necessary,

and so that the directors of the Company may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

- (ii) the grant of options to subscribe for shares in the Company, and the allotment of such shares pursuant to the exercise of options granted, under the terms of any share option scheme adopted or operated by the Company; and
- (iii) the allotment of equity securities, other than pursuant to paragraphs (i) and (ii) above of this resolution, up to an aggregate nominal amount of £13,226.77.

This power 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, if earlier, on the date 15 months after the passing of such resolution, save that the Company may before the expiry of this power make any offer or enter into any agreement 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 offer or agreement as if the power conferred by this resolution had not expired.

17. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of £0.01 each in the capital of the Company ("**Ordinary Shares**") in such manner and on such terms as the directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:

- (a) the maximum number of Ordinary Shares which may be purchased is 1,984,015;
- (b) the minimum purchase price which may be paid for any Ordinary Share is 1 pence (exclusive of expenses); and

- (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) the price of the last independent trade and the highest current independent purchase bid on the London Stock Exchange at the time the purchase is carried out.

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, if earlier, 15 months after the date of passing of this resolution, save in relation to purchases of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

**By order of the Board**

Chris Willford  
Company Secretary

Registered Office:  
52 Bedford Row  
Holborn  
London WC1R 4LR  
Registered in England and Wales No.  
05940040

20 July 2021

## Notes to the Notice of Annual General Meeting

**IN VIEW OF THE CONTINUING RISK POSED BY COVID-19, ONLY THE CHAIRMAN AND A LIMITED NUMBER OF DIRECTORS WILL BE IN ATTENDANCE AT THE AGM TO ENSURE A QUORUM AND TO CONDUCT THE BUSINESS OF THE MEETING, AND ALL OTHER SHAREHOLDERS, DIRECTORS OR EMPLOYEES ARE STRONGLY ENCOURAGED NOT TO ATTEND THE MEETING IN PERSON. WE THEREFORE STRONGLY ENCOURAGE SHAREHOLDERS TO VOTE ON ALL RESOLUTIONS BY COMPLETING AN ONLINE PROXY APPOINTMENT FORM APPOINTING THE CHAIRMAN OF THE MEETING AS YOUR PROXY, TO REGISTER ANY QUESTIONS IN ADVANCE AND NOT TO ATTEND THE MEETING IN PERSON.**

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his/her discretion as to whether and, if so, how he/she votes.

A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Link Group on 0371 664 0391 if calling from the United Kingdom, or +44(0)371 664 0391 if calling from outside the United Kingdom. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 9 below. Members wishing to appoint a proxy and register their proxy votes electronically other than through CREST should visit the website [www.signalshares.com](http://www.signalshares.com). The on-screen instructions at that website will give details on how to complete the appointment and voting process. Electronic proxy appointments and voting instructions must be received no later than 48 hours before the meeting to be effective.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post (during normal business hours only) or by hand by PXS1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL or at the electronic address provided in note 2, in each case no later than 09:30 a.m. on 11 August 2021 together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 9(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
4. 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.
5. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at Close of Business on 11 August 2021 (or, in the event of any adjournment, Close of Business on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
6. 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).
7. 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.



8. 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.
9. 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.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. Copies of (i) the executive directors' service contracts and (ii) letters of appointment of the non-executive directors will be available for inspection during normal business hours at the registered office of the Company (Saturdays, Sundays and public holidays excepted) until the time of the AGM and at the place of the AGM at least 15 minutes prior to the meeting and until the end of the meeting.
12. A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found at [www.system1group.com](http://www.system1group.com).

## EXPLANATORY NOTES

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 15 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Report and Accounts (Resolution 1)**

The directors of the Company must present the accounts to the meeting.

### **Directors' Remuneration Report (Resolution 2)**

In line with legislation, this vote will be advisory and in respect of the overall remuneration package and not specific to individual levels of remuneration. You can find the remuneration report in the Company's 2021 annual report and accounts.

### **Re-election of directors (Resolutions 3 to 9)**

The Company's articles of association allow every director for the time being to retire from office at each annual general meeting.

At this meeting, the directors, Mr. Graham Blashill, Mr. John Kearon, Ms. Sophie Tomkins, Ms. Jane Wakley, Mr. Chris Willford and Mr. Stefan Barden retire by rotation and stand for re-election as directors. Mr. Rupert Howell has not been offered for re-election since his appointment and accordingly now stands for re-election as a director.

As announced on 15 February 2021, Mr. Robert Brand retires by rotation and does not stand for re-election.

Having considered the performance of and contribution made by each of the directors standing for re-election the Board remains satisfied that the performance of each of the relevant directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election. Biographies of the directors standing for re-election can be found in the Corporate Governance Report within the annual report, which is available on the Company's website, [www.system1group.com](http://www.system1group.com).

### **Reappointment and remuneration of auditors (Resolution 10)**

Resolution 10 proposes the reappointment of RSM UK Audit LLP as auditors of the Company and authorises the directors to set their remuneration.

### **Amendments to vesting terms of outstanding awards under the System1 Group PLC Long Term Incentive Plan (the "2017 LTIP") (Resolution 11)**

Over the past two years, the Company has reshaped much of the business and created a management team capable of achieving our goal of becoming the world leader in predicting advertising effectiveness. In the medium term, the key focus under the new business model is on growing the client base and driving increased revenue.

After careful consideration, the Board concluded that the change in strategy meant that the Company's remuneration structure, which is heavily geared towards equity incentives, was no longer suitable to attract, retain and motivate existing and prospective employees. As such the Company felt it was necessary to make a number of amendments to strengthen the alignment between corporate performance and individual reward.

### *Outstanding 2017 LTIP awards*

The outstanding awards granted to executives in 2019 under the 2017 LTIP are subject to performance targets based on gross profit (the Company's main top line performance indicator), with profit after tax and share price underpins. Performance is assessed and vesting may occur as and when performance targets are met, allowing partial vesting and further incremental vesting to occur before the final vesting date provided that no vesting will occur after 12 August 2024.

### *Proposed amendments*

Following the change in strategy to focus on revenue growth and in order to ensure a strong link between performance and reward, it is proposed to amend the terms of outstanding awards granted to existing employees under the 2017 LTIP as follows:

- a. to extend the performance period by one year, with the final year of the performance period being the financial year ending 31 March 2025 and the final vesting date being 12 August 2025;
- b. to replace the gross profit performance measure with revenue targets at £45m for threshold vesting and £88m for maximum vesting;
- c. to replace the "hard" adjusted profit after tax underpin range of £7m to £9.91m with the requirement for the Company to be profitable after tax and the Remuneration Committee considering the level of profitability in the year of vesting and the overall corporate and share price performance over the period; and
- d. to reduce the share price underpin from c.£9.95 (being 30% higher than the closing mid-market share price on 22 March 2017) to £4.00.

### **Amendments to the rules of the 2017 LTIP (Resolution 12)**

It is proposed to amend the rules of the 2017 LTIP to ensure that, should the Company look to recruit new talent, it has the ability to align the individual with the executive management team through participation in the Company's sole share incentive scheme for employees, the 2017 LTIP.

### *Current rules of the 2017 LTIP – overall plan limit and life of the 2017 LTIP*

The maximum overall plan limit set out in the rules of the 2017 LTIP is 8.5% of the Company's issued ordinary share capital as at 1 January 2017.

No awards may be granted under the 2017 LTIP after the 4<sup>th</sup> anniversary of shareholder approval of the 2017 LTIP i.e. no awards can be made under the 2017 LTIP after 22 March 2021.

### *Proposed amendments to the rules of the 2017 LTIP*

To allow for awards to be made to potential incoming members of the management team, it is proposed to amend the rules of the 2017 LTIP as follows:

- a. to increase the overall plan limit from 8.5% to 10% of the Company's issued ordinary share capital as at 1 January 2017; and
- b. to extend the life of the 2017 LTIP during which new awards can be granted for a further 4 years from 22 March 2021 to 22 March 2025.

### **Amendments to vesting terms of outstanding awards under the System1 Group PLC Non-Employee Plan (the "2019 Non-Employee Plan") (Resolution 13)**

#### *Outstanding award under the 2019 Non-Employee Plan*

The outstanding award granted in 2019 under the 2019 Non-Employee Plan is subject to performance targets based on gross profit (the Company's main top line performance indicator), with share price underpins.

### *Proposed amendments*

Following the change in strategy to focus on revenue growth over profit, and in order to ensure a strong link between performance and reward, it is proposed to amend the terms of outstanding award granted under the 2019 Non-Employee Plan as follows:

- a. to replace the gross profit performance measure with revenue targets at £45m for the first tranche of 100,000 shares to vest; £66.5m for the second tranche of 100,000 shares to vest and £88m for the final tranche of 100,000 shares to vest;
- b. to extend the first performance period by one year, with the final year of the performance period being the financial year ending 31 March 2025 and the final vesting date being 30 July 2025; and
- c. to reduce the share price underpin for the first tranche of 100,000 shares from £5.00 to £4.00, in line with the proposed change to the 2017 LTIP.

### **Amendments to the rules of the 2019 Non-Employee Plan (Resolution 14)**

#### *Current rules of the 2019 Non-Employee Plan – change of control provisions*

In the event of a change of control or winding up of the Company, outstanding awards under the 2019 Non-Employee Plan shall vest to the extent to which the performance target is achieved.

#### *Proposed amendment to the rules of the 2019 Non-Employee Plan*

To ensure alignment in treatment of the outstanding award under the 2019 Non-Employee Plan and the outstanding awards under the 2017 LTIP, it is proposed to amend the rules of the 2019 Non-Employee Plan such that the proportion of the award that vests in the event of a change of control or winding up of the Company is at the Board's discretion.

### **Directors' authority to allot shares (Resolution 15)**

The purpose of resolution 15 is to renew the directors' authority to allot shares.

The authority in paragraph (a) will allow the directors to allot new shares in the Company or to grant rights to subscribe for or convert any security into shares in the Company up to a nominal value of £44,089.24.

The authority in paragraph (b) will allow the directors to allot new shares or to grant rights to subscribe for or convert any security into shares in the Company only in connection with a pre-emptive rights issue up to an aggregate nominal value of £88,178.48 (inclusive of the nominal value sought under paragraph (a) of the resolution).

The proposals set out in resolution 15 are in line with corporate governance guidelines. Although there is no present intention to exercise this authority, it is considered prudent to maintain the flexibility it provides.

As at the date of this notice, the Company held 328,477 ordinary shares in treasury, which represents approximately 2.55 per cent of the total ordinary share capital in issue at that date.

If the resolution is passed, the authority will expire on the earlier of 13 November 2022 (the date which is 15 months after the date of the resolutions) and the end of next annual general meeting of the Company in 2022.

### **Disapplication of pre-emption rights (Resolution 16)**

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

Resolution 16 asks the shareholders to do this and, apart from rights issues or any other pre-emptive offer concerning equity securities and the grant of share options, the authority will be limited to the issue of shares for cash up to a maximum number of 1,322,677 (which includes the sale on a non pre-emptive basis of any shares held in treasury), which is equivalent to approximately 10 per cent of the Company's issued ordinary share capital as at the date of this notice. The Company undertakes to restrict its use of this authority to a maximum of 7.5 per cent of the Company's issued ordinary share capital in any three year period. Shareholders will note that this resolution also relates to treasury shares and will be proposed as a special resolution.

This resolution seeks a disapplication of the pre-emption rights on a rights issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas shareholders. If given, the authority will expire at the conclusion of the next annual general meeting of the Company in 2022 or, if earlier, 13 November 2022 (the date which is 15 months after the passing of the resolution).

#### **Authority to purchase own shares (Resolution 17)**

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 17 seeks the authority from shareholders to continue to do so. The directors will continue to exercise this power 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.

Any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly, save that the Company may hold in treasury any of its own shares that it purchases pursuant to the Act and the authority conferred by this resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy employee share scheme awards with treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the Company's assets may be made to the Company in respect of the treasury shares.

The resolution specifies the maximum number of ordinary shares that may be acquired (approximately 15 per cent of the Company's issued ordinary share capital as at the date of this notice) and the maximum and minimum prices at which they may be bought.

Resolution 17 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 annual general meeting of the Company in 2022 or, if earlier, 13 November 2022 (the date which is 15 months after the date of passing of the resolution).

The directors' present intention is to exercise this authority wherever it is appropriate to do so. The directors intend to seek renewal of this power at subsequent annual general meetings.