

# 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 Freshfield Lane, Danehill, Haywards Heath RH17 7HH on Thursday 18 June 2020, at 10.30 a.m. (the "**Notice**").

Shareholders will be aware that this year's AGM has been delayed from its usual place in the calendar in mid-May.

The Board took the decision to delay the AGM as a result of the COVID-19 pandemic as we sought to manage the business through the difficulties that it brought, and considered guidance from our advisers.

COVID-19 also means that the format of the AGM will be different this year as shareholders will not be allowed to attend because of government restrictions on travel and social distancing.

We will ensure that a quorum of shareholders is in attendance and the Board will also be in attendance by telephone, so that due legal process is followed. The attendance in person of any other shareholder, proxy or corporate representative is not permitted under the government's restrictions. No other shareholder, proxy or corporate representative should attempt to attend the AGM in person.

The Board is intent on providing, as far as the restrictions allow, shareholders with the opportunity to address the Board and to cast their vote on the various resolutions being put to the meeting. Shareholders will, of course, still be able to vote by doing so in advance of the AGM by proxy. 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. As usual, you are encouraged to appoint the chairman 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 by accessing the company's website at <https://www.mbhplc.co.uk/investor-relations> and selecting the AGM 2020 tab.

In addition, I would encourage you to submit in writing or email (addresses below) any questions or comments that you would like the Board to consider in respect of the results of 2019, general strategy or any other relevant matter connected with the business of the AGM. You may submit questions up until 9.30 a.m. on 8 June 2020. Subject, of course, to the need to protect any confidential information, all questions on the business of the AGM will be answered by the Board as if they had been asked at any other AGM. The Board will also select certain answers to key questions to be posted on the company's website (go to <https://www.mbhplc.co.uk/investor-relations> and select the AGM 2020 tab) by close of business on 12 June, so that shareholders have time to see submitted questions and relevant answers before confirming their proxy vote.

The Annual Report for the year to 31 December 2019 and this Notice are available on our website <https://www.mbhplc.co.uk/financial-statements>.

Please submit AGM questions or comments to the Company Secretary at Michelmersh Brick Holdings Plc, Freshfield Lane, Danehill, Haywards Heath, RH17 7HH or email to [smorgan@mbhplc.co.uk](mailto:smorgan@mbhplc.co.uk).

We are closely monitoring the impact of coronavirus in the United Kingdom. In the event that the Board make any changes to the AGM arrangements, we will notify shareholders via an RNS announcement and on the Company's website at <https://www.mbhplc.co.uk/investor-relations>.

**Martin Warner**

*Chairman*

20 May 2020

# Michelmersh Brick Holdings Plc

## NOTICE OF ANNUAL GENERAL MEETING

This year's annual general meeting will be held at 10.30 a.m. on 18 June 2020 at Freshfield Lane, Danehill, Haywards Heath RH17 7HH. You will be asked to consider and pass the resolutions below. Resolutions 6 and 7 will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

### Ordinary Business

- 1 To receive the Company's Accounts and Reports of the directors and the auditors for the financial year ended 31 December 2019.
- 2 To reappoint Stephen Morgan who retires by rotation and who, being eligible, offers himself for reappointment as a director.
- 3 To reappoint Peter Sharp who retires by rotation and who, being eligible, offers himself for reappointment as a director.
- 4 To appoint Nexia Smith & Williamson Audit Limited as auditors 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 and to authorise the directors to fix their remuneration.

### Special Business

- 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**") to exercise all the powers of the Company to allot shares in the capital of the Company and to 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 £12,495,651 (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 £6,247,826 (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 £6,247,826),

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 after the authority ends and the directors may allot shares or grant rights 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.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot shares in the capital of the Company and to grant rights to subscribe for, or convert any security into, shares in the capital of the Company but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

- 6 That, subject to the passing of resolution 5, the directors be authorised:
- 6.1 to allot equity securities (as defined by section 560 of the 2006 Act) for cash under the authority conferred by that resolution and/or to 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 allotment of equity securities and sale of treasury shares for cash in connection with an offer of equity securities (but, in the case of the authority granted under paragraph (a) of resolution 5, by way of a rights issue only):
    - (i) to the 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; and
  - (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph 6.1(a) of this resolution) to any person up to an aggregate nominal amount of £937,174; and
- 6.2 in addition to the authority granted under paragraph 6.1 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 £937,174; 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, 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.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities or sell treasury shares as if section 561 of the 2006 Act did not apply but without prejudice to any allotment of equity securities or sale of treasury shares already made or agreed to be made pursuant to such authorities.

- 7 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 9,371,738 (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 105 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.

The authority conferred by this resolution shall expire at the conclusion of the Company's next annual general meeting 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.

20 May 2020

**By order of the Board**

**Stephen Morgan**  
*Company Secretary*

*Registered Office:*

Freshfield Lane  
Danehill  
Haywards Heath  
RH17 7HH

Notes

- 1 To be entitled to 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 Tuesday 16 June 2020. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting.
- 2 Members are entitled to appoint a proxy to exercise all or any of their rights to vote on their behalf at the meeting. In order to submit a vote at the AGM during these unprecedented times members must appoint the chairman of the meeting as a proxy to vote on their behalf. Details of how to appoint the chairman of the meeting as your proxy are set out on the proxy form. If you do not indicate clearly on the proxy form as to how you wish the chairman of the meeting to vote, the chairman will use his discretion in relation to the resolution being put before the meeting. 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 (subject to any restrictions imposed by the government in respect of the COVID-19 pandemic and during normal business hours only) by hand at the office of the Company's registrars no later than 48 hours before the time appointed for holding the meeting.
- 4 Any member has the right to ask questions, which they are encouraged to submit in advance to the Company Secretary by 9.30 a.m. on 8 June 2020, either by post to Michelmersh Brick Holdings Plc, Freshfield Lane, Danehill, Haywards Heath, RH17 7HH, or via email to [smorgan@mbhplc.co.uk](mailto:smorgan@mbhplc.co.uk). 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. The Company will select certain answers to key questions, which will be posted on the company's website which can be accessed by selecting the AGM 2020 tab on <https://www.mbhplc.co.uk/investor-relations>, by close of business on 12 June.
- 5 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 and 7 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.

### **Resolutions 2 and 3: Reappointment of directors**

At every annual general meeting, a certain number of directors must retire by rotation in accordance with the Company's Articles of Association.

### **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 £12,495,651 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 £6,247,826 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 equity securities allotted under the authority set out in paragraph (a) of this resolution in excess of £6,247,826.

The maximum nominal value of allotments or grants (including equity securities) which may be made under this resolution is £12,495,651.

At the close of business on the date of this Notice, the Company did not hold any treasury shares.

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

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: Disapplication of pre-emption rights**

This resolution will, if passed, give the directors power, pursuant to the authority to allot granted by resolution 5, to allot equity securities (as defined by section 560 of the 2006 Act) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings:

- (a) in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the directors otherwise consider necessary, up to a maximum nominal amount of £6,247,826 which represents approximately one third of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this Notice and, in relation to rights issues only, up to a maximum additional amount of £6,247,826 which represents approximately one third

of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this Notice; and

- (b) in any other case up to a maximum nominal amount of £1,874,348 which represents approximately 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this Notice.

This resolution is in line with guidance issued by the Investment Association (as updated in July 2016), the Pre-Emption Group's Statement of Principles (as updated in March 2015) (the "**Statement of Principles**") and the template resolutions published by the Pre-Emption Group in May 2016.

In compliance with the Statement of Principles, the directors confirm that they will not allot shares for cash on a non pre-emptive basis pursuant to the authority in resolution 6.2(b) other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

In addition, the directors also confirm that in accordance with the Statement of Principles, they do not intend to issue shares for cash representing more than 7.5 per cent. of the Company's issued ordinary share capital in any rolling three-year period other than to existing shareholders, save as permitted in connection with an acquisition or specified capital investment as described above, unless shareholders have been notified and consulted in advance.

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

#### **Resolution 7: 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 9,371,738 of its ordinary shares representing 10 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at the date of this notice.

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.

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).