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Requisitioning a Resolution at a

Caffyns Annual General Meeting

Introduction

There are occasions when shareholders may wish to draw important matters to the attention of other shareholders by proposing a resolution to be put to an Annual General Meeting.

The procedure for requisitioning a resolution is governed by English statute. This specifies that, unless a requisition is validly received before the end of the financial year preceding the meeting, a company's costs in complying with a requisition are to be met by the requisitionists. The funds to cover such costs must be deposited with the company before a requisition can be actioned. Caffyns have estimated that the cost of complying with a requisition may be as high as £20,000.

Requisitionists who lodge a requisition after 31st March, but before the UK legal deadline of 6 weeks prior to the AGM, would be required to pay a deposit and to meet Caffyns' costs of complying with the requisition. Requisitionists would, however, be free to include a supplementary resolution to request that Caffyns pays its own costs in complying with the requisition.

Shareholders wishing to requisition a resolution may find the following information helpful, but should in any event seek their own independent legal advice. A glossary of terms is set out at the end of this booklet.

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Requisitioning a resolution

To ensure there is no question of a member or indirect investor with a small shareholding requisitioning a resolution without sufficient support from other members or indirect investors, UK law sets out minimum shareholding requirements before a requisition can be made.

For a requisition involving only shareholders whose shares are registered directly in their own name (members), a requisition must be supported by the following in order to be valid:

either

- not less than 100 members holding Voting Shares on which there has been paid up an average sum per member of not less than £100;
  or
- members representing not less than 5% of the total voting rights of all the members who have a right to vote on a resolution at an AGM to which the request relates (excluding treasury shares).

Indirect investors holding Caffyns Ordinary Shares via a nominee may submit a requisition provided that the requisition is:

- Submitted by at least 100 persons with an average of £100 of paid up share capital each and authenticated by all the persons making it and

- Accompanied by a statement from the nominee or underlying shareholder(s) making the request setting out the basis on which the Caffyns shares are being held by them/for them. More details about this statement are set out on Page 8.

Please note any costs associated with implementing these arrangements will not be met by Caffyns.

The charts on pages 4 and 5 illustrate the implications of this requirement for Caffyns members and indirect investors.

Eligibility of members to requisition a resolution

Are you part of a group of 100 or more persons together holding in aggregate £10,000 in nominal value of Caffyns Voting Shares*?

NO
Do you and the persons with whom you intend to lodge the requisition together hold at least 5% of the total shareholder voting rights in Caffyns Shares?

NO

You are NOT eligible to requisition a resolution

YES

You should be eligible to requisition a resolution, although certain procedural formalities may be required.

Eligibility of indirect investors to requisition a resolution

Are you part of a group of 100 or more persons together holding in aggregate £10,000 in nominal value of Caffyns Voting Shares*?

NO

You are NOT eligible to requisition a resolution.

YES

You should be eligible to requisition a resolution, although certain procedural formalities may be required.

The requisition

Requisitionists are strongly recommended to seek independent legal advice on the drafting of their requisition. Please note that Caffyns will not meet the requisitionists' legal or other costs in preparing a requisition.

Points to note:

- The requisition must be in English and in a readable form.

- The requisition must detail the nature of the business to be dealt with at the meeting and any specify wording for a proposed resolution to be tabled at the meeting.

- It may be hard copy or electronic form.

- The resolution being proposed should be capable of being put to a general meeting and should not be defamatory, frivolous or vexatious or, if passed, ineffective as a result of being inconsistent with the Caffyns' Articles of Association.

- Where it is being submitted by members, the requisition should be signed by all the persons making it, specifying for each member their full name, registered address, account number and the number of Caffyns Voting Shares they hold.

- Where a requisition for a resolution is being supported by indirect investors as part of the 100 persons requirement (as set out on page 5) the requisition must be signed by all the persons making it and be accompanied by a statement for each indirect investor which includes the following:

    the name and address of the registered member who holds the shares on their behalf;
    confirmation that the member is holding those shares on their behalf in the course of business;
    details of the number of shares held on their behalf and the total amount paid up on those shares;
    confirmation that those shares are not held by the member on behalf of anyone else or, if they are, that such other persons are not involved in the requisition;
    confirmation that at least some of the shares confer voting rights; and
    confirmation that they have the right to instruct the member on how to exercise those voting rights.

If any of the 100 persons is a member of Caffyns, the requisition must also be accompanied by a statement for each such member specifying that they hold shares otherwise than on behalf of another person or that they hold shares on behalf of one or more other persons but those persons are not involved in the requisition. This statement should also specify for each member the total amount paid up on the shares held as mentioned in the previous sentence.

Caffyns may also require that the supporting statements are accompanied with such evidence of the above matters which may reasonably require.

These requirements also apply where indirect investors support a 100 persons requisition for the circulation of an explanatory statement (see immediately below).

- It may be accompanied by an explanatory statement of not more than 1,000 (one thousand) words, which should also be signed by each of the requisitionists. This statement should be received by Caffyns at least one week before the meeting.

- The resolution, and where supplied an accompanying statement, will be issued on behalf of the requisitionists without giving their names. A specific request should be made for each requisitionist's name to be published. When complying with such a request, space constraints may require that a full list of these names be set out in an appendix to the Notice of Meeting.

The cost of actioning a requisition

UK law specifies that the burden of a company's costs in complying with a requisition falls on the requisitionists unless a requisition is validly received before the end of the financial year preceding the AGM (31st March).

It is estimated that the cost of requisitioning a resolution could be as high as £20,000. The actual costs of processing a requisition and, accordingly, the deposit required would be established at the time of receipt of a requisition.

Requisitionists are entitled to include as part of their requisition a supplementary resolution for shareholders to authorise Caffyns to meet the costs of complying with the requisition. Caffyns would reimburse the amount deposited if the supplementary resolution is approved.

Lodging a requisition for Caffyns' AGM

Caffyns will meet its costs in complying with a requisition provided that a valid request is received by 31st March.

Requisitionists who lodge their requisition after that date will be required to deposit with the company sufficient funds to cover the costs in complying with the requisition and should consider including a supplementary resolution seeking approval for Caffyns to meet its own costs in complying with the requisition. If any supplementary resolution is passed allowing Caffyns to meet its own costs in complying with the requisition, Caffyns will refund the deposit within ten working days of the AGM.

Please note that requisitionists will in any event have to meet their own costs in putting forward the requisition.

Requisition Received	Deposit required to meet the costs of complying with the requisition	Requisitionists required to meet the costs of complying with the requisition
Before 31st March	No	No
After 31st March	Yes	Yes*

*Requisitionists may submit a supplementary resolution to seek approval for Caffyns to meet their costs in complying with the requisition.

Key Dates for Caffyns 2018 AGM

Recommended submission date for member(s) wishing to requisition a resolution	**Saturday 31st March 2018**
Annual Report and notice of AGM to be finalised	**Wednesday 13th June 2018**
UK legal deadline for member(s) wishing to requisition a resolution	**Monday 25th June 2018**
2012 AGM	**Thursday 26th July 2018**

These dates may be subject to change which will be posted on the website

Contacts

If you wish to discuss any of these requirements then please contact:

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Glossary of Terms

Requisition
A formal request to a company from one or more of its members or indirect investors to put a resolution to an AGM.

Resolution
A proposal for members of a company to consider and decide upon.

Member
A shareholder whose name appears on the Register of Members, maintained by Caffyns Registrar (name).

Indirect Investor
A person nominated to enjoy information rights under S146 of the Companies Act 2006.