

# Smiths News PLC

## Notice of Annual General Meeting

**Rowan House, Cherry Orchard North  
Kembrey Park, Swindon, Wiltshire SN2 8UH**

**on Wednesday 27 January 2021 at 11.30am**

### This document is important and requires your immediate attention

If you are in any doubt as to any aspect of the contents of this document or as to the action you should take in relation to the Annual General Meeting, you should consult your stockbroker, bank manager, solicitor, accountant or other professional independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Smiths News PLC (the 'Company') you should pass this notice and other enclosures to the person through whom the sale or transfer was made for onward transmission to the purchaser or transferee.

#### Smiths News PLC

Company Number: 05195191

Registered in England and Wales

Registered Office: Rowan House, Cherry Orchard North,  
Kembrey Park, Swindon, Wiltshire SN2 8UH

VAT Registration Number: 882348007

#### COVID-19

In light of the continuing impact of the COVID-19 pandemic and pursuant to Government legislation relaxing company meeting requirements under the Companies Act 2006 (which are set out in the Corporate Insolvency and Governance Act 2020), it has become necessary to restrict physical participation at the Annual General Meeting in line with our Articles of Association and current guidance and legislation.

Accordingly, the Annual General Meeting will be kept as concise and efficient as possible and physical attendance will be limited to the minimum number of persons to ensure the meeting is quorate and can conduct the business of the meeting. Shareholders will still be able to ask questions by email ahead of the meeting and may have limited participation at the meeting itself through an ability to listen to proceedings via a (mute only) conference telephone facility (see below).

As such, shareholders will **not** have a right to attend the meeting in person. Accordingly, we invite shareholders to:

1. submit any questions in advance of the Annual General Meeting. Any specific questions on the business of the Annual General Meeting and the Resolutions can be submitted ahead of the Annual General Meeting by e-mail to [Investor.Relations@smithsnews.co.uk](mailto:Investor.Relations@smithsnews.co.uk) (marked for the attention of the Company Secretary). We will publish these questions (other than any questions which the directors consider to be frivolous or vexatious) and answers on our website in the lead up to, and after, the meeting.
2. participate remotely in the Annual General Meeting, if desired, via the following (mute only) conference telephone facility – please dial in to the meeting shortly before 11.30 am using the following details:

United Kingdom Toll-Free: 08003589473

PIN: 43069105#

United Kingdom Toll: +44 3333000804

PIN: 43069105#

International dial in numbers: <https://event.sharefile.com/d-s7bae1d9235d495a8>

**Shareholders who wish to vote are strongly encouraged to submit their votes by proxy as soon as possible and in any event by no later than 11.30 a.m. on Monday 25 January 2021.** Details of how to appoint a proxy are set out in the guidance notes to this document. Given the limitations on physical participation, we recommend shareholders appoint the Chairman of the meeting as their proxy, as physical attendance at the meeting by others will be restricted in line with our Articles of Association and current guidance and legislation.

In the event that our Annual General Meeting arrangements have to change, the Company will issue a further communication via a regulatory news service. As such, we strongly recommend shareholders monitor such communications, which can also be found on our website at:

<https://www.corporate.smithsnews.co.uk/investors/regulatory-news>

## Chairman's Letter

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### Dear Shareholder

#### 2021 Annual General Meeting

I have pleasure in sending you the Notice of our Annual General Meeting ('AGM') for shareholders, which will be held at Rowan House, Cherry Orchard North, Kembrey Park, Swindon, Wiltshire SN2 8UH ('AGM Location') on Wednesday 27 January 2021 at 11.30am. The formal Notice of Annual General Meeting is set out on pages 3 to 5 of this document.

The AGM is an important opportunity for all shareholders to express their views by raising questions and voting. In light of the latest COVID-19 Government guidance and legislation, we would politely remind you that the meeting will be kept as concise and efficient as possible and physical attendance will be limited to the minimum number of persons to ensure the meeting is quorate and can conduct the business of the meeting. Accordingly, shareholders will not have a right to attend the meeting in person but we strongly encourage you to participate in the manner prescribed on page 1.

If you would like to vote on the resolutions, please complete and sign the enclosed Proxy Form and return it to our Registrars as soon as possible. Alternatively, you can register your proxy vote electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) or, if you are a member of CREST, via Equiniti (ID RA19). The Registrars must receive your proxy appointment by 11.30am on Monday 25 January 2021. Further details about proxy appointments can be found in the Notes for Shareholders on pages 10 to 11.

#### Explanatory Notes to the Proposed Resolutions

Explanatory notes to the proposed resolutions are set out on pages 6 to 9 of this document.

#### Notes for Shareholders

Explanatory notes as to the proxy, voting and attendance procedures at the AGM together with other important information are set out on pages 10 to 11 of this document.

#### Website

Our corporate website [www.corporate.smithsnews.co.uk](http://www.corporate.smithsnews.co.uk) is the principal means of communicating with shareholders. The site provides a wide range of information about the Company including annual reports, regulatory news releases, share price data, financial calendar and a Shareholder Centre containing AGM and other useful shareholder information.

#### Notice of publication of Annual Report

Notice is hereby given that the Smiths News plc Annual Report and Accounts 2020 has been published on the Company's website [www.corporate.smithsnews.co.uk](http://www.corporate.smithsnews.co.uk). It can be accessed by going to the Company's home page and then clicking on the Investors section of the website. If you have elected to receive shareholder correspondence in hard copy, the Annual Report will accompany this Notice of Meeting. Should you wish to change your election at any time, or if you wish to request a hard copy of the Annual Report, you can do so by contacting our Registrars, Equiniti, on 0371 384 2771\* or from outside the UK +44 (0) 121 415 7565.

#### Recommendation

The Board considers the resolutions detailed in this Notice of Meeting will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 1,238,837 shares representing approximately 0.50% of the existing issued ordinary share capital of the Company.

Yours faithfully

**David Blackwood**  
Chairman

\* Lines are open from 8am to 5pm, Monday to Friday, excluding public holidays in England and Wales.

## Notice of Annual General Meeting

Notice is hereby given that the 2021 Annual General Meeting of Smiths News plc will be held at Rowan House, Cherry Orchard North, Kembrey Park, Swindon, Wiltshire SN2 8UH on Wednesday 27 January 2021 at 11.30am for the following purposes:

To consider, and if thought fit, pass the resolutions set out below. Resolutions 13 to 16 will be proposed as special resolutions and all other resolutions will be proposed as ordinary resolutions.

### Ordinary resolutions

#### Annual Report and Accounts

Resolution 1: to receive the accounts and reports of the directors and auditor for the 52 week period ended 29 August 2020.

#### Directors' Remuneration Report

Resolution 2: to approve the directors' remuneration report set out on pages 74 to 95 of the Annual Report and Accounts for the year ended 29 August 2020.

#### Re-election of directors

Resolution 3: to elect David Blackwood as a director of the Company.

Resolution 4: to re-elect Jonathan Bunting as a director of the Company.

Resolution 5: to re-elect Denise Collis as a director of the Company.

Resolution 6: to re-elect Tony Grace as a director of the Company.

Resolution 7: to re-elect Michael Holt as a director of the Company.

Resolution 8: to re-elect Mark Whiting as a director of the Company.

#### Appointment of auditor

Resolution 9: to re-appoint BDO LLP as auditor of the Company until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.

#### Remuneration of auditor

Resolution 10: to authorise the Audit Committee of the Board to determine the remuneration of the auditor of the Company on behalf of the Board.

#### Authority to make political donations

Resolution 11: to resolve that, in accordance with Sections 366 and 367 of the Companies Act 2006, the Company and any UK registered company which is or becomes a subsidiary of the Company at any time during the period for which this resolution has effect be and are hereby authorised to:

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

during the period from the date of passing this resolution up to and including the conclusion of the next Annual General Meeting or, if earlier, 28 February 2022.

For the purpose of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in Sections 363 to 365 of the Companies Act 2006.

## Notice of Annual General Meeting continued

### Authority to allot shares

Resolution 12: to resolve that:

- (a) the directors be authorised to allot shares in the Company and grant rights to subscribe for, or convert any security into, shares in the Company:
  - (i) in accordance with Article 7 of the Company's Articles of Association, up to a maximum nominal amount of £4,127,653 (such amount to be reduced by the nominal amount of any equity securities (as defined in Article 8 of the Company's Articles of Association) allotted under paragraph (ii) below in excess of £4,127,653); and
  - (ii) comprising equity securities (as defined in Article 8 of the Company's Articles of Association), up to a maximum nominal amount of £8,255,306 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in Article 8 of the Company's Articles of Association);
- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2022 (save that the Company shall be entitled under such authority, pursuant to Section 551(7) of the Companies Act 2006, to make any offer or agreement prior to expiry of such authority which would or might require shares to be allotted or rights to be granted on or after such expiry); and
- (c) all previous unutilised authorities under Section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to Section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

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## Special Resolutions

### Partial disapplication of statutory pre-emption rights

Resolution 13: to resolve that if resolution 12 is passed, the Board be authorised to allot equity securities (as defined in Article 8 of the Company's Articles of Association) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

- (a) allotments for rights issues and other pre-emptive issues; and
- (b) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £619,148, such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 28 February 2022) 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.

### Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

Resolution 14: to resolve that if resolution 12 is passed, the Board be authorised in addition to any authority granted under resolution 13 to allot equity securities (as defined in Article 8 of the Company's Articles of Association) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £619,148; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines 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, such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 28 February 2022) 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.

**Market purchases of ordinary shares**

Resolution 15: to resolve that, pursuant to Section 701 of the Companies Act 2006, the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006) of any of its own ordinary shares in such manner and on such terms as the directors may from time to time determine provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 24,765,920;
- (b) the minimum price which may be paid for each ordinary share is 5p (exclusive of all expenses);
- (c) the maximum price which may be paid for each ordinary share is an amount (exclusive of all expenses) equal to the higher of:
  - (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share in the capital of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the capital of the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this resolution will be carried out;
- (d) the authority shall, unless previously varied, revoked or renewed, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2022, save that the Company shall be entitled under such authority to make at any time before such expiry any contract or contracts to purchase its own shares which will or might be executed wholly or partly after such expiry and make a purchase of shares in pursuance of any such contract or contracts; and
- (e) all existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not been executed.

**Notice of General Meetings**

Resolution 16: to resolve that a general meeting of the Company, other than an Annual General Meeting, may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution.

By order of the Board

**Stuart Marriner**  
Company Secretary

14 December 2020

Registered Office:  
Rowan House, Cherry Orchard North, Kembrey Park, Swindon, Wiltshire SN2 8UH  
(Registered in England and Wales. Company No: 05195191)

## Explanatory Notes to the Proposed Resolutions

### Resolution 1 – Annual Report and accounts

The Board asks that shareholders receive the accounts and reports of the directors and auditor for the 52 week period ended 29 August 2020.

### Resolutions 2 – Directors' remuneration

The directors' remuneration report is set out in two sections: a shareholder letter from the Chair of the Remuneration Committee on pages 74 to 76 of the Annual Report and the annual report on directors' remuneration, setting out both the pay and benefits received by each of the directors for the year ended 29 August 2020 and how the proposed remuneration policy will be implemented in financial year 2021, on pages 81 to 96 of the Annual Report.

The shareholder letter from the Chair of the Remuneration Committee and the annual report on directors' remuneration is subject to an advisory shareholder vote and Resolution 2 is therefore inviting shareholders to approve the directors' remuneration report. This resolution relates to the remuneration of directors for the year ended 29 August 2020; it does not impact remuneration to be paid to the directors in the future.

### Resolutions 3 to 8 – Re-election of directors

It is the Board's policy that all directors stand for election or re-election at the AGM, which accords with the 2018 edition of the UK Corporate Governance Code.

Resolutions 3 to 8 propose the re-election of the directors who have served throughout the year and retire from office at the conclusion of the AGM and, being eligible, offer themselves for election.

Biographical details of each of the directors (including a summary of why the contribution of each director is, and continues to be, important to the Company's long-term sustainable success) are set out below.

#### David Blackwood, Chairman

David has extensive business and listed company experience, notably in Finance, Audit and Risk. David uses his experience and knowledge, to lead the Board in reviewing and approving management's plans for the development of the Company's strategy and operational performance. As Chair of the Nominations Committee, David is also responsible for leading the assessment of the capabilities and skills of the executive and non-executive leadership, and for longer-term succession planning.

Most recently, David has been a non-executive director of Dignity plc until June 2020, where he was chair of the audit committee, the Senior Independent Director and served on the nomination and remuneration committees. He was formerly Chief Financial Officer of Synthomer plc where he was employed for seven years, stepping down in 2015, prior to which he held a number of senior roles within Imperial Chemical Industries plc (ICI). David has also previously served as a member of the Cabinet Office Audit and Risk Committee and on the Board for Actuarial Standards. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and a Fellow of the Association of Corporate Treasurers (ACT).

#### Other current appointments

- Stobart Group PLC, Audit Committee Chair
- Scapa Group plc, Audit Committee Chair and Senior Independent Director

#### Jonathan Bunting, Chief Executive Officer

Jonathan has deep commercial and operational leadership skills, combined with extensive experience gained within the newspaper and magazine distribution industry, experience which is critical for the long term development and execution of the Company's strategic plans.

Jonathan joined WH Smith News in 1994. He rose through the organisation in a variety of sales and marketing managerial roles before being promoted to the executive management team in 2001. In April 2014, Jonathan became Managing Director of the Connect News & Media division and, subsequently, Chief Operating Officer in September 2017, a position which spanned wider group business interests held at the time, together with Smiths News. Following his appointment as Interim Chief Executive Officer on 5 November 2019, this appointment was confirmed on 15 June 2020.

#### Other current appointments

None

#### Denise Collis, Non-Executive Director

Denise holds a wealth of business experience with a particular focus on people and talent management, development, retention and reward.

She therefore has the relevant knowledge and experience required to lead the Remuneration Committee, a position she has also held with SThree PLC since September 2016.

Denise was Chief People Officer at Bupa, the global healthcare business, from May 2010 until December 2014. Prior to that, she was the Group HR Director for 3i Group plc and a partner at EY. She has also held senior HR roles at a number of other leading organisations including Standard Chartered Bank and HSBC.

#### Other current appointments

- SThree PLC, senior independent non-executive director, chair of remuneration committee and member of the audit committee and nomination committee
- British Heart Foundation, chair of remuneration committee and member of nominations committee and Advisory Council

**Tony Grace, Chief Financial Officer**

Tony brings extensive, recent and relevant finance and business transformation experience to the Group. These skills are essential in ensuring the Group complies with its accounting, financial reporting, financial and risk management policies and processes, as well as legal and regulatory requirements during its business transformation phase.

Tony was most recently Chief Financial Officer at Yodel Delivery Network and has previously held senior finance and operational roles at Virgin Media and Telewest.

**Other current appointments**

None

**Michael Holt, Non-Executive Director**

Michael possesses highly relevant commercial and operational experience gained within the logistics and distribution industry. Due to his detailed understanding of the sector, its opportunities and challenges, Michael is an important independent voice and sounding board in the development and execution of the Group's long term strategy.

Michael was, most recently, Chief Operating Officer of FedEx Express, Europe until the end of September 2018 and held a number of other senior executive roles with FedEx Corporation since 2006. Prior to that, Michael held senior executive roles at a number of leading logistics organisations including ANC Group, where he was instrumental in leading the turnaround of the business from a position of loss-making to industry leading margins and strong profit recovery prior to its successful sale to FedEx in 2006.

**Other current appointments**

None

**Mark Whiteling, Non-Executive Director**

Mark has gained extensive finance and operational experience at a senior level within a number of diverse organisations. He brings recent and relevant financial expertise required to lead the Audit Committee. He is the Senior Independent Director of the Board.

Mark was most recently the Chief Financial Officer of Interserve PLC and has previously been the Deputy Chief Executive Officer and Chief Financial Officer of Premier Farnell plc. He was a non-executive director of Future plc until December 2014 and the Senior Independent Director of Hogg Robinson Group PLC until July 2018, in both cases acting as chair of their respective audit committees as well as serving on the nomination and remuneration committees.

**Other current appointments**

None

The Chairman confirms that, following the recent performance evaluation of the Board and individual directors, all directors continue to make an effective and valuable contribution to the Board and demonstrate commitment to their roles. Further, whilst the tenure of the Chairman has, to date, been short, Mark Whiteling (the Senior Independent Director) has led a review of David Blackwood's contribution to the Board since his appointment and confirms that he has made an effective and valuable contribution in that time.

**Resolutions 9 and 10 – Appointment and remuneration of auditor**

On the recommendation of the Audit Committee, the Board proposes that BDO LLP be re-appointed as auditor of the Company. Resolution 10 proposes that the Audit Committee be authorised to determine the auditor's remuneration.

**Resolution 11 – Authority to make political donations**

Part 14 of the Companies Act 2006 ('CA 2006'), amongst other things, prohibits the Company and its subsidiaries from making political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Group of £5,000 or less in any 12 month period will not be caught.

**Neither the Company nor any of its subsidiaries has any intention of making any political donations or incurring any political expenditure.**

However, the CA 2006 defines 'political party', 'political organisation', 'political donation' and 'political expenditure' widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be caught.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the CA 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred.

As permitted under the CA 2006, the resolution extends not only to the Company but also covers all companies which are subsidiaries of the Company at any time the authority is in place. The resolution reflects the three categories covered by the rules and authorises the Company and its subsidiaries to:

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

in the period from the date of passing this resolution up to and including the conclusion of the next Annual General Meeting or, if earlier, 28 February 2022.

As required by the CA 2006, the resolution is in general terms and does not purport to authorise particular donations.

## Explanatory Notes to the Proposed Resolutions continued

### Resolution 12 – Authority to allot shares

At the Annual General Meeting held on 31 January 2020, the shareholders authorised the directors, under Section 551 of the CA 2006 to allot shares in the Company or grant rights to subscribe for, or convert any securities into, shares in the Company. This authority is due to expire at the end of the AGM and it is proposed that it be renewed. Paragraph (a)(i) of Resolution 12 would allow the directors to allot shares up to a maximum nominal amount of £4,127,653, representing approximately one third of the Company's issued share capital, calculated as at 14 December 2020 (being the latest practicable date prior to publication of this Notice). In accordance with the guidelines issued by The Investment Association, paragraph (a)(ii) of Resolution 12 would allow the directors to allot, including the shares referred to in paragraph (a)(i), further of the Company's shares in connection with a pre-emptive offer by way of a rights issue up to a maximum nominal amount of £8,255,306, representing approximately two thirds of the Company's issued share capital, calculated as at 14 December 2020 (being the latest practicable date prior to publication of this Notice).

The authority would expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2022. The directors have no present intention of exercising this new authority, however, it is considered prudent to maintain the flexibility it provides.

As at the date of this Notice, the Company does not hold any shares in the capital of the Company in treasury.

### Resolution 13 – Partial disapplication of statutory pre-emption rights

Resolution 13 is proposed as a separate special resolution under Sections 570 and 573 of the CA 2006 empowering the directors to allot equity securities for cash without first being required to offer such shares to existing shareholders.

If approved, this resolution would authorise the directors to issue shares up to a nominal amount of £8,255,306, representing two thirds of the Company's issued share capital as at 14 December 2020 (being the latest practicable date prior to publication of this Notice) in connection with a rights issue (subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the directors see fit) and otherwise to issue shares for cash up to a maximum nominal amount of £619,148, which is equal to approximately 5% of the Company's issued ordinary share capital as at 14 December 2020 (being the latest practicable date prior to publication of this Notice).

The authority would expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2022.

The directors also confirm their intention to abide by the provisions of the Pre-emption Group's Statement of Principles for the disapplication of pre-emption rights (the 'Statement of Principles') regarding the cumulative usage of authorities within a three year period. The Statement of Principles provides that companies should not issue shares for cash representing more than 7.5 per cent of the Company's issued 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, without prior consultation with shareholders.

The directors have no present intention of exercising these authorities.

### Resolution 14 – Authority to disapply pre-emption rights in connection with an acquisition or specified capital investment

Resolution 14 is proposed as a separate special resolution in line with best practices guidance issued by the Pre-emption Group to grant the directors power to allot ordinary shares in connection with an acquisition or a specified capital investment as if the pre-emption restrictions in the Company's Articles did not apply.

Resolution 14 authorises the directors to allot further ordinary shares for cash up to a maximum nominal amount of £619,148, which is equal to approximately 5% of the Company's issued ordinary share capital as at 14 December 2020 (being the latest practicable date prior to publication of this Notice) without first offering those shares to existing shareholders (as required under the Company's Articles), only in connection with an acquisition or specified capital investment (within the meaning of the Statement of Principles) that is announced at the same time with the issue, or has taken place in the preceding six-month period, and is disclosed in the announcement of such issue.

These authorities will expire on 28 February 2022 or at the conclusion of the next Annual General Meeting, whichever is earlier.

The directors have no present intention of exercising these authorities.

In respect of resolutions 13 and 14, the Board acknowledges the failure to pass these resolutions at the Company's previous AGM held on 31 January 2020 relating to the proposed disapplication of pre-emption rights on a cash issue of shares, primarily as a result of the votes cast by two of the Company's largest shareholders – the number of dissenting votes totalled approximately 28% of votes cast. The Board acknowledges that certain shareholders have a policy of not supporting such resolutions and has since sought to engage with the two largest shareholders who recorded dissenting votes against these resolutions to better understand the rationale behind such policy and its impact on the Company. The outcome of such engagement has since been considered by the Board and, in doing so, the Board has noted that one shareholder indicated that their decision to vote against each of the pre-emption resolutions was significantly rooted in a changing institutional approach within the jurisdiction in which that shareholder is based rather than a reflection of their attitude towards the Company and its management. Following assurances from the Company that, at such time, the directors had no present intention of exercising these authorities and, if ever it sought to do so, the Board would look to canvass the views of its largest shareholders at that time, the shareholder has since indicated that it may be supportive of future resolutions in the manner as had originally been proposed. The other major shareholder indicated that their main concern had in fact been centred around the authority to allot resolution, which seeks to confer authority on the directors to allot up to 1/3 of the issued share capital as the directors see fit and a second 1/3 on a rights issue basis. The shareholder expressed its view that this authority (combined with the pre-emption resolutions) could give rise to a significant risk of shareholder dilution from future capital raisings. Accordingly, the Board welcomes the levels of engagement and the candid nature of responses received from its shareholders. The Board remains committed to continuing an open and transparent dialogue and will take any further input received into consideration in its future deliberations, specifically the formulation of shareholder resolutions to be presented at future AGMs and the level of share capital that may be issued without pre-emptive rights which would be most acceptable across the majority of the shareholder body.



**Resolution 15 – Market purchases of ordinary shares**

With the authority of shareholders in general meeting, the Company may purchase its own ordinary shares in the market subject to the provisions of the CA 2006. The directors will only exercise the authority when satisfied that it is in the best interests of the Company to do so and when it would result in an increase in earnings per share.

The proposed authority would be limited to purchases of up to 24,765,920 ordinary shares, representing approximately 10% of the issued ordinary shares in the Company as at 14 December 2020 (being the latest practicable date prior to publication of this Notice). This resolution specifies that the minimum price which may be paid for each ordinary share is 5p (exclusive of all expenses) and the maximum price which may be paid is the higher of an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased and the price stipulated by the Regulatory Technical Standards pursuant to the Article 5(6) of the EU Market Abuse Regulation (exclusive of all expenses) being the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the capital of the Company on the trading venues where the market purchases by the Company are carried out.

As at 14 December 2020, there were outstanding 25,077,572 options to subscribe for ordinary shares, representing 10.13% of the Company's issued ordinary share capital. If the Company's authority to purchase shares (existing and being sought) was exercised in full, the options would represent 10.57% of the Company's issued ordinary share capital.

Under Part 18, Chapter 6 of the CA 2006, the Company is allowed to hold its own shares in treasury following a buy back as an alternative to cancelling them. Shares held in treasury may be subsequently sold for cash, but all rights attaching to them, including voting rights and the right to receive dividends, are suspended while they are held in treasury. It is the Company's intention to cancel any shares it buys back rather than hold them in treasury.

The authority would expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 28 February 2022.

**Resolution 16 – Notice of General Meetings**

The minimum notice period required by the CA 2006 for general meetings of the Company is 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs must always be held on at least 21 clear days' notice).

At the Annual General Meeting held on 31 January 2020, shareholders authorised the calling of general meetings other than an AGM on not less than 14 clear days' notice, and it is proposed that this authority be renewed. The authority granted by Resolution 16, if passed, will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must obtain the requisite shareholder approval and make a means of electronic voting available to all shareholders for that meeting. The flexibility offered by Resolution 16 will be used where, taking into account the circumstances, including whether the business of the meeting is time-sensitive and whether the directors consider it appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.

## Notes for Shareholders

1. Shareholders are entitled to appoint one or more proxies (who need not be shareholders) to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting provided that if more than one proxy is appointed, each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy must vote as you instruct and must attend the meeting for your vote to be counted.
2. Shareholders should use the enclosed Proxy Form to make the appointment referred to in Note 1 above. Before completing the Proxy Form shareholders should read the guidance notes on the Form.
3. As an alternative to completing and returning the printed Proxy Form, you may submit your proxy appointment electronically by accessing the website [www.sharevote.co.uk](http://www.sharevote.co.uk), where full details of the procedure are given. You will need to have your Proxy Form to hand when you log on as it contains information which will be required to validate your submission. For further information, see the guidance notes on the Proxy Form.
4. To be valid any Proxy Form and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti or at the electronic address provided on the Proxy Form, in each case no later than 11.30am on 25 January 2021. Completion and return of a Proxy Form, or electronic proxy appointment, or any CREST Proxy Instruction (as described in Note 5) will not prevent you attending and voting at the meeting, if you wish. A member must inform the Company in writing of any termination of the authority of a proxy not less than six hours before the time of the AGM.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland specifications, and must contain the information required for such instruction, as described in the CREST Manual. 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, in order to be valid, be transmitted so as to be received by Equiniti (CREST participant ID RA19) by 11.30am on 25 January 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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.
9. Any member with more than one shareholding registered in his/her name should, to the extent that such member has elected to receive copies of relevant documentation, receive only one copy of the Annual Report and one Proxy Form. The Proxy Form will be valid in respect of all his/her holdings. If you do not have a Proxy Form and believe that you should have one, or if you require additional forms, please contact Equiniti on 0371 384 2771\* or from outside the UK +44 (0) 121 415 7565.
10. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the CA 2006 and the Articles of Association of the Company, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.30pm on 25 January 2021 (or 6.30pm on the day that is two business days before any adjourned meeting) shall be entitled to attend (either in person or by proxy) and vote at the meeting in respect of the number of shares registered in their names at that time. Changes to the register of members after 6.30pm on 25 January 2021 (or 6.30pm on the day that is two business days before any adjourned meeting) shall be disregarded in determining the right of any person to attend and vote at the AGM.
11. Any person to whom this Notice is sent who is a person nominated under Section 146 of CA 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
12. In the absence of an agreement described in Note 11 above, the statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 to 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
13. Nominated persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
14. 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.

15. Copies of directors' service contracts and non-executive directors' letters of appointment with the Company and any of its subsidiaries are available for inspection at the registered office of the Company during normal business hours (except Saturdays, Sundays and public holidays) and at the AGM Location on 27 January 2020 from 11.00am until the conclusion of the AGM.
16. Under Section 527 of CA 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 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 AGM; or (ii) any circumstance 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 CA 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of CA 2006. Where the Company is required to place a statement on a website under Section 527 of the CA 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 AGM includes any statement that the Company has been required under Section 527 of CA 2006 to publish on a website.
17. As at 14 December 2020 (being the latest practicable date prior to publication of this Notice) the Company's issued share capital consists of 247,659,200 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at 14 December 2020 are 247,659,200.
18. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.
19. 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.
20. At the AGM, shareholders vote on each resolution by way of a poll rather than a show of hands, to ensure that the final result is more democratic as the proxy votes are added to the votes of the shareholders present, who vote on all their shares (rather than one vote per shareholder).
21. A copy of this Notice, and other information required by Section 311A of the CA 2006, can be found on the Company's website [www.corporate.smithsnews.co.uk](http://www.corporate.smithsnews.co.uk).
22. Under Section 338 and Section 338A of CA 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company 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 (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 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 the date at which notice is given of the meeting, 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.

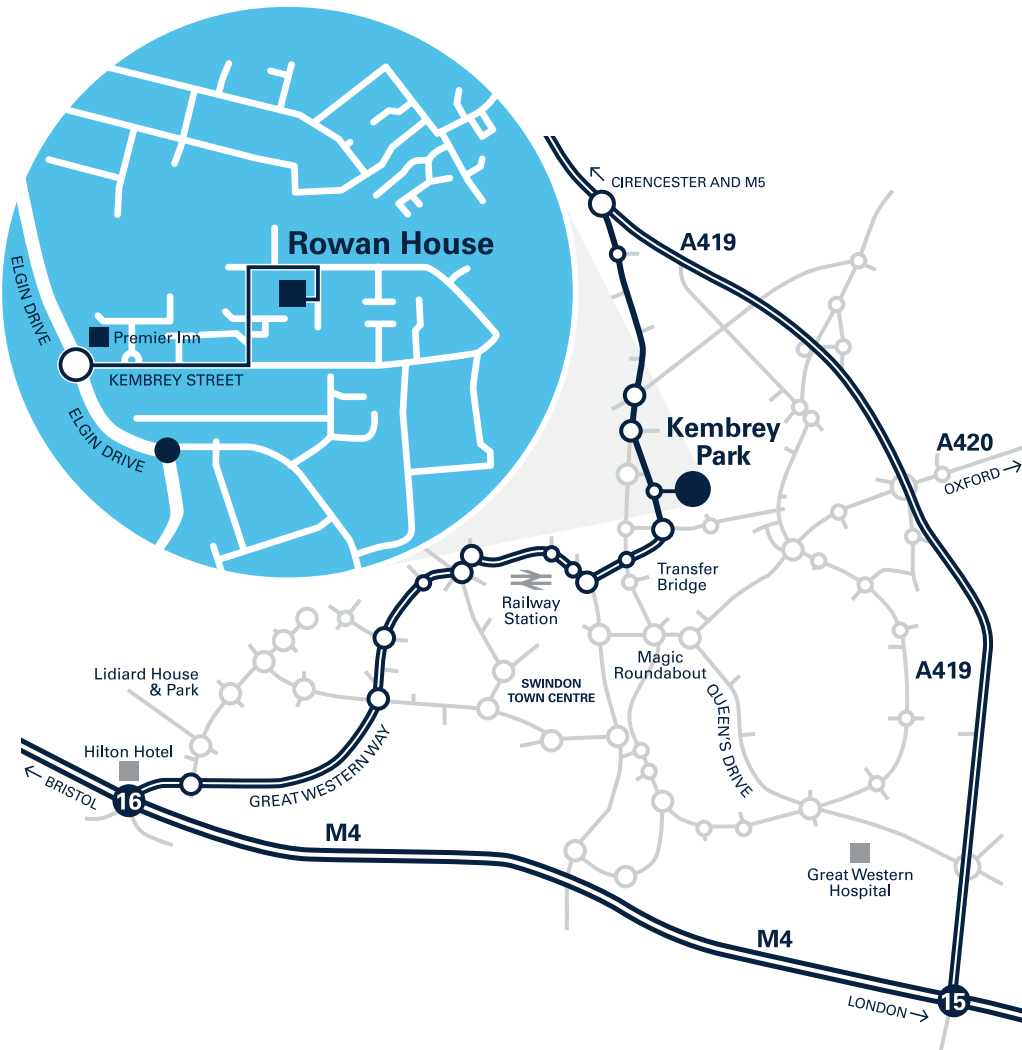
\* Lines are open from 8am to 5pm, Monday to Friday, excluding public holidays in England and Wales.

## AGM Information

### Venue

The meeting will be held on Wednesday 27 January 2021 at Rowan House, Cherry Orchard North, Kembrey Park, Swindon, Wiltshire SN2 8UH.

A map of the location of Rowan House, the venue for the AGM, is shown below.



### Time

The meeting will start at 11.30am. Please note that in light of latest COVID-19 Government guidance and legislation, shareholders will not have a right to attend the meeting in person.

### Refreshments

Please note that in light of expected COVID-19 limitations, no refreshments will be served before the meeting.