

Notice of Annual General Meeting

Notice is given that the seventy first Annual General Meeting of H C Slingsby plc (**"the Company"**) will be held at HC Slingsby plc, Otley Road, Baildon, Shipley, West Yorkshire BD17 7LW on 12 June 2019 at 10am to consider, in accordance with section 656 Companies Act 2006 (the **"Act"**) whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half its called up share capital. In addition, the meeting will consider and, if thought fit, pass the following resolutions. Resolutions 1 to 5 will be proposed as ordinary resolutions and resolutions 6 to 11 as special resolutions.

Ordinary resolutions:

1. To receive the Company's annual accounts for the financial year ended 31 December 2018 together with the Directors' reports and auditor's report on those accounts.
2. To re-elect as a Director, Dominic Slingsby who retires from the Board in accordance with the Company's articles of association.
3. To reappoint RSM UK Audit LLP as auditors of the Company to hold office until the end of the next general meeting at which accounts are laid before the Company.
4. To authorise the Directors of the Company to determine the remuneration of the auditors.
5. In substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this resolution, to authorise the Directors of the Company pursuant to section 551 of the Act to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act):
 - (a) up to an aggregate nominal amount of £83,250; and
 - (b) comprising equity securities up to a nominal amount of £166,750 (including within such limit any equity securities issued under paragraph (a) above) in connection with an offer by way of a rights issue:
 - (i) to holders of ordinary shares of 25 pence each in the capital of the Company (**"Ordinary Shares"**) in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to 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 which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any matter.

The authority granted by this resolution shall (unless previously revoked, varied or extended by the Company in general meeting) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on the date falling 15 months from the date of the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this authority had not expired.

Special resolutions:

6. Subject to the passing of resolution 5, to authorise the Directors to allot equity securities (as defined in section 560 of the Act) of the Company for cash under the authority given by resolution 5 and/or where the allotment is treated as an allotment of equity securities under section 560(2)(b) of the Act, in either case as if section 561(1) of the Act did not apply to such allotment provided that such authority shall be limited:
 - (a) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under paragraph (b) of resolution 5, by way of a rights issue only):
 - (i) to the holders of the Ordinary Shares in the capital of the Company in proportion as nearly as practicable to their respective holdings of such shares;
 - (ii) to 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, or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

 - (b) in the case of the authority granted under paragraph (a) of resolution 5 and/or in the case of any transfer of treasury shares which is treated as an allotment of equity securities under section 560(2)(b) of the Act, to the allotment (otherwise than pursuant to paragraph (a) of this resolution 6) of equity securities up to an aggregate nominal value equal to £12,500;

provided that such power shall (unless previously renewed, varied or revoked by the Company in general meeting) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on the date falling 15 months from the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

7. Subject to the passing of resolutions 5 and 6, and in addition to any authority granted under resolution 6, to authorise the Directors to allot equity securities (as defined in section 560 of the Act) of the Company for cash under the authority given by resolution 5 and/or where the allotment is treated as an allotment of equity securities under section 560(2)(b) of the Act, in either case as if section 561(1) of the Act did not apply to such allotment provided that such authority shall be:

- (a) limited to the allotment of equity securities up to an aggregate nominal amount of £12,500; and
- (b) used only for the purpose of financing (or refinance if the authority is to be used within 6 months after 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 on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice

provided that such power shall (unless previously renewed, varied or revoked by the Company in general meeting) expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, on the date falling 15 months from the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

8. To authorise the Company generally and unconditionally to make one or more market purchases (within the meaning of 693(4) of the Act) on the London Stock Exchange plc (the **"London Stock Exchange"**) of Ordinary Shares provided that:

- (a) the maximum aggregate number of Ordinary Shares authorised to be purchased is 100,000 (representing approximately 10 per cent. of the Company's issued share capital);
- (b) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 25p pence per share;
- (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is not more than the higher of: (i) 5 per cent. above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and (ii) the price stipulated by Article 3(2) of Delegated Regulation (EU) 2016/1052 of 8 March 2016 relating to the conditions applicable to buy-back programmes and stabilisation measures;
- (d) unless previously revoked or varied, the authority hereby conferred shall expire fifteen months after the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company after the passing of this resolution; and
- (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

Notice of the Annual General Meeting (continued)

Special resolutions: (continued)

9. With effect from the conclusion of the meeting, to amend the articles of association of the Company by deleting all the provisions that were contained within the Company's memorandum of association prior to 1 October 2009 which, by virtue of the Act, have been treated as provisions of the Company's articles of association since 1 October 2009.
10. With effect from the conclusion of the meeting, to revoke the restriction on the authorised share capital of the Company by amending the articles of association of the Company to delete article 3 in its entirety.
11. With effect from the conclusion of the meeting, to amend the restriction on the borrowings of the Company contained in article 114 (2) of the Company's articles of association to a maximum of the greater of:
 - (a) £4,000,000; and
 - (b) an amount equal to three times the aggregate of the nominal amount paid up on the share capital of the Company and the total reserves of the Group,by amending article 114 (2) of the Company's articles of association accordingly.

Registered Office
HC Slingsby plc
Otley Road
Baildon
Shipley
BD17 7LW
Registered in England and Wales No.00452716

By order of the Board

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M.L. Morris
Company Secretary
10 May 2019

Notes to the Notice of the Annual General Meeting

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 10 June 2019 (or, if the meeting is adjourned, as at close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

1. A shareholder 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 shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

2. A proxy may only be appointed in accordance with the procedures set out in notes 3-7 below and the notes to the proxy form.

3. You can vote either:

- by logging on to www.signalshares.com and following the instructions;
- You may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by 10am on 10 June 2019.

4. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

5. 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 of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.

6. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10am on 10 June 2019. For this purpose, the time of receipt will be taken to mean 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.

7. 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 message. 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

8. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Notes to the Notice of the Annual General Meeting (continued)

Joint holders

9. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

Total voting rights

10. As at 10 May 2019 (being the latest practicable date prior to publication of this Notice of Annual General Meeting (the “Latest Practicable Date”), the Company’s issued share capital consists of 1,000,000 Ordinary Shares, carrying one vote each. No Ordinary Shares are held by the Company in treasury. Therefore, the total voting rights in the Company as at 10 May 2019 are 1,000,000.

Explanatory Notes to Resolutions 5, 6, 7 and 8.

Resolution 5 – Authority to Allot Shares

Paragraph (a) of this resolution would give the Directors the authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £83,250 (representing 333,000 Ordinary Shares). This amount represents approximately 33.3% of the issued Ordinary Share Capital of the Company as at the ‘Latest Practicable Date’.

Paragraph (b) of this resolution would give the Board authority to allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares in connection with a rights issue, to existing shareholders in proportion (as nearly as may be practicable) to their existing holdings, up to an aggregate nominal amount of £166,750 (representing 667,000 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately 66.7% of the issued ordinary share capital of the Company as at the Latest Practicable Date.

Resolution 5 is in accordance with the Investment Association’s Share Capital Management Guidelines issued in July 2016 (the “Guidelines”).

The authority and power pursuant to resolution 5 will expire on the later of 15 months from the date it is passed or the conclusion of the Company’s next Annual General Meeting.

The Board will continue to seek to renew these authorities at each Annual General Meeting in accordance with current best practice. The Board has no present intention to exercise these authorities.

Resolutions 6 and 7 – Disapplication of Pre-emption Rights

These resolutions would give the Board the authority to allot Ordinary Shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

The purpose of resolution 6 is to give the Directors the authority to allot equity securities for cash otherwise than to existing shareholders pro rata to their holdings. Apart from offers or invitations in proportion to the respective number of shares held, this authority would be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £12,500 (representing 50,000 Ordinary Shares). This aggregate nominal amount represents 5% of the issued Ordinary Share capital of the Company as at the Latest Practicable Date and could be used for any purpose. The figure of 5% reflects the Guidelines. The Board will have due regard to the Guidelines and the Statement of Principles on Disapplying Pre-emption Rights published by the Pre-Emption Group (the “Principles”) in relation to any exercise of this authority.

Resolution 7 also gives the Directors the additional authority, in certain limited circumstances, to allot equity securities for cash without first being required to offer such shares to the existing shareholders in proportion to their existing shareholdings. The disapplication of pre-emption rights in respect of a further 5% of the Company’s issued share capital, in addition to the authority proposed to be granted pursuant to resolution 6 reflects the Guidelines and the Principles. This authority would be limited to the allotment of equity securities for cash up to an additional aggregate nominal amount of £12,500 (representing 50,000 Ordinary Shares). This aggregate nominal amount represents 5% of the issued Ordinary Share capital of the Company at the Latest Practicable Date and could only be used for an acquisition or specified capital investment (within the meaning of the Principles).

The authority and power pursuant to resolutions 6 and 7 will expire on the latter of 15 months from the date the relevant resolution is passed or the conclusion of the Company’s next Annual General Meeting. Resolutions 6 and 7 revoke and replace all unexercised powers previously granted to the Directors to allot equity securities as if section 561 of the Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

The Board has no present intention to exercise these authorities.

Resolution 8 – General authority for the Company to purchase its own Ordinary Shares

Shareholders will be asked to provide the general authority for the Company to make market purchases on the London Stock Exchange of its Ordinary Shares, subject to certain limitations set out below.

The Board has no immediate plans for the Company to make purchases of its Ordinary Shares if the proposed new general authority becomes effective but would like to be able to act quickly if circumstances arise in which they consider such purchases by the Company of its Ordinary Shares to be desirable. Accordingly, it is proposed that the Board be given a new general authority to purchase the Company’s Ordinary Shares on the terms contained in resolution 8 in the Notice of Annual General Meeting.

The proposed new general authority will be limited, by the terms of resolution 8 in the Notice of Annual General Meeting, to purchases of up to 100,000 Ordinary Shares, representing approximately 10 per cent. of the current issued share capital of the Company. The minimum price per Ordinary Share payable by the Company (exclusive of expenses) will be 25p. The maximum to be paid on the exercise of such new general authority (exclusive of expenses) will be an amount not exceeding the higher of (i) 5 per cent. above the average of the middle-market quotation for Ordinary Shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of each purchase, and (ii) the price stipulated by Article 3(2) of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 relating to the conditions applicable to buy-back programmes and stabilisation measures (being the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out).

The Board will only exercise the new general authority to purchase Ordinary Shares if it considers that such purchases of Ordinary Shares can be expected to result in an increase in earnings per share after such purchases and are in the best interests of shareholders generally. The Directors would also consider carefully the extent of the Company's borrowings and its general financial position. Any such purchase of Ordinary Shares will be financed out of profits available for distribution. The actual cash required to fund any buy-backs of Ordinary Shares pursuant to the new general authority will be met from existing cash resources and/or borrowing facilities. Shareholders should note that any shares purchased by the Company will be cancelled and not made available for reissue. The number of shares in issue will accordingly be reduced.

The maximum number of Ordinary Shares and the permitted price range are stated for the purpose of compliance with statutory and London Stock Exchange requirements in seeking the authority. This should not be taken as any representation of the number of Ordinary Shares (if any) which the Company might purchase, nor the terms upon which the Company would intend to make any such purchases, nor does it imply any opinion on the part of the Directors as to the market or other value of the Company's shares. In seeking this general authority, the Board is not indicating any commitment to buy back Ordinary Shares. Shareholders should not, therefore, assume that any purchases will take place.

In addition, the requirements of the London Stock Exchange prevent the Company from purchasing its own shares during the period of two months before the announcement of its half-year or full-year results (or, if shorter, the period from the end of the Company's relevant financial period up to and including the time of the relevant announcement), or at any other time when the directors are in a possession of unpublished price sensitive information in relation to the Company's shares.

The general authority set out in resolution 8 in the Notice of Annual General Meeting will expire fifteen months' after the resolution is passed or, if earlier, on the date of the next annual general meeting of the Company. However, in order to maintain the Board's flexibility of action, it is envisaged that this general authority may be renewed annually at annual general meetings of the Company.

Details of Ordinary Shares purchased pursuant to the new general authority will be notified to the London Stock Exchange by 7.30 a.m. on the business day following the date of dealing and to the registrar of companies within 28 days of the date of purchase. Details will also be included in the Company's report and financial statements in respect of the financial year in which any such purchases take place.

Resolutions 9, 10 and 11 – Amendments to Articles of Association and Memorandum of Association

The purpose of resolutions 9 and 10 is to update the Company's articles of association following the introduction of the Companies Act 2006 (the "Act") and bring them in line with the current market practice.

Under earlier Companies Acts, a memorandum of association was a significant constitutional document: it identified the basic components of a company's separate personality. Under the Act, and with effect from 1 October 2009, the role of the memorandum was greatly reduced. The memorandum evidences the identities of the subscribers as at the point of registration but has no other or continuing relevance. Outdated provisions (such as restrictive and irrelevant objects clauses) contained Company's memorandum of association have, since 1 October 2009, been treated as provisions of the Company articles of association by virtue of section 28 of the Act. Under resolution 9, the Company is proposing to amend its articles of association by deleting all of these provisions contained within the Company's memorandum of association.

From 1 October 2009, the Act abolished the requirement for a company to have an authorised share capital. Pursuant to article 3 of the Company's articles of association, the Company has an authorised share capital of £300,000 divided into 1,200,000 Ordinary Shares. To allow the Directors to allot Ordinary Shares or equity securities pursuant to the authority proposed under resolution 5, a further special resolution of the shareholders would be required to increase the authorised share capital. To avoid the need for multiple resolutions in the future increasing the authorised share capital, the Company is proposing, under resolution 10, to amend its articles of association to remove the authorised share capital.

Under resolution 11, the Company is proposing to amend the restriction on the borrowings of the Company, contained in article 114 of its articles of association, to a maximum of the greater of: (a) £4,000,000; and (b) an amount equal to three times the aggregate of the nominal amount paid up on the share capital of the Company and the total reserves of the Group. The Company is currently able to borrow a maximum of an amount equal to three times the aggregate of the nominal amount paid up on the share capital of the Company and the total reserves of the Group without obtaining prior shareholder approval. The current cap varies depending on the share capital and reserves of the Company; however, the addition of a £4,000,000 cap provides the Directors with certainty at all times in respect of the maximum amount the Company can borrow before seeking shareholder approval. The Directors believe that the proposed cap of £4,000,000 is reasonable given the nature of the Company's assets and its current and potential financing requirements, and the amended article maintains the flexibility of the current variable cap as the maximum amount the Company can borrow without shareholder consent will increase when the total share capital and reserves of the Group increase such that they exceed £4,000,000 when multiplied by 3.

A copy of the Company's existing articles of association and proposed amended articles of association marked to show all the changes will be available for inspection during normal business hours (excluding Saturdays, Sundays and bank holidays) at the Company's registered office from the date of this notice of meeting until the close of the meeting. The proposed amended articles of association will also be available for inspection at the annual general meeting at least 15 minutes prior to the start of the meeting and up until the close of the meeting.

Notes

Slingsby Online

- Advanced search and filters
- Quick Quote and Quick Shop facility
- Simple, secure checkout
- Web exclusive products and offers
- Product demonstrations
- Legislation advice



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