

# Michelmersh Brick Holdings Plc

Dear Shareholder

Please find enclosed the Notice of this year's Annual General Meeting (the "**AGM**") for shareholders of Michelmersh Brick Holdings Plc (the "**Company**"), which will be held at the offices of Burges Salmon LLP, 6 New Street Square, London EC4A 3BF on Thursday 18 May 2023, at 11.00 a.m. (the "**Notice**"). The 2023 AGM will be held in the normal way and shareholders will be invited to attend in person.

## **Proxy voting**

The Board is intent on providing shareholders with the opportunity to address the Board and to cast their vote on the various resolutions being put to the meeting. Accordingly, I urge shareholders to complete their Proxy Forms and submit them in good time. All resolutions at the AGM will be decided on a poll. You are encouraged to appoint the Chair of the AGM as your proxy to exercise your right to vote at the AGM in accordance with your instructions. A proxy card is attached to this Notice, and is also available on the Company's website at <https://www.mbhplc.co.uk/investor-relations>. Please note the deadline for the receipt of proxies by our registrar, Equiniti Limited, is 11.00 a.m. on Tuesday, 16 May 2023. Proxy appointments should be submitted in accordance with the Notes to the AGM Notice on page 5.

## **Questions**

The Board recognises the importance of shareholder engagement through the AGM process and encourages shareholders to submit questions relating to the business to be conducted at the AGM to the Company in advance of the meeting. The deadline for the submission of questions on the business of the AGM is 11.00 a.m. on Tuesday, 16 May 2023 and the Board will endeavour to provide answers as if they had been asked at the AGM. The Company will publish any relevant questions, together with the Board's responses, on its website following the AGM.

Please submit AGM questions to the Company Secretary by email to [mbhplc@prismcosec.com](mailto:mbhplc@prismcosec.com) or in writing to the Company Secretary at Michelmersh Brick Holdings Plc, Freshfield Lane, Danehill, Haywards Heath, RH17 7HH.

The Annual Report for the year to 31 December 2022 and this Notice are available on our website <https://www.mbhplc.co.uk/investor-relations>.

**Martin Warner**

*Chairman*

6 April 2023

# Michelmersh Brick Holdings Plc

## NOTICE OF ANNUAL GENERAL MEETING

This year's annual general meeting will be held on Thursday, 18 May 2023 at 11 a.m. at the offices of Burges Salmon LLP, 6 New Street Square, London EC4A 3BF. You will be asked to consider and pass the resolutions below. Resolutions 6 - 8 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### Ordinary Resolutions

#### Report and Accounts

- 1 To receive the Company's Accounts and Reports of the Directors and the Auditors for the financial year ended 31 December 2022.

#### Dividends

- 2 To declare a final dividend for the year ended 31 December 2022 of 2.95 pence per ordinary share.

#### Auditor

- 3 To reappoint CLA Evelyn Partners Limited as auditor of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company.

#### Remuneration of Auditor

- 4 To authorise the Audit Committee to fix the remuneration of the auditor.

#### Directors' authority to allot shares

- 5 That the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**2006 Act**"), in substitution for all previous authorities to the extent unused, to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the capital of the Company:

- (a) comprising equity securities (as defined by section 560 of the 2006 Act) up to an aggregate nominal amount of £12,756,268 (such amount to be reduced by the nominal amount of any allotments or grants made pursuant to the authority in paragraph (b) of this resolution) solely in connection with an offer by way of a rights issue:

- (i) to holders of ordinary shares in proportion (as nearly 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 laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) in any other case, up to an aggregate nominal amount of £6,378,134, (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph (a) of this resolution in excess of £6,378,134;

provided that this authority shall, unless renewed varied or revoked by the Company, expire on the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would, or might, require shares to be allotted or rights to be granted to subscribe for, or convert securities into, shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

## Special Resolutions

### Disapplication of pre-emption rights

6 That, subject to the passing of resolution 5, the Directors be authorised to allot equity securities (as defined by section 560 of the 2006 Act) for cash under the authority given by that resolution and/or sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the 2006 Act did not apply to any such allotment or sale provided that such authority shall be limited to:

- (a) the allotments for rights issues and other pre-emptive issues;
- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) of this resolution) up to a nominal amount of £1,913,632; and

such authority to expire at the conclusion of the 2024 AGM of the Company (or, if earlier, at close of business on 18 May 2024, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

7 in addition to the authority granted under paragraph 5 of this resolution, to allot equity securities (as defined in section 560 of the 2006 Act) for cash under the authority conferred by resolution 5 and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the 2006 Act did not apply to any such allotment or sale, provided that such authority shall be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,913,632; and
- (b) used only for the purpose of financing (or refinancing, if the authority is to be used within six 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.

The authority granted by this resolution will expire at the conclusion of the Company's next annual general meeting after this resolution is passed (or, if earlier, at the close of business on 18 May 2024), save that the Company may, before such expiry make offers or agreements which would, or might, require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

### Authority to purchase of own shares

8 That the Company be generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of fully paid ordinary shares of 20p each in the capital of the Company provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 9,568,158 (representing 10 per cent. of the Company's issued ordinary share capital as at the date of this Notice);
- (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share shall be the nominal value;
- (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
  - (i) an amount equal to 5 per cent. of the average of the closing middle market prices for the ordinary shares of the Company (as derived from the AIM Appendix of the London Stock Exchange Daily Official List) for the five business days immediately preceding the date of the purchase; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

- (d) The authority conferred by this resolution shall expire at the conclusion of the Company's next annual general meeting or on 18 May 2024 (whichever is the earliest) save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.

6 April 2023

**By order of the Board**

**Prism Cosec Limited**

*Company Secretary*

*Registered Office:*

Freshfield Lane  
Danehill  
Haywards Heath  
RH17 7HH

## Notes

- 1 To be entitled to attend and vote at the meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by 6.30 p.m. on the 16 May 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. 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. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice.
- 3 To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the office of the Company's registrars (Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA), no later than 48 hours before the time appointed for holding the meeting.
- 4 The return of a completed proxy form will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
- 5 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment 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 (EUI) 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: RA19) not later than forty eight hours (disregarding any day that is not a working day) before the time appointed for holding the AGM, being no later than 11.00 a.m. on 16 May 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.
- 6 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 7 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (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.
- 8 Copies of the service contracts of the Directors of the Company or any of its subsidiary undertakings are available for inspection at the registered office of the Company during normal business hours (excluding weekends and public holidays) from the date of this Notice until the conclusion of the AGM, and will also be available for inspection at the place of the AGM from 15 minutes before it is held until its conclusion.

## EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on this page give an explanation of the proposed resolutions.

Resolutions 1 to 5 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 6 to 8 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Resolution 1: Annual Report and Accounts**

The Directors of the Company must present the Company's annual accounts, the Directors' Report and the auditor's report on those accounts to the Annual General Meeting. The Annual Report and Accounts for the year ended 31 December 2022 along with a copy of the AGM Notice will be available online at <https://www.mbhplc.co.uk/investor-relations>.

### **Resolution 2: Final Dividend**

Shareholders are asked to approve a final dividend of 2.95 pence per ordinary share for the year ended 31 December 2022. If the recommended final dividend is approved at the AGM, the dividend is expected to be paid on 12 July 2023 to shareholders who are on the Register of Members at the close of business (London time) on 9 June 2023.

### **Resolution 3: Reappointment of Auditor**

At each meeting at which the Company's accounts are presented to its shareholders, the Company is required to appoint an auditor to serve until the next such meeting and seek shareholder consent for the Directors to set the remuneration of the auditors.

### **Resolution 4: Remuneration of the Auditor**

This resolution seeks consent for the Audit Committee to determine the remuneration of the auditor.

### **Resolution 5: Authority to allot shares**

This resolution deals with the Directors' authority to allot shares or grant rights to subscribe for, or convert any securities into, shares in accordance with section 551 of the 2006 Act. The authority previously given to the Directors at the last annual general meeting of the Company will expire at this year's annual general meeting.

This resolution complies with the Investment Association Share Capital Management Guidelines issued in July 2016.

If passed, the resolution will authorise the Directors to allot;

- (a) in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the 2006 Act) up to a maximum nominal amount of £12,756,268 which represents approximately two thirds of the Company's issued ordinary shares (excluding treasury shares) as at the date of this Notice. This maximum is reduced by the nominal amount of any allotments or grants made under the authority set out in paragraph (b) of this resolution; and
- (b) in any other case, allotments or grants up to a maximum nominal amount of £6,378,134 which represents approximately one third of the Company's issued ordinary shares (excluding treasury shares) as at the date of this Notice. This maximum is reduced by the nominal amount of any allotments or grants made under the authority set out in paragraph (a) of this resolution in excess of £6,378,134.

The maximum nominal value of allotments or grants (including equity securities) which may be made under this resolution is £12,756,268.

At the close of business on the date of this Notice, the Company holds 222,000 treasury shares.

The authority granted by this resolution will expire on the conclusion of next year's annual general meeting.

Other than the allotment of shares under the terms of the executive and employee share schemes operated by the Company, and the Company's scrip dividend scheme, the Directors have no present intention to allot new shares or grant rights, however, the Directors may consider doing so if they believe it would be appropriate in respect of business opportunities that may arise consistent with the Company's strategic objectives.

### **Resolution 6 and 7: Disapplication of pre-emption rights**

Special resolution 6, if passed, would grant the Directors authority to allot securities of the Company up to a specified amount in connection with rights issues without having to obtain prior approval from the shareholders on each occasion and also to allot a certain number of securities for cash without first being required to offer such shares to existing shareholders. The proposed disapplication of pre-emption rights will mean that the number of Ordinary Shares which may be issued for cash without first being required to offer such shares to existing shareholders will not exceed 9,568,158 Ordinary Shares, being approximately 10 per cent. of the issued ordinary share capital of the Company as at 29 March 2023.

The Pre-Emption Group Statement of Principles 2022 issued on 4 November 2022 supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities (and sales of treasury shares for cash) representing no more than an additional 10% of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines 'specified capital investment' as meaning one or more specific capital investment related uses for the proceeds of an issuance of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets that are the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group, resolution 7 seeks to authorise the Directors to allot new shares and other equity securities pursuant to the authority given by resolution 5, or sell treasury shares, for cash up to a further nominal amount of £1,913,632, being approximately 10% of the total issued ordinary share capital of the Company as at 29 March 2023, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in resolution 7 is used, the Company will publish details of the placing in its next Annual Report. If these resolutions are passed, the authorities will expire at the end of the 2024 AGM or at close of business on 18 May 2024, whichever is the earlier.

The Board considers the authorities in resolutions 6 and 7 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a rights issue or other pre-emptive offer without the need to comply with the strict requirements of the statutory pre-emption provisions.

### **Resolution 8: Authority to purchase Company shares**

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 9,568,158 of its ordinary shares representing 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 29 March 2023.

The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire on the conclusion of next year's annual general meeting, or if earlier, at the close of business on 18 May 2024.

The Directors will only exercise the authority to purchase ordinary shares where they consider that such purchases will be in the best interests of the shareholders generally and will result in an increase in earnings per ordinary share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).