

# TheWorks.co.uk plc

Notice of the 2019 Annual General Meeting of TheWorks.co.uk plc

To be held on Wednesday 28 August 2019 at 9.30 a.m. (London time)

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

If you are in any doubt as to the action you should take, please take advice immediately from an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares, please send this document, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## Letter from the Chairman

17 July 2019

### Dear Shareholder,

On behalf of the directors of TheWorks.co.uk plc (together the 'Directors'), it gives me great pleasure to invite you to attend the 2019 Annual General Meeting ('AGM') of TheWorks.co.uk plc (the 'Company') which will be held at Investec Bank plc, 30 Gresham Street, London EC2V 7QP on Wednesday 28 August at 9.30 a.m. (London time). The doors will open at 9.00 a.m.

The formal Notice of AGM is set out on the following pages of this document, detailing the resolutions that the shareholders are being asked to vote on along with explanatory notes of the business to be conducted at the AGM. The AGM provides shareholders with an opportunity to communicate with the Directors and we welcome your participation.

I would like to draw your attention in particular to resolution 17 - Dividend Ratification and Releases. The Board has recently become aware of a technical issue in respect of the Company's procedure for the payment of its first interim dividend of 1.2 pence paid on 14 March 2019 (the "Interim Dividend"). The Company has at all times had sufficient profits and other distributable reserves to justify the Interim Dividend, but initial accounts showing the requisite level of distributable profits were not filed at Companies House in accordance with the Companies Act 2006. Consequently, the Company may have claims against past and present shareholders who were recipients of the Interim Dividend and against the Directors of the Company at the time that the Interim Dividend was paid.

It is proposed that this matter is remedied by the shareholders (other than Directors who are shareholders) passing a special resolution which, if passed, will ratify and confirm the appropriation of profits to the payment of the Interim Dividend, release claims which the Company may have either against past or present shareholders who received the Interim Dividend or against the Directors of the Company in respect of the Interim Dividend, and give the Board authority to enter into two deeds of release (as described in the 'Explanatory Notes to the Notice of AGM' section of this document), which will put all potentially affected, so far as possible, into the position in which they were always intended to be had the Interim Dividend been paid in accordance with all the procedural requirements of the Act.

In respect of resolution 17, each of the Directors of the Company is deemed to be a 'related party' of the Company under the Listing Rules. The entry by the Company into the deeds of release is deemed to be a 'smaller related party transaction' under the Listing Rules. The related parties (being each of the Directors, and me in my capacity as a significant shareholder of the Company) are precluded from voting on resolution 17 and each related party has undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on resolution 17. Further explanation of the background to resolution 17 is provided in the 'Explanatory Notes to the Notice of AGM' section of this document. Draft forms of the deeds of release are available for inspection as explained in the 'Further Notes' to this document.

### Voting

Voting on the business of the meeting will be conducted by way of a poll. The results of voting on the resolutions will be posted on the Company's website as soon as practicable after the AGM.

### Action to be taken

Whether or not you propose to attend the AGM, it is important that you complete, sign and return a form of proxy ('Proxy Form') or vote electronically. This will not prevent you from attending and voting at the AGM in person if you wish. You can vote electronically at [www.sharevote.co.uk](http://www.sharevote.co.uk) using the relevant reference numbers printed on your Proxy Form. Alternatively, if you have already registered with our registrar's (Equiniti Limited) on-line portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions. CREST members may use the CREST electronic proxy appointment service to submit their proxy appointment in respect of the AGM as detailed in the Further Notes to the Notice of the AGM on pages 10 to 11.

Please note that all Proxy Forms and appointments must be received by 9:30 a.m. on Monday 26 August 2019.

If I am appointed as proxy I will, of course, vote in accordance with any instructions given to me. If I am given discretion as to how to vote, I will vote in favour of each of the resolutions to be proposed at the AGM.

### Recommendation

The Directors believe that resolutions 1 to 16 set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of resolutions 1 to 16. The Directors who own ordinary shares in the Company intend to vote in favour of resolutions 1 to 16.

The Board considers resolution 17 to be in the best interests of the Company and its shareholders as a whole. Given the interests of Directors in resolution 17, the Board does not think it is appropriate that it makes a recommendation to shareholders as to how they should vote on resolution 17 other than that shareholders should vote on that resolution. The Directors will not vote on resolution 17 and have undertaken to take all reasonable steps to ensure that their associates will not vote on it.

I look forward to seeing you at the AGM.

Yours faithfully,

**Dean Hoyle**  
Chairman

# Notice of the Annual General Meeting

**NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING** of TheWorks.co.uk plc (the 'Company') will be held at Investec Bank plc, 30 Gresham Street, London EC2V 7QP on Wednesday 28 August 2019 at 9.30 a.m. (London time) to consider and, if thought appropriate, pass the following resolutions of which Resolutions 1 to 12 will be proposed as ordinary resolutions and Resolutions 13 to 17 will be proposed as special resolutions.

## Ordinary Resolutions

### Reports and Accounts

1. To receive the Directors' report and the accounts for the Company for the year ended 28 April 2019.

### Dividends

2. To declare a final dividend of 2.4 pence per ordinary share for the year ended 28 April 2019 which shall be paid on Tuesday 24 September 2019 to shareholders on the register at close of business on Friday 30 August 2019.

### Directors' Remuneration

3. To approve the Directors' Remuneration Report for the year ended 28 April 2019, set out on pages 50 to 63 of the 2019 Annual Report, excluding the Directors' Remuneration Policy.
4. To approve the Directors' Remuneration Policy set out on pages 52 to 59 of the 2019 Annual Report.

### Directors

5. To reappoint Dean Hoyle as a Director.
6. To reappoint Kevin Keaney as a Director.
7. To reappoint Gavin Peck as a Director.
8. To reappoint Catherine Glickman as a Director.
9. To reappoint Harry Morley as a Director.

### Auditors

10. To re-appoint KPMG LLP as auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM at which accounts are laid before the Company.
11. To authorise the Audit Committee of the Company to fix the remuneration of the auditors.

### Directors' authority to allot shares

12. To generally and unconditionally authorise the Directors pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares in the Company:
  - (a) up to an aggregate nominal amount of £208,333.33; and
  - (b) comprising equity securities (as defined in Section 560(1) of the 2006 Act) up to a further aggregate nominal amount of £208,333.33 in connection with an offer by way of a rights issue;

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of the next Annual General Meeting or on 31 October 2020, whichever is the earlier, but in each case so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

For the purposes of this Resolution, "rights issue" means an offer to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

## Notice of the Annual General Meeting continued

### Special Resolutions

#### Disapplication of pre-emption rights

13. That if Resolution 12 is passed, the Directors be authorised to allot equity securities (as defined in the Companies Act 2006) 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:

- (a) to 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 £31,250:

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 31 October 2020 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 Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

14. That if Resolution 12 is passed, the Directors be authorised in addition to any authority granted under Resolution 13 to allot equity securities (as defined in the Companies Act 2006) 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 £31,250; 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 31 October 2020 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 Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

#### Authority to purchase own shares

15. To unconditionally and generally authorise the Company for the purpose of Section 701 of the Companies Act 2006 to make market purchases (as defined in Section 693(4) of the Companies Act 2006) of ordinary shares of £0.01 each in the capital of the Company provided that:

- (a) the maximum number of ordinary shares which may be purchased is 6,250,000;
- (b) the minimum price which may be paid for each share is £0.01;
- (c) the maximum price which may be paid for an ordinary share is an amount equal to the higher of (i) 105 per cent. of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System;
- (d) this authority shall expire at the conclusion of the Company's next AGM or, if earlier, 31 October 2020 (except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry) unless such authority is renewed prior to such time.

#### Notice of general meetings

16. To authorise the Directors to call a general meeting other than an annual general meeting on not less than 14 clear days' notice.

## Dividend Ratification and Releases

17. That:

- (a) in relation to the interim dividend paid by the Company on 14 March 2019 (the "Interim Dividend"), having a total value of £750,000, the Company hereby ratifies and confirms the Interim Dividend payment of 1.2 pence per Ordinary Share and the appropriation, for the purposes of the preparation of the Company's audited financial statements for the financial year ended 28 April 2019, of the distributable profits of the Company to the payment of such Interim Dividend and the resulting entry for the distributable profits of the Company in such financial statements;
- (b) any and all claims which the Company has or may have in respect of the payment of the Interim Dividend against its shareholders who appeared on the register of members on the relevant record date for the Interim Dividend (or the personal representatives and their successors in title (as appropriate) of its, his or her estate if such shareholder is deceased) be released, and that a deed of release in favour of such shareholders (or the personal representatives and their successors in title (as appropriate) of its, his or her estate if such shareholder is deceased) be entered into by the Company in the form of the deed produced to the meeting and initialled by the Chairman for the purposes of identification;
- (c) any distribution involved in the giving of any such release in relation to the Interim Dividend be made out of the profits appropriated to the Interim Dividend as aforesaid by reference to a record date identical to the record date for the Interim Dividend; and
- (d) any and all claims which the Company has or may have against its directors (whether past or present) (the "Directors"), or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased, arising in connection with the payment of the Interim Dividend be released, and that a deed of release(s) in favour of such Directors (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased) be entered into by the Company in the form of the deed produced to the meeting and initialled by the Chairman for the purposes of identification,

provided that, in respect of any person that is a 'related party' of the Company (as defined for the purpose of chapter 11 of the Financial Conduct Authority's Listing Rules (the "Listing Rules")), the total aggregate amount of such release(s) for such person and its, his or her 'associates' (as defined for the purpose of chapter 11 of the Listing Rules) (including any claims the Company may have against such person(s) in their capacity both (as the case may be) as a Director and as a shareholder) shall not exceed an amount equal to 4.9% of the Company's market capitalisation as at the date of this resolution.

By order of the Board

**Prism Cosec Limited**  
**Company Secretary**  
17 July 2019

Registered in England and Wales No. 11325534  
Registered Office:  
Boldmere House Faraday Avenue  
Hams Hall Distribution Park  
Coleshill,  
Birmingham  
England B46 1AL

## Explanatory Notes to the Notice of Annual General Meeting

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

Resolutions 1 to 12 are proposed as ordinary resolutions. For each of these resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 to 17 are proposed as special resolutions. For each of these resolutions to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

#### Resolution 1: Report and Accounts

The first item of business is the receipt by the shareholders of the Directors' report and the accounts of the Company for the year ended 28 April 2019. The Directors' report, the accounts, and the report of the Company's auditors on the accounts and on those parts of the Directors' Remuneration Report that are capable of being audited, are contained within the 2019 Annual Report.

#### Resolution 2: Declaration of Final Dividend

Resolution 2 deals with the recommendation of the Directors that a final dividend of 2.4 pence per ordinary share be paid. If approved, it is intended that the dividend will be paid on Tuesday 24 September 2019 to ordinary shareholders on the register at the close of business on Friday 30 August 2019.

#### Resolution 3 and 4: Directors' Remuneration

Resolution 3 seeks shareholder approval of the Directors' Remuneration Report for the year ended 28 April 2019 which is set out on pages 50 to 63 of the 2019 Annual Report, excluding the Directors' Remuneration Policy. The Company's auditors, KPMG LLP, have audited those parts of the Directors' Remuneration Report that are required to be audited and their report may be found on pages 70 to 76 of the 2019 Annual Report.

This resolution is subject to an 'advisory vote' by shareholders: in the event that the resolution is not passed, the Directors' Remuneration Policy would normally need to be reconsidered by shareholders at the next AGM. As this is the first occasion that the Company has been required to submit its Directors' Remuneration Policy for shareholder approval, the approval of the new policy (per Resolution 4 below) would remain in force notwithstanding any failure to pass this resolution.

Resolution 4 seeks shareholder approval of the Directors' Remuneration Policy which is set out on pages 52 to 59 of the 2019 Annual Report. Under the Companies Act 2006 (as amended by Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013), the Company is required to put a Directors' Remuneration Policy to shareholders for a binding vote at the AGM. If approved, the Directors' Remuneration Policy will take effect from the end of this AGM and will apply for three years, although the Company's Remuneration Committee may seek approval for a new Directors' Remuneration Policy at an earlier point if it is considered appropriate.

This resolution is subject to a binding vote and requires the approval of 50% or more of shareholders to pass.

#### Resolutions 5 to 9: Reappointment of Directors

The Company's Articles of Association require all Directors to stand for reappointment at each AGM. Accordingly all the Directors are submitting themselves for reappointment by shareholders which is also in line with provision B.71 of the UK Corporate Governance Code.

Biographical details of each of the Directors who are seeking re-election appear on page 12 of this document. The Board believes that each Director brings considerable and wide ranging skills and experience to the Board as a whole and continues to make an effective and valuable contribution to the deliberations of the Board. Each Director has continued to perform effectively and demonstrate commitment to their role.

The Board carries out a review of the independence of its Directors on an annual basis. In considering the independence of the independent non-executive Directors proposed for reappointment, the Board has taken into consideration the guidance provided by the UK Corporate Governance Code. Accordingly, the Board considers Catherine Glickman and Harry Morley to be independent in accordance with Provision B.1.1 of the UK Corporate Governance Code.

All Directors will continue to submit themselves for annual reappointment by shareholders in accordance with the Articles of Association and the UK Corporate Governance Code.

#### Resolution 10: Re-appointment of Auditors

The auditors of a company must be appointed or re-appointed at each general meeting at which the accounts are laid. Resolution 10 proposes, on the recommendation of the Audit Committee, the reappointment of KPMG LLP as the Company's auditors, until the conclusion of the next general meeting of the Company at which accounts are laid.

#### Resolution 11: Remuneration of Auditors

This Resolution seeks shareholder consent for the Audit Committee of the Company to set the remuneration of the Auditors.

### **Resolution 12: Directors' authority to allot**

The purpose of Resolution 12 is to renew the Directors' power to allot shares. The authority in paragraph (a) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to approximately one third (33.3%) of the total issued ordinary share capital of the Company (exclusive of treasury shares) which as at 9 July 2019, being the latest practicable date prior to publication of this notice of meeting, is equivalent to a nominal value of £208,333.33.

The authority in paragraph (b) will allow the Directors to allot new shares and grant rights to subscribe for, or convert other securities into, shares only in connection with a rights issue up to a further nominal value of £208,333.33, which is equivalent to approximately one third (33.3%) of the total issued ordinary share capital of the Company (exclusive of treasury shares) as at 9 July 2019. The Company currently holds no shares in treasury.

There are no present plans to undertake a rights issue or to allot new shares other than in connection with employee share incentive plans. The Directors consider it desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

If the Resolution is passed the authority will expire on the earlier of 31 October 2020 and the end of the AGM in 2020.

### **Resolutions 13 and 14: Disapplication of pre-emption rights**

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

Resolution 13 deals with the authority of the Directors to allot new shares or other equity securities pursuant to the authority given by Resolution 12, or sell treasury shares, for cash without the shares or other equity securities first being offered to shareholders in proportion to their existing holdings. Such authority shall only be used in connection with a pre-emptive offer, or otherwise, up to an aggregate nominal amount of £31,250, being approximately 5% of the total issued ordinary share capital of the Company as at 9 July 2019. As at 9 July 2019 the Company holds no treasury shares.

The Pre-emption Group Statement of Principles 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 5% 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 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 14 seeks to authorise the Directors to allot new shares and other equity securities pursuant to the authority given by Resolution 12, or sell treasury shares, for cash up to a further nominal amount of £31,250, being approximately 5% of the total issued ordinary share capital of the Company as at 9 July 2019, 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 14 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 next AGM or on 31 October 2020, whichever is the earlier.

The Board considers the authorities in Resolutions 13 and 14 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.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles not to allot shares for cash on a non-pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three-year period other than (i) after prior consultation with shareholders or (ii) 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 allotment.

## Explanatory Notes to the Notice of Annual General Meeting continued

### Resolution 15: Purchase of own shares

The effect of Resolution 15 is to grant authority to the Company to purchase its own ordinary shares, up to a maximum of 6,250,000 ordinary shares, until the AGM in 2020 or 31 October 2020, whichever is the earlier. This represents 10% of the ordinary shares in issue (excluding shares held in treasury) as at 9 July 2019, being the latest practicable date prior to the publication of this notice. The Company's exercise of this authority is subject to the stated upper and lower limits on the price payable, the upper limit being the price stipulated in Commission Delegated Regulation (EU) 2016/1052 as referred to in Article 5(6) of the EU Market Abuse Regulation, and the Listing Rules.

Pursuant to the Companies Act 2006, the Company can hold any shares which are repurchased as treasury shares and either re-sell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee share schemes. Holding the repurchased shares as treasury shares will give the Company the ability to re-sell or transfer them in the future and will provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently re-sold or transferred out of treasury).

The Directors consider it desirable and in the Company's interests for shareholders to grant this authority. The Directors have no present intention to exercise this authority, and will only do so if and when conditions are favourable with a view to enhancing net asset value per share.

The Company will not, save in accordance with a predetermined, irrevocable and non-discretionary programme, repurchase shares in the period immediately preceding the preliminary announcement of its annual or interim results as dictated by the Listing Rules or Market Abuse Regulation or, if shorter, between the end of the financial period concerned and the time of a relevant announcement or, except in accordance with the Listing Rules and the Market Abuse Regulation, at any other time when the Directors would be prohibited from dealing in shares.

Options to subscribe for a total of 812,243 shares, being 1.29 per cent of the issued ordinary share capital (excluding treasury shares), were outstanding at 9 July 2019 (being the latest practicable date prior to the publication of this notice). If the authority being sought under Resolution 15 were to be fully used, these would represent 1.44 per cent of the Company's issued ordinary share capital (excluding treasury shares) at that date.

### Resolution 16: Notice of general meetings

Under the Companies Act 2006, as amended, the notice period required for all general meetings of the Company is 21 days, though shareholders can approve a shorter notice period for general meetings that are not annual general meetings, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. The shorter notice period for which shareholder approval is sought under Resolution 16 would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. In the event that a general meeting is called on less than 21 days' notice, the Company will meet the requirements for electronic voting under The Companies (Shareholders' Rights) Regulations 2009. Shareholder approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

### Resolution 17: Dividend Ratification and Releases

The Board has recently become aware of a technical issue with regard to the Company's procedure for the payment of its first interim dividend to shareholders on 14 March 2019 (the "Interim Dividend").

Under the Companies Act 2006 (the "Act"), a public company can only pay a dividend out of its distributable profits as shown in the last accounts filed with Companies House. A public company can file initial or interim accounts with Companies House showing its distributable profits position if it has not previously filed accounts, or if the last filed accounts do not show sufficient distributable profits.

When the Company paid the Interim Dividend, although it had sufficient distributable reserves to make the payment (as shown in its Balance Sheet filed at Companies House in connection with the restructuring of the Company's group prior to its IPO in July 2018) initial accounts made up in accordance with the requirements of section 839 of the Act had not been filed. As a result, the Interim Dividend was paid in technical infringement of the Act.

The Company has been advised that it may have claims against past and present shareholders who were recipients of the Interim Dividend, and to recover the amount paid. Similarly, the Company has been advised that it may have claims against Directors of the Company at the time the decision was taken to pay the Interim Dividend or who have subsequently been appointed.



It is not the intention of the Company that any such claims should be made by the Company against either its shareholders or its Directors. The position can be remedied by the shareholders passing a resolution which puts shareholders and Directors into the position in which they were always intended to be. Resolution 17, which is proposed as a special resolution, will ratify the appropriation of profits to the payment of the Interim Dividend, waive any rights of the Company against both past and present shareholders of the Company who received the Interim Dividend, waive any rights of the Company against past and present Directors of the Company in respect of the Interim Dividend and approve the Company entering into deeds of release in favour of such shareholders (the "Shareholders' Deed of Release") and Directors (the "Directors' Deed of Release").

By virtue of the Shareholders' Deed of Release, the Company will release the shareholders who appeared on the register of shareholders on the record date for the Interim Dividend from any and all claims which it has or may have in respect of the payment of the Interim Dividend. The Directors' Deed of Release releases the past and present Directors of the Company from any and all claims which it has or may have arising at any time in respect of the payment of the Interim Dividend. The amount of the liability released is capped for each such Director and their 'associates' (as defined for the purposes of the Listing Rules) at an amount equal to 4.9% of the Company's market capitalisation as at the date on which the resolution is passed (including the amount of any claim the Company may have against such person(s) in their capacity both (as the case may be) as a Director and as a shareholder). Copies of the form of the deeds of release are available for inspection during normal business hours on any weekday (except for Saturdays, Sundays and public holidays) at the registered office of the Company up to the time of the AGM. Copies will be available at the place of the AGM from at least 15 minutes prior to and until the conclusion of the AGM.

The approach that the Company is proposing by way of Resolution 17 is consistent with the approach taken by other UK incorporated companies whose shares are admitted to trading on the Main Market of the London Stock Exchange and that have, similarly, made distributions otherwise than in accordance with the Act.

The proposed ratification of the Interim Dividend, the confirmation of the appropriation of the Company's distributable profits and the entry by the Company into the deeds of release will not have any effect on the Company's financial position. This is because the aggregate amount of the Interim Dividend is equal to and offset by the release of each recipient shareholder from the liability to repay the amount already paid, and the Company will not be required to make any further payments to shareholders in respect of the Interim Dividend.

The Company has drawn the attention of HM Revenue & Customs ("HMRC") to the circumstances surrounding the payment of the Interim Dividend and to the steps that are now proposed. As part of that process and in accordance with information provided by HMRC, the Company understands that the tax position of UK shareholders is not affected by any irregularity in the original dividend. Therefore, if shareholders approve the resolution submitted for their approval, this should have no effect on their UK tax position. If any non-UK resident shareholder has any doubts about their tax position, they should consult their own professional adviser.

## Further Notes

### Entitlement to attend and vote

1. Only those shareholders registered in the Company's register of members as at 6:30pm on Monday 26 August 2019, or, if this meeting is adjourned, at close of business on the day which is two business days' prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. 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.

### Entry to the AGM, security arrangements and conduct of proceedings

2. To facilitate entry to the meeting, shareholders are requested to bring with them suitable evidence of their identity. Persons who are not shareholders of the Company (or their appointed proxy) will not be admitted to the AGM unless prior arrangements have been made with the Company. For security reasons, all hand luggage may be subject to examination prior to entry to the AGM. Cameras, tape recorders, laptop computers and similar equipment may not be taken into the AGM. We ask all those present at the AGM to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

### Website giving information regarding the meeting

3. A copy of this notice and other information regarding the meeting, including the information required by section 311A of the Companies Act 2006, can be found at [www.theworksplc.co.uk](http://www.theworksplc.co.uk). Shareholders may not use any electronic address provided in either 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.

### Appointment of proxies

4. A shareholder is entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at the AGM. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the AGM.

5. A Proxy Form is enclosed with this Notice. In the case of joint holders, any one holder may vote. If more than one holder is present at the meeting, only the vote of the senior will be accepted, seniority being determined in the order in which the names appear on the register. A space has been included in the Proxy Form to allow members to specify the number of shares in respect of which that proxy is appointed. Shareholders who return the Proxy Form duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their shares. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's Registrars, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU, UK on 0371 384 2030 or +44 (0)121 415 7047 if you are calling from outside the UK. Lines open 8:30 a.m. to 5:30 p.m., Monday to Friday (excluding public holidays in England and Wales).

For additional Proxy Forms you may photocopy the Proxy Forms provided with this document indicating on each copy the name of the proxy you wish to appoint and the number of Ordinary Shares in the Company in respect of which the proxy is appointed. All Proxy Forms should be returned together in the same envelope.

6. To appoint a proxy: either (a) the Proxy Forms, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited with the Company's Registrars, Equiniti Limited, FREEPOST RTHJ-CLLL-KBKU, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU; or (b) the proxy appointment must be lodged using the CREST Proxy Voting Service in accordance with note 12 below; or (c) online proxies must be lodged in accordance with note 9 below in each case so as to be received no later than 48 hours (excluding non-working days) before the time of the holding of the AGM or any adjournment thereof.

Please note that all proxy forms and appointments, whether postal or electronic, must be received by 9:30 a.m. on Monday 26 August 2019.

### Corporate representatives

7. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a shareholder provided that no more than one corporate representative exercises powers over the same share.

### Nominated persons

8. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ('nominated persons'). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

### Online voting

9. The website address for online voting is [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders will need to enter the Voting ID, Task ID and Shareholder Reference Number as printed on the Proxy Form, and to agree to certain terms and conditions. Alternatively, if you have already registered with our registrars (Equiniti Limited) on-line portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. Once logged in simply click "View" on the "My Investments" page, click on the link to vote then follow the on screen instructions.

### **Total voting rights**

10. Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. Each Ordinary Share confers one vote on a poll. The total number of issued Ordinary Shares in the Company on 9 July 2019, which is the latest practicable date before the publication of this document, is 62,500,000. Therefore, the total number of votes exercisable as at 9 July 2019 is 62,500,000.

### **CREST proxy instructions**

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following 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 voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or 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 the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in note 6 above. 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear 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, to procure that their CREST sponsor or voting service provider takes) 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.
14. 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.

### **Automatic poll voting**

15. Each of the resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the London Stock Exchange once the votes have been counted and verified.

### **Publication of audit concerns**

16. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the AGM; or (b) 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 the Companies Act 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 the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

### **Questions**

17. Any shareholder 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, or (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.

### **Documents on display**

18. Copies of Directors' service contracts or letters of appointment, the Shareholders' Deed of Release and the Directors' Deed of Release will be available at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the date of the AGM and also at the place of the AGM from 15 minutes prior to the commencement of the meeting until the conclusion thereof.

## Board of Directors

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### Dean Hoyle

Chairman and Non-Executive Director

#### External appointments:

Director of Huddersfield Town Football Club

#### Date joined TheWorks.co.uk plc:

September 2015

#### Career and experience

Dean joined the Group as Chairman in September 2015 following a significant personal investment in the business. Prior to joining the Group, Dean founded Card Factory in 1997, growing from a single shop to a company delivering profits of over £50 million in just 12 years, and establishing a store estate of 500 outlets with over 5,000 employees. The business since achieved a successful float on the London Stock Exchange with a premium listing and a market capitalisation of £766 million.

Dean is a member of the Nomination Committee.

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### Harry Morley

Senior Independent Non-Executive Director

#### External appointments:

Non-Executive Director and Chairman of the Audit Committee at JD Wetherpoon plc and The Mercantile Investment Trust plc and trustee of the Ascot Authority

#### Date joined TheWorks.co.uk plc:

July 2018

#### Career and experience

Harry joined the Board as Senior Independent Non-Executive Director in July 2018. Harry has extensive experience of serving on boards of UK public companies, being Non-Executive Director and Chairman of the Audit Committee at JD Wetherspoon plc and The Mercantile Investment Trust plc, both FTSE 250 businesses. He was previously CEO of Armajaro Asset Management and was co-founder and CFO of Tragus Holdings Ltd (owner of Café Rouge and Bella Italia restaurant chains). He is a graduate of Oxford University and qualified as a chartered accountant in 1991.

Harry is the Chair of the Audit and Nomination Committees and a member of the Remuneration Committee.

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### Catherine Glickman

Independent Non-Executive Director

#### External appointments:

Non-Executive Director and Chair of the Remuneration Committee at Marstons plc, Renishaw plc and RPS plc

#### Date joined TheWorks.co.uk plc:

July 2018

#### Career and experience

Catherine joined the Board as Independent Non-Executive Director in July 2018. Catherine retired as Group HR Director of Genus plc in February 2018 having previously held the same role at Tesco where she led retail management development and customer service training during a period of significant expansion in the UK and overseas. Prior to this she held positions at Somerfield and Boots. Working closely with the Remuneration Committees at Genus and Tesco, Catherine has developed reward structures that align leadership motivation with group strategy. She is a graduate of Durham University with a BA Hons in English.

Catherine is the Chair of the Remuneration Committee and a member of the Audit and Nomination Committees.

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### Kevin Keaney

Chief Executive Officer

#### External appointments:

None

#### Date joined TheWorks.co.uk plc:

August 2011

#### Career and experience

Kevin was appointed Chief Executive Officer of the Group in January 2012 after joining as Managing Director in August 2011. During his time as Chief Executive Officer, TheWorks.co.uk plc has been transformed from a chain of discount bookstores to one on the UK's leading multi-channel specialist retailers of value gifts, arts, crafts, toys, books and stationery. Under Kevin's leadership, the store estate has grown from 280 to more than 490 stores nationwide. The business has also established a successful eCommerce channel with a thriving Click & Collect proposition, has launched a hugely successful loyalty programme, unique in the discount sector and relocated to a new purpose-built support office and distribution centre.

Kevin has over 30 years' front-line retail leadership experience having held senior management positions at fashion retailer Animal, Savers, M&S, Somerfield and Sainsbury's.

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### Gavin Peck

Chief Financial Officer

#### External appointments:

None

#### Date joined TheWorks.co.uk plc:

April 2018

#### Career and experience

Gavin joined TheWorks.co.uk plc as Chief Financial Officer in April 2018, prior to which he was Commercial Director at Card Factory plc where he was responsible for the Commercial function (buying, space and merchandising) alongside leadership of the Commercial Finance team. Gavin joined Card Factory in April 2011 and was a key member of a successful team that grew the business from a portfolio of 530 stores generating £56 million EBITDA to a portfolio of over 900 stores generating close to £100 million EBITDA, playing a key role in the successful IPO of Card Factory in 2014 and its subsequent growth and evolution as a listed business.

Gavin is a Chartered Accountant, having started his career at PwC where he spent eight years working in the Audit and Corporate Finance departments, and has a BSc in Economics from The London School of Economics.