

# NOTICE OF THE ANNUAL GENERAL MEETING

## This document is important and requires your immediate attention

If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial advisor.

If you have sold or otherwise transferred all of your shares in Chesnara plc, please pass this document (together with the accompanying proxy form) as soon as possible 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.

Chesnara plc has a policy of not paying to have access to governance and sustainability analysts' databases on which voting recommendations and reports are produced. We encourage early, open and timely engagement to ensure the accuracy of the information contained in any analysis and reports issued in respect of Chesnara plc.

### Company No. 4947166

Notice is given that the 2024 Annual General Meeting of Chesnara plc will be held at the offices of Panmure Gordon, 40 Gracechurch Street, London, EC3V 0BT on 14 May 2024 at 11am, for the business set out below. Shareholders will be kept informed via the Regulatory News System (RNS) should arrangements need to be changed for any reason.

Resolutions 1 to 15 inclusive and 19 will be proposed as ordinary resolutions and Resolutions 16 to 18 inclusive, 20 and 21 will be proposed as special resolutions.

1. To receive and adopt the audited accounts for the financial year ended 31 December 2023, together with the reports of the directors and auditor thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 December 2023.
3. To declare a final dividend of 15.61 pence per ordinary share for the financial year ended 31 December 2023.
4. To re-appoint Steve Murray as a director.
5. To re-appoint Carol Hagh as a director.
6. To re-appoint Karin Bergstein as a director.
7. To re-appoint Jane Dale as a director.
8. To re-appoint Luke Savage as a director.
9. To re-appoint Mark Hesketh as a director.
10. To re-appoint Eamonn Flanagan as a director.
11. To appoint Tom Howard as a director.
12. To reappoint Deloitte LLP as auditor of the company to hold office until the conclusion of the next general meeting of the company at which accounts are laid before shareholders.
13. To authorise the directors to determine the auditor's remuneration.

14. That, from the passing of this Resolution 14 until the earlier of the close of business on 30 June 2025 and the conclusion of the company's next Annual General Meeting, the company and all companies which are its subsidiaries at any time during such period are authorised:

- (a) to make donations to political parties or independent election candidates;
- (b) to make donations to political organisations other than political parties; and
- (c) to incur political expenditure up to an aggregate total amount of £50,000, with the individual amount authorised for each of (a) to (c) above being limited to £50,000. Any such amounts may comprise sums paid or incurred in one or more currencies. Any sum paid or incurred in a currency other than sterling shall be converted into sterling at such rate as the board may decide is appropriate. Terms used in this resolution have, where applicable, the meanings that they have in Part 14 of the Companies Act 2006.

15. That, from the passing of this resolution until the earlier of the close of business on 30 June 2025 and the conclusion of the company's next Annual General Meeting, the directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the company, to allot shares in the company and/or to grant rights to subscribe for or to convert any security into shares in the company (Allotment Rights):

- (a) up to an aggregate nominal amount of £2,514,260 such amount to be reduced by the aggregate nominal amount of any equity securities allotted pursuant to the authority in paragraph (b) below in excess of £2,514,260; and
- (b) up to an aggregate nominal amount of £5,028,520 (such amount to be reduced by the aggregate nominal amount of any shares allotted or rights granted pursuant to the authority in paragraph (a) above) in connection with an offer:
  - i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
  - ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange, provided that this authority shall, unless renewed, varied or revoked by the company, expire at the conclusion of the company's next Annual General Meeting (or, if earlier, at the close of business on 30 June 2025) save that the company may, before such expiry, make offers or agreements which would or might require securities to be allotted or Allotment Rights to be granted after such expiry and the directors may allot securities or grant Allotment Rights in pursuance of such offer or agreement notwithstanding the expiry of the authority conferred by this resolution.

**16.** That, subject to the passing of Resolution 15 in this notice, the directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 (the Act) to allot equity securities (as defined in Section 560 of the Act) for cash, pursuant to the authority conferred on them by Resolution 15 of this notice or by way of a sale of treasury shares as if Section 561 of the Act did not apply to any such allotment, provided that this power is limited to:

- (a) the allotment of equity securities in connection with any rights issue or open offer (each as referred to in the Financial Conduct Authority's listing rules) or any other pre-emptive offer that is open for acceptance for a period determined by the directors to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject in each case to such exclusions or other arrangements as the directors may deem necessary or appropriate in relation to fractions of such securities, the use of more than one currency for making payments in respect of such offer, any such shares or other securities being represented by depositary receipts, treasury shares, any legal or practical problems in relation to any territory or the requirements of any regulatory body or any stock exchange; and
- (b) the allotment of equity securities (other than pursuant to paragraph (a) above) with an aggregate nominal value of £754,278,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by Resolution 15 of this notice, save that, before the expiry of this power, the company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

**17.** That, subject to the passing of Resolution 15 of this notice and, in addition to the power contained in Resolution 16 of this notice, the directors be and are hereby empowered pursuant to Section 570 of the Companies Act 2006 (the Act) to allot equity securities (as defined in Section 560 of the Act) for cash, pursuant to the authority conferred on them by Resolution 15 of this notice or by way of sale of treasury shares as if Section 561 of the Act did not apply to any such allotment, provided that this power is:

- (a) limited to the allotment of equity securities up to an aggregate nominal value of £754,278; and
- (b) used only for the purposes of financing (or refinancing, if the power is to be exercised within 12 months after the date 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 on Disapplying Pre-emption Rights most recently published by the Pre-Emption Group prior to the date of the notice of this meeting,

and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the directors by Resolution 15 of this notice save that, before the expiry of this power, the company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

**18.** That the company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 (the Act) to make one or more market purchases (as defined in Section 693(4) of the Act) of ordinary shares in the capital of the company, provided that:

- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is £15,058,559;
- (b) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is its nominal value;
- (c) the maximum price (exclusive of expenses) which may be paid for such ordinary shares is the maximum price permitted under the Financial Conduct Authority's listing rules or, in the case of a tender offer (as referred to in those rules), 5% above the average of the middle market quotations for those shares (as derived from the Daily Official List of London Stock Exchange plc) for the 5 business days immediately preceding the date on which the terms of the tender offer are announced;

(d) the authority hereby conferred shall expire at the conclusion of the company's next Annual General Meeting (or, if earlier, at the close of business on 30 June 2025); and

(e) the company may enter into contracts or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed 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.

**19.** That, in addition to the authority granted pursuant to Resolution 15 (if passed), the directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the company to allot shares in the company and/or grant rights to subscribe for or to convert any security into shares in the company:

(a) up to an aggregate nominal value of £2,514,260 in relation to any issues of Restricted Tier 1 (RT1) Instruments where the directors consider that such an issuance of RT1 Instruments would be desirable, including in connection with, or for the purposes of, complying with or maintaining compliance with the regulatory requirements or targets applicable to the company and its subsidiaries from time to time;

(b) subject to applicable law and regulation, at such allotment, subscription or conversion prices (or such maximum or minimum allotment, subscription or conversion price methodologies) as may be determined by the directors from time to time, and unless previously renewed, varied or revoked by the company, this authority shall apply in addition to all other authorities under Section 551 of the Act until the conclusion of the company's next Annual General Meeting (or, if earlier, at the close of business on 30 June 2025), save that the company may, before such expiry, make offers or agreements which would, or might, require securities to be allotted or rights to be granted after such expiry and the directors may allot securities or grant such rights in pursuance of such offer or agreement notwithstanding the expiry of the authority conferred by this resolution.

**20.** That, subject to the passing of Resolution 19 in this notice, the directors be and are hereby generally empowered, pursuant to Section 570 of the Companies Act 2006 (the Act), to allot equity securities (as defined in Section 560 of the Act) and is to be interpreted in accordance with Section 560(2) of the Act) for cash, pursuant to the authority conferred on them by Resolution 19 of this notice up to an aggregate nominal value of £2,514,260 in relation to any issues of RT1 Instruments, as if Section 561 of the Act did not apply to any such allotment, and shall expire on the revocation or expiry (unless renewed) of the authority conferred on the director by Resolution 19 of this notice save that, before the expiry of this power, the company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities under any such offer or agreement as if the power had not expired.

This authority is in addition to the authorities conferred by Resolutions 16 and 17 in this notice.

**21.** That a general meeting of the company (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By order of the board



**Amanda Wright**  
Group General Counsel and Company Secretary

2nd Floor, Building 4  
West Strand Business Park  
West Strand Road  
Preston  
Lancashire  
PR1 8UY

27 March 2024

# EXPLANATORY NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

## Arrangements for the 2024 AGM

The company is pleased to be able to invite members to attend the AGM in person in May where a presentation on business progress will be given. A results presentation will also be recorded on 28 March 2024 and made available on the corporate website.

The company continues to strongly encourage shareholders to vote electronically. Instructions on voting are attached to the Notice of AGM sent out to shareholders and can also be found on the company's website. Shareholders may also wish to submit questions in advance via email to [info@chesnara.co.uk](mailto:info@chesnara.co.uk). We will endeavour to respond to questions raised directly, or by publishing responses on our website.

1. Any member who is entitled to attend and vote at this Annual General Meeting is entitled to appoint another person, or two or more persons in respect of different shares held by the shareholder, as their proxy to exercise all or any of their rights to attend and to speak and to vote at the Annual General Meeting. Members who wish to appoint a proxy are encouraged to appoint the Chair of the meeting as their proxy and give you instructions on how you wish the Chair of the meeting to vote on the proposed resolutions. Appointing the Chair as your proxy will not prevent you from attending and voting in person at the AGM but will ensure that your vote is able to be cast in accordance with your wishes should you (or any other person who you might otherwise choose to appoint as your proxy) be unable to attend for any reason. Members are strongly encouraged to vote electronically.
2. You will not receive a form of proxy for the AGM in the post. Instead, you will receive instructions to enable you to vote electronically and how to register to do so. You may request a physical copy proxy form directly from the registrars, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL (telephone number: 0371 664 0300). If you request a physical copy proxy form, it must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by 11am on Friday 10 May 2024.
3. Any member wishing to vote at the Annual General Meeting without attending in person or (in the case of a corporation) through its duly appointed representative, must appoint a proxy to do so. A proxy need not be a member of the company, but as noted above members should appoint the Chair of the meeting as their proxy to ensure that their vote is able to be cast in accordance with their wishes should they (or any other persons who members might otherwise choose to appoint as their proxy) be unable to attend for any reason. Members may appoint a proxy online by following the instructions for the electronic appointment of a proxy at [www.signalshares.com](http://www.signalshares.com) by entering the company name 'Chesnara plc' and following the on-screen instructions. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by 11am on Friday 10 May 2024. Members who hold their shares in uncertificated form may also use the 'CREST' voting service to appoint a proxy electronically, as explained below.
4. Proxymity Voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the company and approved by the registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 11am on Friday 10 May 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
5. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in 'the CREST voting service' section of the CREST Manual.  
  
CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to 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 a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a 'CREST proxy appointment instruction') must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & International Limited ('Euroclear'), and must contain all the relevant information required by the CREST Manual. To be valid, 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 be transmitted so as to be received by Link Group (ID RA10), by 11am on Friday 10 May 2024, which is acting as the company's 'issuer's agent'. After this time, any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on 'Practical limitations of the system'. In certain circumstances, the company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

6. Copies of (i) directors' service contracts and letters of appointment; and (ii) a copy of the company's articles of association are available for inspection at the registered office of the company during normal business hours each business day subject to prevailing public health measures. They will also be available for inspection at the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.
7. The time by which a person must be entered on the register of members in order to have the right to vote at the Annual General Meeting (and for the purpose of the determination by the company of the votes they may cast) is close of business on Friday 10 May 2024. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Annual General Meeting.
8. The right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Companies Act 2006; as such rights can only be exercised by the member concerned. Any person nominated to enjoy information rights under Section 146 of the Companies Act 2006 who has been sent a copy of this notice of Annual General Meeting is hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this Annual General Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
9. As at 20 March 2024 (being the last practicable date prior to the publication of this document), the company's issued share capital consisted of 150,855,587 ordinary shares, carrying one vote each. No shares were held by the company in treasury. Therefore, the total voting rights in the company as at 20 March 2023 (being the last practicable date prior to the publication of this document) were 150,855,587.
10. Information regarding this Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available at **www.chesnara.co.uk**. Any electronic address provided either in this notice or any related documents may not be used to communicate with the company for any purposes other than those expressly stated.
11. In accordance with Section 319A of the Companies Act 2006, any member attending the Annual General Meeting has the right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the Annual General Meeting, but no such answer need be given if (a) to do so would interfere unduly with the preparations for the Annual General 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 Annual General Meeting that the question be answered. The company encourages shareholders to submit their questions electronically in advance of the meeting via **info@chesnara.co.uk**.
12. Under Section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement in accordance with Section 528 of the Companies Act 2006 setting out any matter relating to (i) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting or (ii) any circumstances connected with an auditor of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the company has been required under Section 527 of the Companies Act 2006 to publish on a website.
13. Members meeting the threshold requirements in Sections 338 and 338A of the Companies Act 2006 have the right to require the company (i) to give to members entitled to receive notice of the meeting notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or (as applicable) the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the company not later than 11am on 2 April 2024, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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

## **Resolution 1**

### **Report and Accounts**

The Companies Act 2006 requires the directors of a public company to lay its Annual Report and Accounts before the company in general meeting, giving shareholders the opportunity to ask questions on the contents. The Annual Report and Accounts comprise the audited financial statements, the Auditor's Report, the Directors' Report, the Directors' Remuneration Report, and the Directors' Strategic Report.

## **Resolution 2**

### **Approval of the Directors' Remuneration Report**

In accordance with the Companies Act 2006, the company proposes ordinary Resolution 2 to approve the Directors' Remuneration Report for the financial year ended 31 December 2023. The Directors' Remuneration Report can be found on pages 105 to 119 of the 2023 Report and Accounts and, for the purposes of this resolution, does not include the parts of the Directors' Remuneration Report containing the Directors' Remuneration Policy. The vote on this resolution is advisory only and the directors' entitlement to remuneration is not conditional on it being passed. The Companies Act 2006 requires the Directors' Remuneration Policy to be put to shareholders for approval annually unless the approved policy remains unchanged, in which case it need only be put to shareholders for approval at least every 3 years. The company is not proposing any changes to the Directors' Remuneration Policy approved at the Annual General Meeting in 2023.

## **Resolution 3**

### **Final dividend**

The declaration of the final dividend requires the approval of shareholders in general meeting. If the 2024 Annual General Meeting approves Resolution 3, the final dividend of 15.61 pence per share will be paid on 28 May 2024 to ordinary shareholders who are on the register of members at the close of business on 12 April 2024 in respect of each ordinary share.

## **Resolutions 4 – 11 inclusive**

### **Appointment and re-appointment of directors**

The company's Articles of Association provide that all directors retire at each Annual General Meeting and that those wishing to continue to serve shall submit themselves for re-appointment or appointment by the shareholders. In line with this, all directors will be retiring at this year's AGM and will be standing for re-appointment, with the exception of David Rimmington who will step down from the board at the end of the AGM. Tom Howard will stand for appointment at this year's AGM, following his appointment as Chief Financial Officer, subject to regulatory approval (announced to shareholders on 7 December 2023). Biographical details of each director detailed in Resolutions 4 to 11 are set out in Appendix 1 to this AGM Notice on pages 271 and 272. The board is satisfied that the performance of each of the directors proposed continues to be effective and important to the company's long-term sustainable success and demonstrates commitment to their responsibilities. This is supported by the annual performance evaluation that was undertaken recently. The board unanimously recommend that each of these directors be appointed or re-appointed as a director of the company.

In accordance with the Code, the board has reviewed the independence of its non-executive directors and has determined that they remain fully independent of management.

## **Resolutions 12 and 13**

### **Re-appointment and remuneration of auditor**

The company is required to appoint an auditor, at each general meeting before which accounts are laid, to hold office until the end of the next such meeting. The board (through its Audit & Risk Committee) has recommended the re-appointment of Deloitte LLP and has confirmed that such recommendation is free from influence by a third party and that no restrictive contractual terms have been imposed on the company. Deloitte LLP has indicated that it is willing to continue to act as the company's auditor.

Resolution 12, therefore, proposes Deloitte's reappointment as auditor to hold office until the next general meeting at which the company's accounts are laid before shareholders. Resolution 13 authorises the directors to determine the auditor's remuneration.

## **Resolution 14**

### **Political donations**

It has always been the company's policy that it does not make political donations. This remains the company's policy.

Part 14 of the Companies Act 2006 (the Act) imposes restrictions on companies making political donations to any political party or other political organisation or to any independent election candidate unless they have been authorised to make donations at a general meeting of the company. Whilst the company has no intention of making such political donations, the Act includes broad and ambiguous definitions of the terms 'political donation' and 'political expenditure' which may apply to some normal business activities which would not generally be considered to be political in nature.

The directors therefore consider that, as a purely precautionary measure, it would be prudent to obtain the approval of the shareholders to make donations to political parties, political organisations and independent election candidates and to incur political expenditure up to the specified limit. The directors intend to seek renewal of this approval at future Annual General Meetings but wish to emphasise that the proposed resolution is a precautionary measure for the above reason and that they have no intention of making any political donations or entering into party political activities.

## **Resolution 15**

### **Power to allot shares**

The Companies Act 2006 provides that the directors may only allot shares if authorised by shareholders to do so. The directors' current allotment authority is due to lapse at the 2024 Annual General Meeting. The board is, therefore, seeking to renew its authority over shares having an aggregate nominal amount of £2,514,260, representing approximately one-third of the issued ordinary share capital of the company (excluding treasury shares) as at 20 March 2024 (being the latest practicable date prior to the publication of this document). The board is also seeking authority to allot shares having an aggregate nominal amount of £5,028,520, representing approximately two-thirds of the issued share capital of the company (excluding treasury shares) as at 20 March 2024 by way of pre-emptive offer to existing shareholders.

The allotment authority sought is in line with the Share Capital Management guidelines issued by the Investment Association. For the avoidance of doubt, the authority sought pursuant to this resolution will give the directors the ability to allot shares (or grant rights to shares) up to a maximum aggregate nominal amount of £5,028,520.

As at 20 March 2024, the company held no treasury shares.

The authority will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2025.

Passing Resolution 15 will ensure that the directors have flexibility to take advantage of any appropriate opportunities that may arise in pursuit of the company's strategic objective of acquiring life and pensions businesses.

## **Resolutions 16 and 17 (special resolution)**

### **Disapplication of statutory pre-emption rights**

If the directors wish to allot shares, or grant rights to subscribe for, or convert securities into, shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must first offer them to existing shareholders in proportion to their existing shareholdings. In order to give directors flexibility to finance business opportunities by allotting shares without making a pre-emptive offer to existing shareholders and, in accordance with the updated Statement of Principles (PEG Statement of Principles) published by the Pre-Emption Group in November 2022, Resolutions 16 and 17 ask shareholders to grant a limited waiver of their pre-emption rights as referenced below. If the directors elect to exercise powers granted under Resolutions 16 and 17 in relation to a non-pre-emptive offer, they shall follow the shareholder protections in Part 2B of the PEG Statement of Principles.

Resolutions 16 and 17 will be proposed as special resolutions.



Resolution 16, if passed, will allow the directors to (a) allot shares in the company for cash in connection with a rights issue or other pre-emptive offer; and (b) otherwise allot shares in the company for cash up to a maximum aggregate nominal value of £754,278, in each case as if the pre-emption rights of Section 561 of the Companies Act 2006 did not apply. This aggregate nominal amount equates to approximately 10% of the issued ordinary share capital of the company (excluding treasury shares) as at 20 March 2024 (being the latest practicable date prior to the publication of this Notice of Annual General Meeting).

In line with the PEG Statement of Principles, the company is seeking authority, under Resolution 17, to issue up to an additional 10% of its issued ordinary share capital for cash without pre-emption rights applying. In accordance with the Statement of Principles, the company will only allot shares under this additional authority in connection with an acquisition or specific capital investment (within the meaning given in the Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding 12 month period and is disclosed in the announcement of the allotment.

The authority granted under Resolutions 16 and 17 will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2025.

### **Resolution 18 (special resolution)**

#### **Authority to purchase own shares**

This resolution, which will be proposed as a special resolution, seeks to renew the company's authority to purchase its own shares. It specifies the maximum number of shares which may be acquired as 10% of the company's issued ordinary share capital (excluding treasury shares) as at 20 March 2024, being the latest practicable date prior to the publication of this document, and specifies the minimum and maximum prices at which shares may be bought.

The directors will only use this authority if, in light of market conditions prevailing at the time, they believe that the effect of such purchases will be (where such shares are to be purchased for cancellation) to increase earnings per share, and that taking into account other investment opportunities, purchases will be in the best interests of the shareholders generally. Any shares purchased in accordance with this authority will be cancelled or held in treasury for subsequent transfer to an employee share scheme. The directors have no present intention of exercising this authority, which will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2025.

The company has options and awards outstanding under existing share schemes over an aggregate of 1,531,582 ordinary 5p shares, representing 1.02% of the company's issued ordinary share capital (excluding treasury shares) as at 20 March 2024 (the latest practicable date prior to the publication of this document). This would represent approximately 1.13% of the company's issued share capital (excluding treasury shares) if the proposed authority being sought at the Annual General Meeting to buy back 15,085,559 ordinary shares was exercised in full (and all the repurchased ordinary shares were cancelled).

### **Resolution 19**

#### **Authority to allot new ordinary shares in relation to an issue of Restricted Tier 1 (RT1) Instruments**

Resolution 19, will, if passed, grant authority to directors to allot ordinary shares in the company or grant rights to subscribe for, or to convert any security into, ordinary shares in the company, in accordance with Section 551 of the Companies Act 2006, up to an aggregate nominal amount of £2,514,260 in connection with the issue of RT1 Instruments (as defined in Appendix 2) which is, in aggregate, equivalent to approximately one-third of the issued ordinary share capital of the company as at 20 March 2024 (being the latest practicable date prior to the publication of this notice of Annual General Meeting).

The directors believe that it is in the best interests of the company to have the flexibility to issue RT1 Instruments from time to time and the authority sought in Resolution 19 may be used if, in the opinion of the directors, at the relevant time, such an issuance of RT1 Instruments would be desirable to improve the capital structure of the company and its subsidiaries. However, the request for authority in Resolution 19 should not be taken as an indication that the company will or will not issue any, or any given amount of, RT1 Instruments.

This authority is in addition to the authority proposed in Resolution 15, which is the usual authority sought on an annual basis in line with the guidance issued by the Investment Association.

This authority will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2025. The directors may seek a similar authority in the future.

### **Resolution 20 (special resolution)**

#### **Disapplication of pre-emption rights in relation to an issue of Restricted Tier 1 (RT1) Instruments**

Resolution 20, which will be proposed as a special resolution, proposes that, in addition to any authority conferred by Resolution 16, the directors be empowered to allot equity securities (as defined in Section 560 of the Companies Act 2006) for cash up to a nominal value of £2,514,260 in relation to the issue of RT1 Instruments, which is equivalent to one-third of the issued ordinary share capital of the company as at 20 March 2024 (being the latest practicable date prior to the publication of this notice of Annual General Meeting), as if Section 561 of the Companies Act 2006 did not apply to any such allotment.

Resolution 20, if passed, would permit the company the flexibility necessary to allot equity securities pursuant to any proposal to issue RT1 Instruments without the need to comply with the pre-emption rights of Section 561 of the Companies Act 2006 did not apply. Resolution 20 is intended to provide the directors with the continued flexibility to issue RT1 Instruments which may convert into ordinary shares. This will enhance the company's ability to manage its capital. Further information on the Restricted Tier 1 Instruments is given in Appendix 2.

This authority will expire at the earlier of the conclusion of the company's next Annual General Meeting and the close of business on 30 June 2025. The directors may seek a similar authority in the future.

Any exercise of the authorities in Resolutions 15, 16 and 17 (if passed) would be separate from and in addition to the exercise of any powers under Resolutions 19 and 20 and would also have a dilutive effect on existing shareholdings.

### **Resolution 21 (special resolution)**

#### **Notice of general meetings**

The Companies Act 2006 requires the notice period for general meetings of the company to be at least 21 days, but, as a result of a resolution which was passed by the company's shareholders at last year's Annual General Meeting, the company is currently able to call general meetings (other than an Annual General Meeting) on not less than 14 clear days' notice. In order to preserve this ability, shareholders must once again approve the calling of meetings on not less than 14 clear days' notice. Resolution 21 seeks such approval. The approval will be effective until the company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The company will also need to meet the statutory requirements for electronic voting before it can call a general meeting on less than 21 days' notice.

The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

#### **Directors' recommendation**

The directors recommend all shareholders to vote in favour of all of the above resolutions, as the directors intend to do in respect of their own shares (save in respect of those matters in which they are interested), and consider that all resolutions are in the best interests of the company and its shareholders as a whole.



BOARD KNOWLEDGE, SKILLS AND EXPERIENCE SUMMARY

KEY	KNOWLEDGE/SKILL/EXPERIENCE	SUMMARY
A	Chesnara company knowledge	● ● ● ● ● ● ● ●
B	Industry knowledge – UK	● ● ● ● ● ● ● ●
C	Industry knowledge – Sweden/Netherlands	● ● ● ● ● ● ● ●
D	Governance – actuarial	● ● ● ● ● ● ● ●
E	Governance – financial	● ● ● ● ● ● ● ●
F	Audit and risk management	● ● ● ● ● ● ● ●
G	Investment management	● ● ● ● ● ● ● ●
H	M&A and business development	● ● ● ● ● ● ● ●
I	Commercial management	● ● ● ● ● ● ● ●
J	Operational change management	● ● ● ● ● ● ● ●
K	Customer operational/management	● ● ● ● ● ● ● ●
L	Information technology	● ● ● ● ● ● ● ●
M	Environmental, social and governance (ESG)	● ● ● ● ● ● ● ●

Annual assessment confirms that our board continues to hold significant experience in the insurance sector and also have a range of specialisms which ensure all aspects of our competency profile are well covered.

**LUKE SAVAGE**  
CHAIR

Non-executive Chair of the board, Luke is responsible for the leadership of the board, setting the agenda and ensuring the board’s effectiveness in all aspects of its role.

**Appointment to the board:** Appointed to the board and as Chair in February 2020.

**Committee membership:** Nomination & Governance (Chair to 31 December 2021) and a member of the Remuneration Committee (from February 2020). Attends the Audit & Risk Committee by invitation.

**Current directorships/business interests:**

- Numis Corporation plc, Chair

**Skills and experience:** A B C D E F G H I J L M

**STEVE MURRAY**  
GROUP CHIEF EXECUTIVE OFFICER

**Appointment to the board:** Appointed as a director of Chesnara on 2 August 2021 and as Group CEO on 19 October 2021.

**Career, skills and experience:** Steve joined Chesnara from Royal London where, as part of their Group Executive Committee, he was Chief Commercial Officer with group-wide accountability for M&A and Strategy, Transformation and Analytics & Insight, as well as accountability for its legacy business and the take to market activity across the UK insurance and savings business. He was also a director of Royal London Asset Management. Prior to that he spent 15 years at Standard Life across a variety of roles, seeing it through demutualisation and IPO before leading Group M&A and strategy. He then worked in Standard Life’s UK & European insurance business initially as CEO of 1825 financial planning before becoming MD Commercial & Strategy. After leading the first phase of the separation of the UK & European insurance business to Phoenix, he was appointed as Deputy Head of the Private Market division in Aberdeen Standard Investments. Steve started his career with EY.

**Current directorships/business interests:**

- Countrywide Assured Services Ltd
- CASFS Ltd
- Countrywide Assured Life Holdings Limited
- Movestic Livförsäkring AB
- Scildon NV Supervisory Board
- Waard Group Supervisory Board
- Cattanach – a private charity (Chair)

**Skills and experience:** A B C D E F G H I J K L M

**JANE DALE**  
**SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR  
AND CHAIR OF THE AUDIT & RISK COMMITTEE**

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**Appointment to the board:** Appointed to the Chesnara plc board in May 2016 and as Chair of the Audit & Risk Committee in December 2016. Appointed as the board's Senior Independent Non-Executive Director in October 2018.

**Committee membership:** Audit & Risk (Chair) and Nomination & Governance.

**Current directorships/business interests:**

- Countrywide Assured plc, Chair of the Audit & Risk Committee
- CASLP Ltd, Chair of the Audit & Risk Committee
- Covea Insurance plc and Covea Life Limited, NED and Chair of the Audit Committee
- Novia Financial plc, NED and Chair of the Audit Committee; and Novia Financial Holdings Limited, NED
- Brown & Brown (Europe) Holdco Limited, NED and Brown & Brown (Europe) Limited, NED and Chair of the Risk & Compliance Committee and Chair of the Remuneration Committee.

**Skills and experience:** [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [M](#)

**KARIN BERGSTEIN**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**

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**Appointment to the board:** Appointed to the Chesnara plc board on 14 February 2022.

**Committee membership:** Nomination & Governance and Audit & Risk.

**Current directorships/business interests:**

- Movestic Livförsäkring AB, NED
- Van Lanschot Kempen N.V., NED
- Bank Nederlandse Gemeenten N.V., NED
- University Medical Center Groningen, NED
- Bergstein Advies B.V., General Manager
- Foundation for Continuity of NN Group, NED
- Foundation for Preference Shares Wereldhaven, NED

**Skills and experience:** [A](#) [C](#) [D](#) [E](#) [F](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#)

**CAROL HAGH**  
**NON-EXECUTIVE DIRECTOR  
AND DESIGNATED WORKFORCE NED**

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**Appointment to the board:** Appointed to the Chesnara plc board on 14 February 2022.

**Committee membership:** Nomination & Governance and Remuneration.

**Current directorships/business interests:**

- Countrywide Assured plc, NED
- CASLP Ltd, NED
- Old Game New Rules Ltd, Director and Founder
- Direct Line Insurance Group plc, NED (with effect from 1 April 2024)

**Skills and experience:** [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#)

**TOM HOWARD**  
**CHIEF FINANCIAL OFFICER DESIGNATE  
(subject to regulatory approval) from April 2024**

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**Appointment to the board:** Not yet appointed to the board.

**Career, skills and experience:** Tom is a highly experienced CFO with over 25 years of industry experience, most recently as CFO of Aviva Investors, the asset management division of Aviva plc. Over a 14-year period, he has held a variety of senior roles within Aviva plc, including Director of Mergers & Acquisitions for Aviva Group and CFO for Aviva's Life and General Insurance business in Ireland. He brings an extensive leadership track-record in strategy, M&A, capital management and financial reporting in UK and European insurance businesses. Tom is a fellow of the Institute and Faculty of Actuaries.

**Skills and experience:** [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#)

**EAMONN FLANAGAN**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR AND  
CHAIR OF THE REMUNERATION COMMITTEE**

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**Appointment to the board:** Appointed to the Chesnara plc board in July 2020 and as Chair of the Remuneration Committee in January 2022.

**Committee membership:** Audit & Risk and Remuneration (Chair).

**Current directorships/business interests:**

- Movestic Livförsäkring AB, NED and Chair of the Audit & Risk Committee
- Movestic Fonder AB. Chair
- AJ Bell, NED
- Randall & Quilter Investment Holdings Ltd (Bermuda), NED

**Skills and experience:** [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#)

**MARK HESKETH**  
**INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR  
OF THE NOMINATION & GOVERNANCE COMMITTEE**

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**Appointment to the board:** Appointed to the Chesnara plc board in December 2018 and as Chair of the Nomination & Governance Committee in January 2022.

**Committee membership:** Nomination & Governance (Chair) and Audit & Risk.

**Current directorships/business interests:**

- Countrywide Assured plc, NED
- CASLP Ltd, NED
- Bethany Christian Trust, Treasurer and NED
- Bethany Enterprises Ltd, NED

**Skills and experience:** [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#)



## APPENDIX 2 TO AGM NOTICE

### Further information on restricted Tier 1 instruments

#### **What are 'Restricted Tier 1 Instruments'?**

Solvency II-compliant Restricted Tier 1 Instruments, structured as contingent convertible securities, the terms of which will provide that, upon the occurrence of certain trigger events, the securities will be irrevocably converted into ordinary shares.

#### **Why is the company seeking authorities in connection with the issuance of Restricted Tier 1 Instruments?**

The group is subject to the Solvency II regulatory framework which came into force on 1 January 2016 and which has been retained in the United Kingdom following the end of the Brexit implementation period on 31 December 2020. Under Solvency II, the group is required to hold sufficient capital to absorb losses in periods of stress and to provide a buffer to increase resilience against unexpected losses, thereby protecting the interests of policyholders. At least half of the group's overall capital requirements may only be met with certain types of high-quality capital (referred to as 'Tier 1 Capital'), including share capital, retained profits and, for up to 20% of Tier 1 Capital, instruments that are written down, or, in the case of Restricted Tier 1 Instruments, instruments that are converted into ordinary shares, in the event that the group's capital position falls below defined levels (referred to as a 'Trigger Event'). The group may issue Restricted Tier 1 Instruments to satisfy part of its Tier 1 Capital requirements. Any issue of Restricted Tier 1 Instruments would form part of the group's overall strategy to maintain a strong capital base from which it can achieve its objectives.

#### **What is a 'Trigger Event' and what will happen if a Trigger Event occurs?**

A Trigger Event will occur if the group determines, in consultation with the Prudential Regulation Authority, that it has ceased to comply with its capital requirements under Solvency II in a significant way. This may occur if the amount of capital held by the group falls below 75% of its capital requirements, if the group fails to comply with its capital requirements for a continuous period of 3 months or more or if the group fails to comply with other minimum capital requirements applicable to it. Only if a Trigger Event occurs (and not under any other circumstances) will any Restricted Tier 1 Instruments issued by the group convert into new ordinary shares. The holders of any Restricted Tier 1 Instruments will not have the option to require conversion of the Restricted Tier 1 Instruments at their discretion. The group may, if permitted by law and regulation and if considered appropriate at the relevant time, issue Restricted Tier 1 Instruments that include in their terms and conditions a mechanism through which the group may elect to give existing shareholders the opportunity to purchase the ordinary shares issued on conversion of the Restricted Tier 1 Instruments in proportion to their existing shareholdings in the company (subject to legal, regulatory or practical restrictions).

#### **What steps can the group take on or before a Trigger Event?**

If the group's capital position were to deteriorate, a number of steps are available to the group to improve its capital position before the occurrence of a Trigger Event. These could include reducing the group's liabilities or raising extra share capital from investors by way of a rights issue. If the company were, in the future, to launch a rights issue, the company's existing shareholders would be offered the opportunity to acquire new ordinary shares in proportion to their existing shareholding.

#### **How can the issue of Restricted Tier 1 Instruments provide a more efficient capital structure?**

The group can satisfy its Tier 1 Capital requirements through, among other things, the issue of ordinary shares, retention of profits and the issue of Restricted Tier 1 Instruments. Satisfying the group's Tier 1 Capital requirements in part through the issue of Restricted Tier 1 Instruments could be a cost-effective means of raising capital, therefore enabling the group to reduce its overall cost of capital. This would, in turn, be expected to be more beneficial for existing shareholders than if the group were to satisfy its Tier 1 Capital requirements through the issue of ordinary shares or the retention of profits alone.

#### **At what price will Restricted Tier 1 Instruments be converted into or exchanged for ordinary shares?**

The terms and conditions of any Restricted Tier 1 Instruments issued will specify a conversion price or a mechanism for setting a conversion price, which is the rate at which the Restricted Tier 1 Instruments will be exchanged into ordinary shares. The resolutions enable the directors to set the specific terms and conditions of the Restricted Tier 1 Instruments (including a conversion price or mechanism for setting a conversion price) after considering market conditions at the time of issuance. Given the nature of the Trigger Events and the implications on the group's business at the time any Trigger Event occurs, the group's expectation is that the conversion price at the time of conversion would exceed the market price of the ordinary shares at such time.

#### **How have you calculated the size of the authorities you are seeking?**

These authorities are set at a level which, based on the share price of the group as at 20 March 2024 (being the latest practicable date prior to the publication of this document) corresponds approximately to the group's regulatory headroom for Restricted Tier 1 Instruments as at the same date (limited to 20% of Tier 1 Capital).