

17 December 2020

**Octagonal plc**  
**("Octagonal", the "Group" or the "Company")**

**Proposed Cancellation to Trading on AIM, Publication of Circular and Notice to convene the Annual General Meeting ("AGM")**

The Company has today published a Circular incorporating its Notice of AGM with the proposal to, amongst other matters, seek Shareholders' approval to de-list the Company from AIM pursuant to AIM Rule 41 (the "Cancellation") and re-register as a private company (the "Re-registration"). The Directors have conducted a review of the various benefits and drawbacks to the Company and its Shareholders in relation to retaining its listing on AIM. The Directors unanimously believe that a potential Cancellation is in the best interest of the Company and its Shareholders, and have considered the following key factors (amongst others) in reaching a decision:

- the regulatory burden, management time and considerable costs associated with maintaining admission of the Ordinary Shares to trading on AIM (including professional, legal, accounting, broker and nominated adviser costs and fees of the London Stock Exchange) are now disproportionate to the value provided by admission of the ordinary shares to trading on AIM;
- the supporting of the growth potential of the business through the re-focussing of management resources thereby providing long-term benefit to all stakeholders; and
- the Company does not foresee an immediate need to raise additional funds by utilising the equity capital markets and, therefore, there does not seem to be a compelling reason to maintain its status as an AIM traded company.

The Annual General Meeting will be held at the offices of Hill Dickinson LLP at 8th Floor, The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW on 13 January 2021 at 11:00 a.m. for the purposes of considering and, if thought fit, to pass resolutions numbered 4 to 7 (inclusive) as Ordinary Resolutions, and resolutions 1, 2, 3, 8 and 9 as Special Resolutions.

**Resolution 1: Cancellation of admission of the Ordinary Shares to trading on AIM**

Under the AIM Rules, it is requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a General Meeting of the Company. Accordingly, the Notice of Annual General Meeting set out in Part IV of this Circular contains a special resolution (**Resolution 1**) to approve the Cancellation.

**Resolution 2: Re-registration of the Company as a private company under the Companies Act 2006**

Under the Companies Act 2006, it is a requirement that the Re-registration be approved by not less than 75 per cent. of votes cast by Shareholders at a General Meeting. Accordingly, the Notice of Annual General Meeting set out in Part IV of this Circular contains a special resolution (**Resolution 2**) to approve the Re-registration of the Company with the name Octagonal Limited, subject to and conditional upon the approval of Resolution 1.

**Resolution 3: Adoption of New Articles**

In connection with the Re-registration, it is necessary for the Company to adopt new articles of association of the Company, which contain provisions specific to and appropriate for the new status

of the Company as a private limited company. Resolution 3 is therefore a special resolution, to approve the adoption of the New Articles in substitution for and to the exclusion of the previous Articles of the Company, subject to and conditional upon the approval of Resolution 1 and 2.

#### **Resolution 4: Adoption of the Accounts**

Pursuant to the Act, the Directors are required to present the Company's annual accounts and the directors' and auditors' reports thereon to Shareholders at a general meeting. Those to be presented at this Annual General Meeting are in respect of the year ended 31 March 2020 and are called the Annual Report 2020. Accordingly, Resolution 4 is an ordinary resolution to receive and adopt the Annual Report 2020.

The Annual Report 2020 is available on the Company's website ([www.octagonalplc.com](http://www.octagonalplc.com)). If you have elected to receive correspondence in hard copy, then a copy of the Annual Report 2020 will accompany this document. Should you wish to request a hard copy of the Annual Report 2020, you can do so by writing to the Company at 2nd Floor, London Wall Buildings, London EC2M 5PP.

#### **Resolution 5: Reappointment of Auditors**

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. Therefore, resolution 5 proposes the reappointment of PKF Littlejohn LLP as auditors of the Company (to hold office until the next annual general meeting of the Company), and to authorise the Directors to determine the auditors' remuneration.

#### **Resolution 6: Reappointment of Directors**

Resolution 6 proposes the reappointment of Nilesh Jagatia as an Executive Director. This is in accordance with the Articles, which require that one-third of the Directors (or the number nearest to but not exceeding one-third) retire by rotation at each annual general meeting of the Company, with each Director also being subject to reappointment at intervals of not more than three years. The Director who is retiring by rotation is the person who has been a Director for the longest period of time since they were last appointed or reappointed by shareholders.

#### **Resolution 7: Authority to Allot Shares**

Generally, the Directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by Shareholders.

Resolution 7 renews a similar authority granted to the Directors by the Shareholders at last year's annual general meeting and, if passed, will authorise the Directors to allot shares in the Company (and to grant such rights) up to an aggregate nominal amount of £100,000 (which represents approximately 35% of the issued ordinary share capital of the Company as at the Last Practicable Date).

If given, this authority will expire at the conclusion of the Company's next annual general meeting or on 31 December 2021 (whichever is the earlier). It is the Directors' intention to renew the allotment authority each year.

#### **Resolution 8: Dis-Application of Pre-Emption Rights**

Generally, if the Directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Act) for cash, then under the Act they must first offer such shares or securities to shareholders in proportion to their existing holdings. These statutory pre-emption rights may however be dis-applied by Shareholders pursuant to Section 571 of the Act.

Accordingly, Resolution 8, which will be proposed as a special resolution, renews a similar power given at last year's annual general meeting and, if passed, will enable the Directors to allot equity securities

for cash without having to comply with statutory pre-emption rights, but this power will be limited to allotments:

- (i) in connection with an open offer or other pre-emptive offer to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the directors consider necessary; and
- (ii) in any other case, up to an aggregate nominal amount of £100,000.

The Directors intend to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that a company should not issue shares representing more than 7.5 per cent of its issued ordinary share capital for cash in any rolling three-year period, other than on a pre-emptive basis, without prior consultation with shareholders.

If given, this power will expire at the conclusion of the Company's next annual general meeting or on 31 December 2021 (whichever is the earlier). It is the Directors' intention to renew this power each year.

#### **Resolution 9: Purchase of Own Shares**

This resolution grants the Company the ability to purchase its own Ordinary Shares. The authority will be limited for the Company to make market purchases of up to 28,428,844 Ordinary Shares, representing the nominal value of 5% of the Company's issued ordinary share capital as at the Latest Practicable Date. The authority will be kept under review and the Company will only exercise the power of purchase after careful consideration and in circumstances where the Company is satisfied that it is in the best interests of the Company. The authority granted by this resolution will expire at the conclusion of the Company's next annual general meeting or on 31 December 2021 (whichever is the earlier). It is the Directors' intention to renew this power each year.

#### **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	17 December 2020
Publication and posting of this Circular	17 December 2020
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 11 January 2021
Annual General Meeting	11:00 a.m. on 13 January 2021
Expected last day of dealings in Ordinary Shares on AIM	20 January 2021
Expected time and date of Cancellation	21 January 2021
Expected time and date of Re-registration	Approximately 28 days after the Cancellation becomes effective

Extracts of the Circular and Notice of AGM are included in the Appendix below.

A copy of the Circular and Notice of AGM will be available shortly on the Company's website :  
<https://www.octagonalplc.com/investor-relations/>

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**For further information please visit [www.octagonalplc.com](http://www.octagonalplc.com) or contact:**

Octagonal Plc +44 (0) 20 7048 9400  
John Gunn, Chairman

Beaumont Cornish (Nominated Adviser and Broker) +44 (0) 20 7628 3396

James Biddle / Roland Cornish

**Appendix: Extracts of the Circular**

## **PART I**

### **LETTER FROM THE CHAIRMAN**

#### **OCTAGONAL PLC**

*(incorporated in England and Wales under the Companies Act 2006 with registered number 06214926)*

#### **Directors**

John Gunn (*Executive Chairman*)  
Nilesh Jagatia (*Chief Financial Officer*)  
Samantha Esqulant (*Chief Executive Officer*)  
Anthony Binnie (*Non-Executive Chairman*)

#### **Registered Office**

2<sup>nd</sup> Floor  
2 London Wall Buildings  
London  
England  
EC2M 5PP

17 December 2020

*To the Shareholders of the Company and, for information only, holders of instruments capable of conversion into Ordinary Shares*

### **Proposed Cancellation of Admission of the Ordinary Shares to trading on AIM**

#### **Proposed Re-registration as a private limited company**

#### **Adoption of New Articles**

**and**

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

Dear Shareholder,

#### **1. Introduction**

I am writing to you with details of this year's Annual General Meeting of the Company to be held at 11:00 a.m. on 13 January 2021 at the offices of Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW. The formal Notice of the Annual General Meeting is set out at Part IV of this document.

In addition to the business customarily undertaken at an annual general meeting of the Company, the Company announced today that it intends to seek shareholder approval for the cancellation of the admission of its Ordinary Shares to trading on AIM with effect from 7:00 a.m. on 21 January 2021 and

re-registration as a private limited company, which is expected to occur approximately 28 days after the Cancellation becomes effective.

The Directors believe that it is in the best interests of the Company and its Shareholders for the Company to re-register as a private company and adopt the New Articles following the Cancellation.

The purpose of this document is to:

- transact certain ordinary business of the Company which would typically be carried out at the Annual General Meeting of the Company, such as adopting the accounts of the Company and re-appointing the auditors of the Company (and any Directors as applicable);
- seek Shareholders' approval for the Authorising Resolution and the Re-registration Resolution;
- provide Shareholders with the information on the background to and the reasons for the Cancellation and Re-registration;
- explain the consequences of the Cancellation and why the Directors unanimously consider the Cancellation to be in the best interest of the Company and its Shareholders as a whole; and
- explain the consequences of the Re-registration and why the Directors unanimously consider the Re-registration to be in the best interest of the Company and its Shareholders as a whole.

## **2. Background and reasons for Cancellation**

### Background

The Company is proposing to seek Shareholder consent to cancel admission of its Ordinary Shares to trading on AIM. Pursuant to Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

This Circular sets out the background to and reasons for the Cancellation, additional information on the implications of the Cancellation for the Company and its Shareholders and why the Board believes the Cancellation to be in the best interests of the Company and of the Shareholders as a whole.

### Reasons for Cancellation

The Directors have conducted a review of the various benefits and drawbacks to the Company and its Shareholders in relation to retaining its listing on AIM. The Directors unanimously believe that the Cancellation is in the best interest of the Company and its Shareholders, and have considered the following key factors (amongst others) in reaching a decision:

- the regulatory burden, management time and considerable costs associated with maintaining admission of the Ordinary Shares to trading on AIM (including professional, legal, accounting, broker and nominated adviser costs and fees of the London Stock Exchange) are now disproportionate to the value provided by admission of the ordinary shares to trading on AIM;

- the supporting of the growth potential of the business through the re-focussing of management resources thereby providing long-term benefit to all stakeholders; and
- the Company does not foresee an immediate need to raise additional funds by utilising the equity capital markets and, therefore, there does not seem to be a compelling reason to maintain its status as an AIM traded company.

Following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation.

### **3. Procedure for Cancellation**

#### Shareholder Approval Required

The Cancellation is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the Annual General Meeting. The Company is therefore seeking Shareholders' approval of the Cancellation and the Re-registration at the Annual General Meeting.

#### Timetable for Cancellation

In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange plc of its proposed Cancellation from trading on AIM and has provided not less than 20 clear Business Days' notice of Cancellation.

Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Authorising Resolution. If the Authorising Resolution is passed at the Annual General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will occur on 20 January 2021 and that the Cancellation will take effect at 7:00 a.m. on 21 January 2021. The Directors are mindful that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

### **4. Implications of proposed Cancellation**

Set out below is an overview of the principal effects of the Cancellation, however, this list is not exhaustive. Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares;
- the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- while the Ordinary Shares will remain freely transferable (subject to the provisions in the Company's articles of association), it is possible that the liquidity and marketability of the Ordinary Shares will, in the future, be more constrained than at present and the secondary market value of such shares may be adversely affected as a consequence;

- in the absence of a formal market quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, financing transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;
- following the Cancellation, the Company will no longer be obliged to produce and publish half-yearly reports and financial statements, which thereby increases the cost saving of becoming a private company;
- Shareholders will be afforded the protection of the Takeover Code for a period of 10 years from the date of Re-registration;
- the Company will cease to have an independent nominated adviser and broker;
- whilst the Company's CREST facility will remain in place following the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they will cease to be transferable through CREST. In this instance, Shareholders who hold Ordinary Shares in CREST will receive share certificates; and
- the Cancellation may have taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser

## **5. Shareholders Access of Information following Cancellation**

The Company currently intends that it will continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM Company. The Company will:

- continue to communicate selected information about the Company (including annual accounts) to its Shareholders as required by the Act; and
- continue, for at least 12 months following the Cancellation, to maintain its website, [www.octagonalplc.com](http://www.octagonalplc.com) and to post updates (where deemed necessary or appropriate) on the Company's website from time to time, although Shareholders should, however, be aware that there will be no obligation on the Company to include all of the information required under AIM Rule 26 or to update its website as required by the AIM Rules.



## **6. Transactions in Ordinary Shares prior to and post the proposed Cancellation**

### Prior to Cancellation

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. If Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 20 January 2021. The Board is not making any recommendation as to whether or not Shareholders should buy or sell their Ordinary Shares.

### Post Cancellation

The Directors are aware that the proposed Cancellation, should it be approved by Shareholders at the Annual General Meeting, would make it more difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so.

The Company will appoint a firm (duly authorised and regulated by the Financial Conduct Authority) to operate a Matched Bargain Facility. The purpose of a Matched Bargain Facility would be to enable Shareholders to trade their Ordinary Shares by matching buyers and sellers through periodic monthly and/or quarterly auctions. Shareholders will continue to be able to hold their Ordinary Shares in the CREST uncertificated form and should check with their existing stockbroker that they are able to trade unquoted shares. Several stockbroker firms are able to do so. The Company will provide information to its Shareholders of the proposed facility in due course. This information will be available on the Company's website under Investor Relations (<https://octagonalplc.com/investor-relations/>).

Following its Re-registration, the Company may, subject to regulatory capital adequacy and liquidity requirements, normal working capital considerations and otherwise subject to the satisfaction of all other relevant legal requirements, consider implementing a buy-back program.

## **7. Proposed Re-registration as a private company and adoption of New Articles**

The Board believes that the requirements and associated costs of the Company maintaining its public company status are overly burdensome considering its size and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. The Company is, therefore, proposing to re-register as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Circular. A copy of the New Articles can be viewed on the Company's website.

Subject to and conditional upon the Cancellation and the passing of the Re-registration Resolution, application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will not issue the certificate of incorporation on Re-registration until the Registrar of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company.

If the Authorising Resolution and the Re-registration Resolution are passed at the Annual General Meeting, it is anticipated that the Re-registration will become effective by approximately 28 days after the expected date of the Cancellation.

## **8. Takeover Code**

Notwithstanding the Cancellation, under the Takeover Code the Company will continue to be subject to its terms for a period of 10 years following the Re-registration. However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months. Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

Following the expiry of the 10 year period from the date of the Re-registration, or such other date on which the Takeover Code ceases to apply to the Company, the Company will no longer be subject to the provisions of the Takeover Code. A summary of the protections afforded to Shareholders by the Takeover Code which will be lost is set out in Part III of the Circular.

## **9. Notice of Annual General Meeting**

The Annual General Meeting will be held at the offices of Hill Dickinson LLP at 8th Floor, The Broadgate Tower, 20 Primrose Street, London, EC2A 2EW on 13 January 2021 at 11:00 a.m. for the purposes of considering and, if thought fit, to pass resolutions numbered 4 to 7 (inclusive) as Ordinary Resolutions, and resolutions 1, 2, 3, 8 and 9 as Special Resolutions.

### **Resolution 1: Cancellation of admission of the Ordinary Shares to trading on AIM**

Under the AIM Rules, it is requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a General Meeting of the Company. Accordingly, the Notice of Annual General Meeting set out in Part IV of this Circular contains a special resolution (**Resolution 1**) to approve the Cancellation.

### **Resolution 2: Re-registration of the Company as a private company under the Companies Act 2006**

Under the Companies Act 2006, it is a requirement that the Re-registration be approved by not less than 75 per cent. of votes cast by Shareholders at a General Meeting. Accordingly, the Notice of Annual General Meeting set out in Part IV of this Circular contains a special resolution (**Resolution 2**) to approve the Re-registration of the Company with the name Octagonal Limited, subject to and conditional upon the approval of Resolution 1.

### **Resolution 3: Adoption of New Articles**

In connection with the Re-registration, it is necessary for the Company to adopt new articles of association of the Company, which contain provisions specific to and appropriate for the new status of the Company as a private limited company. Resolution 3 is therefore a special resolution, to approve the adoption of the New Articles in substitution for and to the exclusion of the previous Articles of the Company, subject to and conditional upon the approval of Resolution 1 and 2.

### **Resolution 4: Adoption of the Accounts**

Pursuant to the Act, the Directors are required to present the Company's annual accounts and the directors' and auditors' reports thereon to Shareholders at a general meeting. Those to be presented at this Annual General Meeting are in respect of the year ended 31 March 2020 and are called the Annual Report 2020. Accordingly, Resolution 4 is an ordinary resolution to receive and adopt the Annual Report 2020.

The Annual Report 2020 is available on the Company's website ([www.octagonalplc.com](http://www.octagonalplc.com)). If you have elected to receive correspondence in hard copy, then a copy of the Annual Report 2020 will

accompany this document. Should you wish to request a hard copy of the Annual Report 2020, you can do so by writing to the Company at 2nd Floor, London Wall Buildings, London EC2M 5PP.

#### **Resolution 5: Reappointment of Auditors**

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. Therefore, resolution 5 proposes the reappointment of PKF Littlejohn LLP as auditors of the Company (to hold office until the next annual general meeting of the Company), and to authorise the Directors to determine the auditors' remuneration.

#### **Resolution 6: Reappointment of Directors**

Resolution 6 proposes the reappointment of Nilesh Jagatia as an Executive Director. This is in accordance with the Articles, which require that one-third of the Directors (or the number nearest to but not exceeding one-third) retire by rotation at each annual general meeting of the Company, with each Director also being subject to reappointment at intervals of not more than three years. The Director who is retiring by rotation is the person who has been a Director for the longest period of time since they were last appointed or reappointed by shareholders.

#### **Resolution 7: Authority to Allot Shares**

Generally, the Directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by Shareholders.

Resolution 7 renews a similar authority granted to the Directors by the Shareholders at last year's annual general meeting and, if passed, will authorise the Directors to allot shares in the Company (and to grant such rights) up to an aggregate nominal amount of £100,000 (which represents approximately 35% of the issued ordinary share capital of the Company as at the Last Practicable Date).

If given, this authority will expire at the conclusion of the Company's next annual general meeting or on 31 December 2021 (whichever is the earlier). It is the Directors' intention to renew the allotment authority each year.

#### **Resolution 8: Dis-Application of Pre-Emption Rights**

Generally, if the Directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Act) for cash, then under the Act they must first offer such shares or securities to shareholders in proportion to their existing holdings. These statutory pre-emption rights may however be dis-applied by Shareholders pursuant to Section 571 of the Act.

Accordingly, Resolution 8, which will be proposed as a special resolution, renews a similar power given at last year's annual general meeting and, if passed, will enable the Directors to allot equity securities for cash without having to comply with statutory pre-emption rights, but this power will be limited to allotments:

- (iii) in connection with an open offer or other pre-emptive offer to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the directors consider necessary; and
- (iv) in any other case, up to an aggregate nominal amount of £100,000.

The Directors intend to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period. The Principles provide that a company should not issue shares representing more than 7.5 per cent of its issued ordinary share capital for cash in any rolling three-year period, other than on a pre-emptive basis, without prior consultation with shareholders.

If given, this power will expire at the conclusion of the Company's next annual general meeting or on 31 December 2021 (whichever is the earlier). It is the Directors' intention to renew this power each year.

#### **Resolution 9: Purchase of Own Shares**

This resolution grants the Company the ability to purchase its own Ordinary Shares. The authority will be limited for the Company to make market purchases of up to 28,428,844 Ordinary Shares, representing the nominal value of 5% of the Company's issued ordinary share capital as at the Latest Practicable Date. The authority will be kept under review and the Company will only exercise the power of purchase after careful consideration and in circumstances where the Company is satisfied that it is in the best interests of the Company. The authority granted by this resolution will expire at the conclusion of the Company's next annual general meeting or on 31 December 2021 (whichever is the earlier). It is the Directors' intention to renew this power each year.

#### **10. Action to be taken by Shareholders and Special COVID-19 AGM Measures**

The Board takes the wellbeing of its Shareholders, employees and other personnel very seriously. Given the UK Government's current guidance on social distancing due to COVID-19, the Annual General Meeting will proceed with only such attendees as are strictly required to run the Annual General Meeting and satisfy the quorum requirements.

We regret that due to the ongoing Covid-19 pandemic it will not be possible for Shareholders (other than those forming the quorum, which will be facilitated by the Company) to attend the Annual General Meeting in person. Any Shareholders who try to attend the Annual General Meeting will be turned away, on the grounds of personal safety of all concerned and to avoid the need for persons to be in the same physical location, in line with current Government guidance.

The Board has put in place arrangements for the Annual General Meeting to enable the Shareholders to continue to engage in the process. Shareholders will be able to listen to and view the Annual General Meeting via an electronic platform, details of which will be made available on the Company's website (<https://www.octagonalplc.com/investor-relations/>) in advance of the Annual General Meeting.

Shareholders listening to and viewing the Annual General Meeting via the electronic platform will not be counted as being present at the Annual General Meeting and, therefore, will not be able to speak or ask questions live at the Annual General Meeting.

Shareholders can instead submit questions to the Board in advance of the Annual General Meeting by emailing [agm@octagonalplc.com](mailto:agm@octagonalplc.com) by no later than 11:00 a.m. on 11 January 2021. Please include your full name and investor code (IVC number) when submitting questions. Questions received will be considered and answered either ahead of, or at the Annual General Meeting, as appropriate. No questions will be answered by the Company where: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

The Board will keep the situation under review and may need to make further changes to the arrangements relating to the Annual General Meeting, including how it is conducted, and Shareholders should therefore continue to monitor the Company's website and announcements for any updates.

The Company values Shareholder participation and the votes of Shareholders, and accordingly the Company encourages all Shareholders to exercise their voting rights **BUT ONLY** by appointing the Chairman of the Annual General Meeting to be their proxy. Any proxy received appointing a person other than the Chairman of the Annual General Meeting as the Shareholder's proxy will be deemed to have appointed the Chairman of the Annual General Meeting as that Shareholder's proxy.

Shareholders will find enclosed with this letter a Form of Proxy for use at the Annual General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at the Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR or via e-mail to [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com) as soon as possible and in any event not later than at 11:00 a.m. on 11 January 2021 or 48 hours (excluding non-business days) before any adjourned meeting.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

#### **11. Irrevocable Undertakings**

The Company has received irrevocable undertakings from, Samantha Esqulant, John Gunn and Nilesh Jagatia to vote or procure votes in favour of the Resolutions in respect of, in aggregate, 302,994,931 Ordinary Shares, representing approximately 53 per cent. of the entire issued share capital of the Company as at the Last Practicable Date.

**Accordingly, given the irrevocable undertakings to vote in favour of the Resolutions received, the Directors believe that it is likely that the Resolutions will be passed at the Annual General Meeting.**

#### **12. Directors' Recommendation**

For the reasons noted above, the Directors consider the Resolutions to be put to the Annual General Meeting are in the best interests of the Company and, therefore, unanimously recommend that you vote in favour of all of the Resolutions to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial holdings which amount to, in aggregate, 302,994,931 Ordinary Shares as at the date of this document.

Yours faithfully

John Gunn

**Executive Chairman**

## **PART II**

### **EFFECT OF RE-REGISTRATION AND ADOPTION OF NEW ARTICLES**

#### **1. Accounts**

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

#### **2. Annual General Meetings and resolutions**

A public company is required to hold an Annual General Meeting of Shareholders each year, whereas a private company is not. Therefore, following the Re-registration and the adoption of the New Articles the Company will not be required to hold Annual General Meetings.

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of 75 per cent. of the voting shares then in issue (in the case of special resolutions).

#### **3. Directors**

The Current Articles contain provisions requiring one third of the Directors to retire by rotation at each Annual General Meeting. These provisions have been removed in the New Articles. In addition, the New Articles will not require any Director appointed by the Board to be re-appointed by the Shareholders at the next Annual General Meeting following his appointment, as is currently required.

#### **4. Issue of shares for non-cash consideration**

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the Re-registration and adoption of the New Articles.

#### **5. Refusal to register a share transfer**

The Board will in the New Articles have absolute discretion to refuse to register any share transfer that is not made in accordance with the share transfer provisions in the New Articles (whether the share is paid up or not).

#### **6. Financial assistance, reductions of capital and purchase of own shares out of capital**

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply. In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court. Similarly, following Re-registration, the Company will be able to effect buy backs of shares out of capital, which it is currently prohibited from doing as a public limited company.

## **7. Company Secretary**

There is no requirement for a company secretary to be appointed, although the Company may retain one should it wish.

## Part III

### THE TakeOver Code

#### Part 1: The General Principals of the Takeover Code

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company, or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

#### Part 2: Detailed application of the Takeover Code

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. **You should note that 10 years after the Re-registration you will be giving up protections afforded by the Takeover Code although the Takeover Code may cease to apply earlier if a majority of the Directors cease to be resident in the UK, the Channel Islands or the Isle of Man.**

#### *Equality of treatment*



General Principle 1 of the Takeover Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

### ***Information to shareholders***

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

### ***The opinion of the offeree board and independent advice***

The board of the offeree company is required by Rule 3.1 of the Takeover Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable, and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

### ***Option holders and holders of convertible securities or subscription rights***

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If the Cancellation occurs, 10 years following the Re-Registration or on such other date at which the Takeover Code ceases to apply to the Company, these protections will be lost.