

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your Shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Shares.



Foresight Group Holdings Limited
(incorporated and registered in Guernsey under number 51521)
NOTICE OF ANNUAL GENERAL MEETING

Notice of the annual general meeting of Foresight Group Holdings Limited (the **Company**) to be held at 1:00 p.m. on 26 August 2021 at Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT is set out in this notice.

Whether or not you propose to attend the annual general meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the annual general meeting (excluding any part of a non-working day) (i.e. by no later than 1:00 p.m. on 24 August 2021).



Registered Office: Ground Floor
Dorey Court
Admiral Park
St Peter Port Guernsey
GY1 2HT

Incorporated and registered in Guernsey
under registration number 51521

Chairman's Letter - Foresight Group Holdings Limited

Notice of Annual General Meeting

27 July 2021

To the holders of ordinary shares

I am pleased to be writing to you with details of our annual general meeting ("AGM") which we are holding at 1:00 p.m. on 26 August 2021 at Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT. The purpose of the AGM is to seek shareholders' approval for the resolutions set out in the formal notice of the AGM (from page 3 of this document).

If you plan on attending the AGM, we would ask that you register your intention to do so in advance for logistical and security reasons with the Company Secretary at jnicolle@foresightgroup.gg. In addition, please check the COVID-19 information pages of the States of Guernsey website for the latest advice and restrictions (including any isolation requirements) with respect to travel to, within, and from Guernsey, at <https://covid19.gov.gg>. If you are not a registered shareholder (for example, if you hold your Shares in Crest through your broker), kindly include evidence of your shareholding, which may include a letter of representation from the registered shareholder. We will only admit to the meeting (i) registered shareholders and (ii) those who have registered in advance, confirmed their status as share owners and received confirmation from us of their entitlement to attend.

We have today released our Annual Report and Financial Statements for the year ended 31 March 2021, which is available on our website, at www.fsg-investors.com.

In accordance with the requirements of the Company's articles of incorporation and the UK Corporate Governance Code in respect of the appointments of the Directors to be subject to annual election or re-election, resolutions are proposed to re-appoint each of Bernard William Fairman, Gary Fraser, Geoffrey Gavay, Michael Liston and Alison Hutchinson as Directors of the Company.

Resolutions are also proposed in order to receive the Company's Annual Report and Financial Statements for the year ended 31 March 2021, to approve each of the Directors' remuneration report and Directors' remuneration policy, to re-appoint the Company's auditors and to provide certain customary authorities to the Company's Directors.

The full text of the resolutions proposed at the AGM is set out in the formal notice of the AGM starting on page 3 of this document.

Explanatory notes

Explanatory notes on all the business to be considered at this year's AGM follow the below Notice of Annual General Meeting.

Recommendation

The Directors consider that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. Your Board unanimously recommends that shareholders vote in favour of the resolutions at the AGM, as the Directors intend to do in respect of their own beneficial holdings of ordinary shares.

Action to be taken

If you would like to vote on the resolutions but cannot attend the AGM in person, please fill in the proxy form (i) sent to you with this notice and return it to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible but, in any event, so as to reach our registrars by no later than 1:00 p.m. on 24 August 2021 or (ii) online at www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, Shareholder Reference Number (SRN) and PIN shown on the proxy form and agree to certain terms and conditions. Instructions for CREST members who wish to appoint a proxy or proxies through the CREST electronic appointment service are set out in the notes to the formal notice of the AGM (which begins at page 3 of this document).

Yours faithfully,

Bernard Fairman
Executive Chairman

Foresight Group Holdings Limited (the Company)

NOTICE OF ANNUAL GENERAL MEETING

notice is hereby given that this year's annual general meeting (the Meeting) will be held at 1:00 p.m. on 26 August 2021 at Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT. You will be asked to consider and pass the resolutions below (each a "Resolution" and, together, the "Resolutions"). Resolutions 12 to 16 will be proposed as special resolutions, and all the other Resolutions will be proposed as ordinary resolutions.

Ordinary Resolutions

1. To receive the Annual Report and Financial Statements of the Company for the financial year ended 31 March 2021 and the report of the Directors and auditors thereon.
2. That the Directors' Remuneration Report for the financial year ended 31 March 2021 be approved.
3. That the Directors' Remuneration Policy, set out in the Remuneration Report contained in the Governance section of the Annual Report and Financial Statements for the financial year ended 31 March 2021 be approved.
4. That the final dividend recommended by the Directors of 1.7 pence per ordinary share for the financial year ended 31 March 2021 be declared payable on 24 September 2021 to all members whose names appear on the Company's register of members at 6.00 p.m. on 10 September 2021.
5. To re-appoint Bernard William Fairman as a Director of the Company.
6. To re-appoint Gary Fraser as a Director of the Company.
7. To re-appoint Geoffrey Gavey as a Director of the Company.
8. To re-appoint Michael Liston as a Director of the Company.
9. To re-appoint Alison Hutchinson as a Director of the Company.
10. To re-appoint BDO LLP of 55 Baker Street, London W1U 7EU, as the Company's auditors until the conclusion of the next general meeting of the Company at which accounts are laid.
11. That the Directors be authorised to agree the auditors' remuneration.

Special Resolutions

12. That, the Directors of the Company be and they are generally and unconditionally authorised to exercise all or any of the powers of the Company to issue shares in the capital of the Company (the **Shares**) or to grant rights to subscribe for, or to convert any security into Shares in the Company:
 - (a) up to (or equivalent to), in aggregate, 36,111,111 Shares to such persons at such times as the Directors see fit and as if Article 5.1 of the Company's Articles of Incorporation (the **Articles**) did not apply to such issue;
 - (b) up to (or equivalent to), in aggregate, 72,222,222 Shares (including within such limit any Shares granted under paragraph (a) above) in connection with an offer by way of a rights issue to: (i) the holders of Shares in proportion as nearly as practicable to their respective holdings of such shares; and (ii) the holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and make any arrangements as the Directors may otherwise consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the

laws of, any territory or any other matter, and generally on such terms and conditions as the Directors may determine (subject always to the Articles),

provided that this authority shall, unless previously renewed, varied or revoked by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company after the date on which this Resolution is passed or at close of business on 26 November 2022 (if earlier), save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Shares to be issued, or rights to subscribe for or to convert any security into Shares to be granted, after the expiry of such period and the Directors of the Company may issue Shares and grant rights in pursuance of such offer or agreement as if the authority conferred by this Resolution had not expired.

13. That, subject to the passing of Resolution 12, the Directors of the Company be and are generally and unconditionally authorised to issue equity securities (as defined in the Articles) for cash and/or to sell Shares held by the Company as treasury shares for cash, as if Article 5.1 of the Articles did not apply to any such issue or sale, provided that this power shall be limited to:
 - (a) the issue of equity securities in connection with a rights issue or other pre-emptive offer to (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and (ii) holders of other equity securities as required by the rights of those securities or, subject to such rights as the Directors of the Company otherwise consider necessary, and, in each case, so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
 - (b) the issue of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) above) up to, in aggregate, 5,416,666 Shares,

and such 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 or at close of business on 26 November 2022 (if earlier), save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require equity securities to be issued and treasury shares to be sold after the expiry of such period and the Directors of the Company may issue equity securities and sell treasury shares in pursuance of such offer or agreement as if such power had not expired.

14. That, subject to the passing of Resolution 12 and in addition to any authority granted under Resolution 13, the Directors of the Company be and are hereby generally and unconditionally authorised to issue equity securities (as defined in the Articles) for cash and/or to sell Shares held by the Company as treasury shares for cash, as if Article 5.1 of the Articles did not apply to any such issue or sale, provided that:
 - (a) this power shall be limited to the issue of equity securities or sale of treasury shares for cash up to (or equivalent to), in aggregate, 5,416,666 Shares; and
 - (b) the issue of equity securities or sale of treasury shares for cash is for the purposes of financing (or refinancing, if the power is used within six months of the original transaction) a transaction which the Directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights published by the Pre-Emption Group in 2015 (being the most recent version published), and such power shall, unless previously renewed, varied or revoked by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company or at close of business on 26 November 2022 (if earlier), save that the Directors of the Company may, before the expiry of such

period, make an offer or agreement which would or might require equity securities to be issued and treasury shares to be sold after the expiry of such period and the Directors of the Company may issue equity securities and sell treasury shares in pursuance of such offer or agreement as if such power had not expired.

15. That, in accordance with the Companies (Guernsey) Law, 2008 (as amended) (the **Guernsey Act**) the Company be, and is generally and unconditionally authorised to make one or more market acquisitions as defined in section 316 of the Guernsey Act of its Shares on such terms and in such manner as the Directors may determine, provided that:

- (a) the maximum aggregate number of Shares authorised to be acquired does not exceed 10,833,333 Shares;
- (b) the minimum price (exclusive of expenses) which may be paid for a Share shall be nil;
- (c) the maximum price (exclusive of expenses) which may be paid for a Share shall be not more than the higher of: (i) 5 per cent above the average of the middle market quotations for a Share as derived from the Daily Official List of London Stock Exchange plc for the five business days immediately before the purchase is made; and (ii) the higher of the price of the last independent trade of a Share, and the highest independent bid as derived from the London Stock Exchange Trading System at the time of the purchase for the Shares;
- (d) the authority conferred shall expire at the conclusion of the next annual general meeting of the Company or at close of business on 26 November 2022 (if earlier);
- (e) notwithstanding (d) above, the Company may make a contract to purchase Shares under the authority conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority, and may make a purchase of Shares pursuant to any such contract; and
- (f) any Shares bought back may be held as treasury shares in accordance with the Guernsey Act or be subsequently cancelled by the Company.

16. That, the existing Articles of the Company be deleted and replaced in their entirety with the amended articles of incorporation in the form available for review on our website at www.fsg-investors.com (the **New Articles**), to provide for the following changes only:

Existing Article 27.5 which states:

"Subject to the provisions hereof, a meeting of Directors or of a committee of Directors may be validly held notwithstanding that such Directors may not be in the same place provided that:

27.5.1 *they are in constant communication with each other throughout by telephone, television or some other form of communication; and*

27.5.2 *all Directors entitled to attend such meeting so agree.*

A person so participating in the meeting shall be deemed to be present in person and shall accordingly be counted in the quorum and be entitled to vote. Such a meeting shall be deemed to take place where the chairman of the meeting then is."

be amended to read as follows:

"Subject to the provisions hereof, a meeting of Directors or of a committee of Directors may be validly held notwithstanding that such Directors may not be in the same place provided that:

27.5.1 *they are in constant communication with each other throughout by telephone, television or some other form of communication; and*

27.5.2 *all Directors entitled to attend such meeting so*

agree.

A person so participating in the meeting shall be deemed to be present in person and shall accordingly be counted in the quorum and be entitled to vote. Provided that there is at least one Director physically present in Guernsey at the time of the meeting, such a meeting shall be deemed to take place in Guernsey. In the case there is no Director at the meeting physically present in Guernsey at the time of the meeting, the chairperson of the meeting shall determine (in their sole discretion) the place the meeting shall be deemed to take place which shall be the place that any one of the Directors present at the meeting is physically present at the time of the meeting."

27 July 2021

By order of the Board
Foresight Group Holdings Limited

NOTES

Entitlement to attend and vote

- The right to attend and vote at the AGM is determined by reference to the Company's register of members. Only a member entered in the register of members at close of business on 24 August 2021 (or, if the AGM is adjourned, in the register of members at close of business on the day which is two business days prior to any adjourned meeting) is entitled to attend and vote at the AGM, and a member may vote in respect of the number of Shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Proxies

- 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 AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions is available on our website, at www.fsg-investors.com.
- In the case of joint holders, the vote of the first named holder in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
- A shareholder may appoint a proxy or proxies by:
 - completing the proxy form sent to you with this notice and returning it to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY
 - completing and submitting the proxy form available online at: www.investorcentre.co.uk/eproxy. You will be asked to enter the Control Number, Shareholder Reference Number (SRN) and PIN shown on the proxy form and agree to certain terms and conditions; or
 - if you are a user of the CREST system (including CREST Personal Members), having an appropriate CREST message transmitted (see further below).

IMPORTANT: In any case your proxy form must be received by the Company's registrars, in accordance with the instructions above, no later than 48 hours before the time fixed for holding the Meeting (excluding any part of a non-working day) (i.e. by no later than 1.00 p.m. on 24 August 2021).

Corporate representatives

- In case of a member which is a corporation, the proxy form must be executed under its common seal or under the hand of a duly authorised officer or person or in any other manner authorised by its constitution.

Issued share capital and total voting rights

- As at close of business on 26 July 2021 (being the last practicable date prior to the publication of this notice), the Company's issued share capital consisted of 108,333,333 ordinary shares, carrying one vote each.

Voting results

- The results of the voting at the AGM will be announced through Regulatory Information Service as soon as practicable after the AGM and will also appear on our website, www.fsg-investors.com.

Questions

- If you have any questions about this document or the AGM or are in doubt as to how to complete the proxy form, please contact 0370 707 4040. Please note that calls may be monitored or recorded, and we cannot provide financial advice or advice on the merits of matters proposed at the Meeting.

Documents on display

- Copies of the non-executive Directors' letters of appointment and the New Articles are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company's registered office, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT, from the date of this notice until the conclusion of the AGM and will be available for inspection at the place of the AGM for at least 15 minutes prior to and during the AGM.

NOTES FOR CREST MEMBERS

Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST manual which can be viewed at www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should contact their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear'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 agent of the Company's registrars, (3RA50) by no later than 1:00 p.m. on 24 August 2021 (or not less than 48 hours before the time appointed for any adjourned meeting at which the person named in the proxy form proposes to vote) (or in the case of a poll shall be deposited at the time the poll is demanded or, if the poll is to be taken more than 48 hours after it is demanded, at least 24 hours before the time appointed for taking the poll), and if not (unless the Board of the Company directs otherwise), the proxy form shall not be treated as valid (in each case excluding any part of a non-working day). 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 their 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 regard, 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 34 of the Uncertificated Securities (Guernsey) Regulations 2009.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages explain the proposed Resolutions.

Resolutions 1 to 11 are proposed as ordinary resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast by persons entitled to vote must be in favour of the Resolution. Resolutions 12 to 16 are proposed as special resolutions. This means that for these Resolutions to be passed, a majority of not less than 75 per cent. of the votes cast by persons entitled to vote must be in favour of each Resolution.

Adoption of the Annual Financial Statements – (Resolution 1)

The Directors will present the reports of the Directors and auditors and the Financial Statements of the Company for the financial year ended 31 March 2021 to shareholders at the annual general meeting. The report of the Directors, the Financial Statements, and the report of the Company's auditors on the Financial Statements are contained within the Annual Report and Financial Statements, which can be found on the Company's website at www.fsg-investors.com.

Approval of remuneration report – (Resolution 2)

The Remuneration Committee of the Board of Directors will present the remuneration report of the Company for the financial year ended 31 March 2021 to shareholders at the annual general meeting for approval. The vote is advisory and the Directors' entitlement to receive remuneration is not conditional on it. The report can be found on the Company's website at www.fsg-investors.com.

Directors' Remuneration Policy – (Resolution 3)

Resolution 3 proposes the adoption of the Company's first Directors' Remuneration Policy, as set out in the Governance section of the Company's Annual Report and Financial Statements for the financial year ended 31 March 2021. The Remuneration Policy is not a legal requirement and information concerning its origin and purpose is set out in the Company's Annual Report and Financial Statements, which can be found on the Company's website at www.fsg-investors.com.

Final Dividend – (Resolution 4)

Resolution 4 recommends that a final dividend of 1.7 pence per ordinary share be declared for the financial year ended 31 March 2021. If approved, the recommended final dividend will be paid on 24 September 2021 to all shareholders whose names appear on the Company's register of members at 6.00 p.m. on 10 September 2021.

Re-appointment of Directors – (Resolutions 5 to 9)

Resolutions 5 to 9 propose the re-appointment of each of Bernard William Fairman, Gary Fraser, Geoffrey Gavey, Michael Liston, and Alison Hutchinson. The re-appointments will take effect at the conclusion of the Meeting. 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. The Nomination Committee, which considers the balance of the Board and the mix of skills, knowledge and experience of its members, has considered and recommends the re-appointment of all of the Directors of the Company standing for re-election. Biographies of each of the Directors are set out below:

Bernard Fairman, Executive Chairman

Background

Bernard co-founded Foresight Group in 1984 to raise a new fund for investment in unquoted technology companies based in the UK, the United States and France. He is executive chairman with over 40 years of private equity experience. Bernard is responsible for the strategic direction and management of the Group through organic growth and acquisitions to reach a leading position in the UK small cap private equity and international infrastructure markets.

Prior to founding Foresight Group, Bernard worked at 3i Ventures as an investment manager where he was responsible for sourcing, evaluating and negotiating investments.

Qualifications

BA in Applied Economics from the University of Nottingham.

External Directorships

Calyx Limited, Beau Port Investments Limited.

Gary Fraser, Chief Financial Officer and Chief Operating Officer

Background

Gary joined Foresight in 2004 and is the Chief Financial Officer and Chief Operating Officer based in the London office. He has over 27 years of experience and is responsible for all financial and operational matters including providing and facilitating specialist financial input into corporate, portfolio and investment decisions.

Prior to joining Foresight, Gary worked at F&C Asset Management as a company secretary, where he focused on legal and tax compliance, financial compliance, technical and financial reporting and corporate finance. He has also worked at EY, focusing on audit and risk assurance, and corporate finance.

Qualifications

Chartered Fellow of the Securities Institute, Chartered Accountant, BAcc from the University of Stirling.

External Directorships

None.

Geoffrey Gavey, Independent Non-Executive Director

Background

Geoff joined the foresight Group Board in 2015 as an independent Non-Executive Director and sits on the Remuneration, Audit & Risk, and Nomination Committees. He is the managing director of FNB International Trustees Limited ("FNB") and deputy head of banking for FNB Channel Islands Bank. He is a member of the audit and risk committee of both FNB International Trustees Limited and FNB Channel Islands Bank.

He was formerly a director of Fairbairn Trust Company Limited, a subsidiary of Old Mutual, and worked for Lloyds Bank International in both Guernsey and Gibraltar.

Qualifications

Associate of the Chartered Institute of Bankers, Member of the Chartered Institute of Marketing, registered Trust and Estate Practitioner, BSc in Mining Engineering from University College, Cardiff.

External Directorships

Ashburton Investments International Holdings Limited plus various directorships of companies serviced by FNB for its clients.

Michael Liston, OBE, Independent Non-Executive Director

Background

Michael (Mike) is the Non-Executive Chairman of JTC plc having joined the company as an independent non-executive director of JTC Group Holdings in 2012 and has extensive experience across public and private sector businesses.

Mike has held a number of non-executive roles, was formerly chairman of The Jersey Appointments Commission, established by the States of Jersey to ensure probity in senior public sector appointments, and is a Fellow of the Royal Academy of Engineering.

In 2007, Mike was awarded an OBE for services to the electricity industry and charity. He was elected as a Jurat (Lay Judge) of the Royal Court of Jersey in 2012, retiring from this position in 2017.

External Directorships

JTC plc.

Alison Hutchinson, CBE, Senior Independent Non-Executive Director

Background

Alison is CEO of fintech charity The Pennies Foundation (which she founded in 2009) working with retailers to enable digital giving, a non-executive director of LVs and serves as a senior independent non-executive director at DFS Furniture plc and Yorkshire Building Society.

Alison has a strong background in both IT and retail financial services, having started her career at IBM, becoming global director of online financial services before joining Barclays Bank and then specialist mortgage provider Kensington Group as managing director and then Group CEO.

In 2016, Alison was awarded a CBE for services to the economy and charities.

Qualifications

BSc in Technology & Business Studies from Strathclyde University.

External Directorships

DFS Furniture plc, Liverpool Victoria Financial Services Limited, Yorkshire Building Society and Your Penny Limited

Dual voting system for Independent Directors (Resolutions 7 to 9)

As at 26 July 2021 (being the latest practicable date prior to the publication of the Notice), Bernard Fairman was deemed to be a controlling shareholder of the Company for the purposes of the Listing Rules. Resolutions 7 to 9 relate to the re-election of Geoffrey Gavey, Michael Liston and Alison Hutchinson as independent Directors of the Company (the "Independent Directors"). The Listing Rules require the re-election of the Independent Directors to be approved by both:

- (a) the shareholders of the Company; and
- (b) the independent shareholders of the Company (being the shareholders of the Company that are entitled to vote on the election of Directors who are not controlling shareholders of the Company).

The Resolutions relating to the re-election of the Independent Directors are, therefore, being proposed as ordinary resolutions on which all shareholders may vote, but in addition the Company will separately count the number of votes cast by independent shareholders in favour of the Resolutions (as a proportion of the total votes of independent shareholders cast on the Resolutions) to determine whether the second threshold referred to in (b) above has been met. The Company will announce the results of Resolutions 7 to 9 on this basis, as well as announcing the results of the ordinary resolutions of all shareholders.

Under the Listing Rules, if a resolution to re-elect any of the Independent Directors is not approved by both a majority of the shareholders as a whole and a majority of the independent shareholders, a further resolution may be put to the shareholders as a whole at a meeting which must be held more than 90 days, but not more than 120 days, after the date of the original vote. This resolution need only be approved by a majority of the shareholders as a whole. The Listing Rules allow any Independent Directors not approved by the independent shareholders to remain in office until the further resolution has been voted on. Accordingly, if any of Resolutions 7 to 9 are approved by a majority of the shareholders of the Company as a whole but not by a majority of the independent shareholders, the relevant Independent Director will be treated as having been elected only for the period from the date of the Annual General Meeting until the earlier of: (i) the close of any further meeting held more than 90, but not more than 120, days after the Annual General Meeting; (ii) the date falling 120 days after the Annual General Meeting; or (iii) the date of any announcement by the Board that it does not intend to hold a second meeting. If the appointment of the relevant Independent Directors are approved by a majority of the shareholders of the Company as a whole at the second meeting, the relevant Independent Directors will then be elected until the next annual general meeting.

In addition, the Company is also required to provide details of: (i) any previous or existing relationship, transactions or arrangements between the Company and the Independent Directors, its Directors, the controlling shareholder or any of his associates; (ii) why the Company considers that each of the Independent Directors will be an effective Director; (iii) how the Company has determined that each of the Independent Directors is independent; and (iv) the process by which the Company has selected the Independent Directors. In this regard, the Board notes the following:

Relationships, transactions or arrangements involving independent directors

Confirmation is given that the Independent Directors, other than Geoffrey Gavey, have not had any existing or previous relationship, transaction or arrangement with the Company, any of its Directors or the controlling shareholder or his associates, other than by virtue of his appointment and terms in office as an independent director of the Company. Geoffrey Gavey has been a director of the Company since 31 May 2015 and was also a director of Beau Port Investments Limited, the company through which Bernard Fairman holds his shares in the Company, from 1 January 2018 to 8 December 2020.

Independent director effectiveness

All Director effectiveness is judged equally and determined on the basis of the range of skills and experience of the individual in question. In this regard, each of the Independent Directors, possesses extensive experience and skills which are key to the success of the Company's business.

Determination of independence

The independence of Directors is assessed in accordance with the recommendations of the UK Corporate Governance Code. This assessment is conducted at the time of appointment and will be monitored as part of periodic reviews and assessments of conflicts of interest and seeks to determine that each Independent Director is independent in character and judgment and whether there are any relationships or circumstances likely to affect, or that could appear to affect, judgment.

Selection criteria of independent directors

As regards Independent Directors, all appointments are made on the basis of pre-determined job descriptions, which include estimates of time commitment requirements. When seeking candidates to fill specific Board positions, potential candidates are identified through external contacts and recruitment consultants are retained where appropriate to do so.

Re-appointment of auditors and auditors' remuneration – (Resolutions 10 and 11)

The auditors of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 10 proposes the re-appointment of the Company's existing auditors, BDO LLP, until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 11 gives authority to the Directors to determine the auditors' remuneration.

Authority to allot shares – (Resolution 12)

Resolution 12 seeks shareholder approval to authorise the Directors to allot unissued shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company. The authority under paragraph (a) of Resolution 12 generally authorises the Directors to issue shares in the capital of the Company or to grant rights to subscribe for, or to convert any security into shares in the Company up to (or equivalent to), in aggregate, 36,111,111 shares, being one third of the issued share capital of the Company as at 26 July 2021, being the latest practicable date prior to the publication of this notice.

The authority in paragraph (b) of Resolution 12 will allow the Directors to issue shares in the capital of the Company or to grant rights to subscribe for, or to convert any security into shares in the Company up to (or equivalent to), in aggregate 72,222,222 shares, representing approximately two-thirds of the total issued ordinary share capital of the company as at 26 July 2021, the latest practicable date prior to publication of this notice (such amount to be reduced by the amount of any relevant securities issued under the authority conferred by paragraph (a) of Resolution 12).

This authority would expire at the conclusion of the next annual general meeting of the Company in 2022 or, if earlier, the close of business on 26 November 2022. The extent of these authorities are in accordance with applicable institutional guidelines. The Board has no present intention to exercise the authorities under Resolution 12. However, it is considered prudent to maintain the flexibility that this Resolution provides. The Company's Directors intend to renew these authorities annually.

As at the date of this notice, no shares are held by the Company in treasury.

Disapplication of pre-emption rights – (Resolution 13)

The Articles provide that, subject to certain exceptions, before the Directors may allot equity securities wholly for cash, they must first offer them to existing shareholders in proportion to their holdings of ordinary shares. Resolution 13 would, subject to the passing of Resolution 12, empower the Directors to allot equity securities wholly for cash as if such pre-emption rights did not apply up to the limits specified in the Resolution. The authority under Resolution 13 would be limited to:

- (c) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board considers necessary; and
- (d) allotments or sales (otherwise than pursuant to (a) above) up to, in aggregate, 5,416,666 shares which represents approximately 5 per cent. of the Company's issued ordinary share capital as at 26 July 2021 (being the latest practicable date prior to the publication of this notice).

The authority under Resolution 13 would expire at the conclusion of the next annual general meeting of the Company in 2022 or, if earlier, the close of business on 26 November 2022. The Board has no present intention to exercise the authority under Resolution 13. However, to the extent they do, the Board will act in accordance with applicable institutional guidelines and, in accordance with the Pre-Emption Group's Statement of Principles published by the Pre-Emption Group in 2015 (the "Statement of Principles"), the Directors confirm that they do not intend to issue shares for cash representing more than 7.5 per cent. of the Company's issued ordinary share capital in any rolling three-year period (save in accordance with Resolution 14, below) without prior consultation with shareholders. The Board considers it prudent to maintain the flexibility that this authority provides, on the understanding that there may be occasions when the Directors need the flexibility to finance business opportunities by allotting shares without a pre-emptive offer to existing shareholders. The Company's Directors intend to renew this authority annually.

Disapplication of pre-emption rights for an acquisition or specified capital investment – (Resolution 14)

Resolution 14 would, subject to the passing of Resolution 12 and in addition to the authority sought under Resolution 13, further empower the Directors to allot equity securities wholly for cash as if the shareholder pre-emption rights referred to above did not apply. The authority sought is limited to the terms specified in the Resolution, including that this further waiver may only be used for an allotment of equity securities wholly for cash for the purposes of financing (or refinancing, if the waiver is used within six months of the original transaction) a transaction which the Directors determine to

be an acquisition or other capital investment of a kind contemplated by the Statement of Principles.

This authority would expire at the conclusion of the next annual general meeting of the Company in 2022 or, if earlier, the close of business on 26 November 2022. The Board has no present intention to exercise this authority. However, to the extent they do, the Board will act in accordance with applicable institutional guidelines. The Board considers it prudent to maintain the flexibility that this authority provides, on the understanding that there may be occasions when the Directors need the flexibility to finance business opportunities by allotting shares without a pre-emptive offer to existing shareholders. The Company's Directors intend to renew this authority annually.

Authority to purchase own shares – (Resolution 15)

This Resolution authorises the Company to make market purchases of its own ordinary shares as permitted by section 315 of The Companies (Guernsey) Law, 2008. The authority limits the number of shares that could be purchased to a maximum of 10,833,333 shares (equivalent to 10 per cent. of the Company's issued ordinary share capital as at 26 July 2021 (being the latest practicable date prior to the publication of this notice)) and sets a minimum and maximum price.

This authority would expire at the conclusion of the next annual general meeting of the Company or, if earlier, at close of business on 26 November 2022. The Board has no present intention to exercise this authority. However, it is considered prudent to maintain the flexibility that this authority provides. The Company's Directors intend to renew this authority annually. The Board would only exercise this authority when to do so would be in the best interests of the Company and could be expected to result in an increase in earnings per share of the Company. Any purchases of ordinary shares would be by means of market purchase through the London Stock Exchange.

Any shares the Company buys under this authority may either be cancelled or held in treasury. Treasury shares can be re-sold for cash, cancelled or used for the purposes of employee share schemes. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares. The Directors believe that it is desirable for the Company to have this choice as holding the purchased shares as treasury shares would give the Company the ability to re-sell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base.

As at the date of this notice the Company had no share options outstanding.

Replacement of the Articles – (Resolution 16)

Resolution 16 would delete and replace in their entirety the Company's existing Articles with the amended articles of incorporation in the form available for review on our website at www.fsg-investors.com.

The replacement of the Articles is proposed to affect the amendment set out in Resolution 16 to take advantage of flexibility introduced by recent changes to the Companies (Guernsey) Law, 2008 (as amended) whereby the articles of incorporation of a Guernsey company may specify the place in which a meeting of directors shall be deemed to be held, as opposed to (as was previously the case) any such meeting being deemed to be held in the place the chairperson of the meeting is present. The Company does not envisage this change to have a practical impact on the operations of the Company, which anticipates that Board meetings will be held in Guernsey as in the case prior to the replacement of the Articles.