

Notice is hereby given that the 2020 Annual General Meeting of Honeycomb Investment Trust plc will be held at 11-12 Hanover Square, London, W1S 1JJ on 26 June 2020 at 1.00 p.m. to transact the business set out in the resolutions overleaf.

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# Honeycomb Investment Trust plc

*(Incorporated and registered in England and Wales under number 09899024)*

## Notice of Annual General Meeting 2020

**IMPORTANT NOTE: SHAREHOLDERS SHOULD NOT ATTEND THE ANNUAL GENERAL MEETING IN PERSON, DUE TO GOVERNMENT PUBLIC HEALTH GUIDELINES ON COVID-19.**

Details on how to vote on the resolutions and ask questions at the annual general meeting are set out on pages 2 and 3 of this document.

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This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor, accountant, or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Honeycomb Investment Trust plc, please forward this document and the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

# Honeycomb Investment Trust plc

**Registered Office:** 6th Floor, 65 Gresham Street, London, England, EC2V 7NQ

3 June 2020

Dear Shareholder,

## Annual General Meeting 2020

I am pleased to enclose the Notice of the Annual General Meeting (the “**AGM**”) of Honeycomb Investment Trust plc (the “Company”) which will be held on 26 June 2020 at 1.00 p.m. at 11-12 Hanover Square, London, W1S 1JJ.

The following documentation is enclosed with this letter:

- Notice of AGM, which sets out the details of the resolutions to be proposed at the AGM; and
- Form of Proxy (and prepaid envelope).

Please note that the Company’s Annual Report and Financial Statements in respect of the year ended 31 December 2019 (the “**Annual Report**”) are available to view and to download electronically on the Company’s website at [www.honeycombplc.com/information](http://www.honeycombplc.com/information).

If you have previously indicated that you would prefer to receive a printed copy of the Annual Report, then you will also find a copy of the Annual Report enclosed.

The Notice of AGM sets out the business to be considered at the meeting and the purpose of this letter is to explain certain elements of that business to you.

### COVID-19

As at the date of this letter and the enclosed Notice of AGM, the UK Government has prohibited public gatherings of more than two people and non-essential travel.

In light of these measures, **the AGM will be run as a closed meeting and shareholders will not be able to attend in person**. Regrettably, shareholders who attempt to attend the AGM will be refused entry.

While we are obliged to take these unfortunate steps to comply with UK law, the Board remains keen to encourage engagement with our shareholders. To that end, a dial-in facility will be available to allow shareholders to listen to the AGM proceedings. Details of how to access this dial-in facility are available from the Company Secretary upon request by email to [HITCoSec@linkgroup.co.uk](mailto:HITCoSec@linkgroup.co.uk). Shareholders who choose to make use of this dial-in facility may ask questions. Please note that it will not be possible to vote on the matters to be considered at the AGM through the dial-in facility.

Questions can also be submitted to your Board in advance of the AGM by e-mail to [HITCoSec@linkgroup.co.uk](mailto:HITCoSec@linkgroup.co.uk). Please send your questions by no later than 1.00 p.m. on 24 June 2020, stating your name and Shareholder Reference Number (as printed on your Form of Proxy). We will collate the questions we receive and will select a representative sample which will be answered during the AGM.

The situation surrounding the COVID-19 pandemic continues to evolve. As such, the UK Government may lift, change, or extend the restrictions imposed on public gatherings and travel prior to the date of the AGM. Any changes to arrangements for the AGM will be communicated to shareholders before the AGM through our website at [www.honeycombplc.com](http://www.honeycombplc.com) and, if appropriate, by announcement via a regulatory information service.

## **Voting Arrangements – Action to be taken**

Although shareholders may not attend the AGM in person, the Company continues to recognise the importance of shareholder participation. Therefore, you are strongly encouraged to appoint the Chairman of the AGM as your proxy and to provide voting instructions. To ensure that all proxy votes can be counted and exercised in the AGM, please ensure that you appoint the Chairman of the AGM as your named proxy rather than another individual. Due to the restrictions on physical attendance outlined above, any other individual will not be able to vote on your behalf.

You may appoint a proxy by completing and returning the enclosed proxy form to the Company's registrar, Computershare, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to arrive no later than 1.00 p.m. on 24 June 2020. Alternatively, you may appoint a proxy or proxies electronically either via the website run by Computershare at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) using the Control Number, Shareholder Reference Number (SRN) and PIN provided on the form of proxy or if you hold your shares in CREST, you may appoint a proxy via the CREST system (see note 10 below). Likewise, if you appoint a proxy electronically, your proxy appointment must be received by 1.00 p.m. on 24 June 2020. If you hold your shares through a nominee service, please contact the nominee service provider regarding the process for appointing a proxy. Further details relating to voting by proxy are set out in the Notes to the Notice of AGM on pages 12 and 13 of this document.

All resolutions for consideration at the AGM will be voted on by way of a poll, rather than a show of hands. This means that ordinary shareholders will have one vote for each ordinary share held.

## **Shareholder Helpline**

If you have any questions relating to the enclosed documents, please call the Company's Registrars, Computershare, on 0370 707 4023. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday. The helpline cannot give any financial, legal or tax advice.

## **Documents available for inspection**

Subject to any legal restrictions relating to COVID-19, the following documents are available for inspection at the registered office of the Company during usual business hours on any weekday (public holidays excepted) from the date of the Notice of AGM until the conclusion of the AGM and will also be available for inspection at the AGM venue from at least 15 minutes before the AGM until the conclusion of the AGM:

- a copy of the Company's Memorandum and Articles of Association, marked to show the changes proposed by Resolution 16;
- copies of the letters of appointment of the Directors of the Company; and
- the Annual Report and Accounts for the year ended 31 December 2019.

## **Recommendation**

**Full details of the above resolutions are contained in the Notice of AGM. The Directors believe that all the proposed resolutions to be considered at the AGM are in the best interests of the Company and its members as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all the resolutions.**

Yours sincerely

## **Robert Sharpe**

*Chairman*

Honeycomb Investment Trust plc

3 June 2020

# Honeycomb Investment Trust plc

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2020 Annual General Meeting (the “**AGM**”) of Honeycomb Investment Trust plc (the “**Company**”) will be held at 11-12 Hanover Square, London, W1S 1JJ on 26 June 2020 at 1.00 p.m. to transact the business set out in the resolutions below.

You will be asked to consider and if thought fit to pass the resolutions below. Resolutions 1 to 11 will be proposed as ordinary resolutions; this means that for each of those ordinary resolutions to be passed, more than 50 per cent. of the votes cast must be in favour. Resolutions 12 to 16 will be proposed as special resolutions; this means that for each of those resolutions to be passed, at least 75 per cent. of the votes cast must be in favour.

### Ordinary Resolutions

1. THAT the Company’s annual accounts for the year ended 31 December 2019, together with the strategic report, Directors’ report and auditor’s report on those accounts, be received and adopted.
2. THAT the Directors’ remuneration report (excluding the Directors’ remuneration policy) set out on pages 49 to 53 of the annual report and financial statements for the financial year ended 31 December 2019 (the “**Annual Report**”) be approved.
3. THAT the Directors’ remuneration policy set out on pages 49 to 51 of the Annual Report be approved.
4. THAT the Company’s dividend policy to continue to pay four interim dividends per year be approved.
5. THAT James Coyle be re-elected as a Director of the Company.
6. THAT Robert Sharpe be re-elected as a Director of the Company.
7. THAT Richard Rowney be re-elected as a Director of the Company.
8. THAT PricewaterhouseCoopers LLP be re-appointed as auditors of the Company, to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting at which financial statements are laid before the Company.
9. THAT the Audit and Risk Committee be authorised to determine the remuneration of PricewaterhouseCoopers LLP as auditors of the Company.
10. THAT the Directors be generally and unconditionally authorised, in addition to all subsisting authorities, to exercise all the powers of the Company to allot ordinary shares of £0.01 each in the capital of the Company (“**Ordinary Shares**”), and to grant rights to subscribe for or to convert any security into Ordinary Shares for any purpose, up to an aggregate nominal amount of £37,249.92 such authority to apply until the end of next year’s annual general meeting (or, if earlier, until the close of business on 31 August 2021) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to be granted after the authority ends and the Board may allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as if the authority had not ended.
11. THAT, in addition to any authority granted pursuant to Resolution 10, the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot Ordinary Shares, and to grant rights to subscribe for or to convert any security into Ordinary Shares for any purpose, up to an aggregate nominal amount of £37,249.92, such authority to apply until the end of next year’s annual general meeting (or, if earlier, until the close of business on 31 August 2021), but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to

be granted after the authority ends and the Board may allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as if the authority had not ended.

### **Special Resolutions**

12. THAT, if Resolution 10 is passed, the Directors be given power, in addition to all subsisting powers, to allot Ordinary Shares under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares as if section 561 of the Companies Act 2006 (the “**Act**”) did not apply to any such allotment or sale, up to an aggregate nominal amount of £37,249.92, provided that in the case of any Ordinary Shares allotted the issue price is no lower than the latest published net asset value per Ordinary Share (as calculated in accordance with the Company’s policies existing from time to time), such power to apply until the end of next year’s annual general meeting (or, if earlier, until the close of business on 31 August 2021), but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require Ordinary Shares to be allotted (or treasury shares to be sold) after the power ends and the Directors may allot Ordinary Shares (and sell treasury shares) under any such offer or agreement as if the power had not ended.
13. THAT, if Resolution 11 is passed, the Directors be given power, in addition to all subsisting powers (including any powers granted pursuant to Resolution 12), to allot Ordinary Shares and/or to sell Ordinary Shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, up to an aggregate nominal amount of £37,249.92, provided that in the case of any Ordinary Shares allotted the issue price is no lower than the latest published net asset value per Ordinary Share (as calculated in accordance with the Company’s policies existing from time to time), such power to apply until the end of next year’s annual general meeting (or, if earlier, until the close of business on 31 August 2021), but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require Ordinary Shares to be allotted (or treasury shares to be sold) after the power ends and the Directors may allot Ordinary Shares (and sell treasury shares) under any such offer or agreement as if the power had not ended.
14. THAT the Company be and is hereby generally and unconditionally authorised pursuant to section 701 of the Act to make one or more market purchases (as defined in section 693 of that Act) of Ordinary Shares on such terms and in such manner as the Directors may determine from time to time, provided that:
  - (a) the maximum aggregate number of Ordinary Shares that may be acquired under this authority is 5,583,762;
  - (b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is its nominal value;
  - (c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is the higher of: (i) an amount equal to 105 per cent. of the average of the mid-market values for the Ordinary Shares for the five business days immediately preceding the day on which the Company contracts to purchase the Ordinary Share; 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 purchase bid at the time on the trading venue on which the purchase is carried out; and
  - (d) Ordinary Shares purchased pursuant to the authority conferred by this resolution shall be either (i) cancelled immediately upon completion of the purchase, or (ii) be held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Act,

such authority to expire at close of business on 31 August 2021 or, if earlier, on the conclusion of the next annual general meeting of the Company but, in each case, during this period the Company may enter into a contract to purchase Ordinary Shares which would, or might, be completed or executed wholly or partly after the authority ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the authority had not ended.

15. THAT any general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days’ notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

16. THAT the articles of association produced to the meeting and, for the purposes of identification, initialled by the Chairman of the meeting be and are hereby approved and adopted as the articles of association of the Company in substitution for, and to the entire exclusion of, the existing articles of association of the Company, with effect from the conclusion of this meeting.

By order of the Board

**Link Company Matters Limited**

*Company Secretary*

3 June 2020

Registered Office – 6th Floor, 65 Gresham Street, London, England, EC2V 7NQ

## EXPLANATORY NOTES ON THE RESOLUTIONS

### **Resolution 1 – To receive and adopt the annual accounts and reports**

The Directors are required to present the annual accounts for the year ended 31 December 2019, together with the strategic report, Directors' report and auditor's report on those accounts, to the meeting. These are contained in the Company's Annual Report. A resolution to receive and adopt the annual accounts, together with the strategic report, Directors' report and auditor's report is included as an ordinary resolution.

### **Resolution 2 – Directors' remuneration report**

An advisory resolution to approve the Directors' remuneration report is included as an ordinary resolution. The Directors' remuneration report is set out on pages 49 to 53 of the Annual Report.

### **Resolution 3 – Directors' remuneration policy**

The Board proposes a resolution to approve the remuneration policy, which is set out on pages 49 to 51 of the Annual Report. The remuneration policy sets out the Company's policy on making remuneration payments and payments for loss of office, and must be subject to a shareholder vote at least once every three years.

### **Resolution 4 – Dividend policy**

A resolution to approve the Company's existing policy to pay four interim dividends per year.

Under the Company's articles of association, the Board is authorised to approve the payment of interim dividends without the need for prior approval of the Company's shareholders.

However, having regard to corporate governance best practice relating to the payment of interim dividends without the approval of a final annual dividend by a company's shareholders, the Board has decided to seek express approval from shareholders of its dividend policy to pay four interim dividends per year. The policy remains unchanged to that disclosed in the Company's initial public offering prospectus and confirmed in the most recent prospectus published on 21 December 2018, which states that the Company intends to distribute at least 85 per cent. of its distributable income earned in each financial year by way of dividends to be paid quarterly. Shareholders should note that the dividend policy is not a profit forecast and if dividends are declared by the Board, they will only be paid to the extent permitted in accordance with the Act.

Notwithstanding the provisions of the Company's articles of association, it is the intention of the Board to refrain from authorising any further interim dividend payments until such time as the Company's dividend policy is approved by its shareholders. Accordingly, if Resolution 4 is not passed at the Annual General Meeting, it is the Board's intention to recommend the declaration of any future dividends to the Company's shareholders for approval in a general meeting until such time as an equivalent resolution approving the Company's dividend policy is approved by the shareholders.

### **Resolutions 5-7 – Re-election of Directors**

The Company's articles of association require that any director appointed by the Board retire and seek re-election at every AGM. In accordance with the approach, Robert Sharpe, Jim Coyle and Richard Rowney will stand for re-election to the Board. The skills and experience of each director, which can be found below and on page 31 of the Annual Report, demonstrate why their contribution is, and continues to be, important to the Company's long-term sustainable success.

#### **Robert Sharpe**

*Chairman of the Board, Remuneration and Nomination and the Management Engagement Committees and a member of the Audit and Risk Committee*

Robert was appointed as a non-executive director of the Company in December 2015 and has over 45 years' experience in retail banking. He is currently chairman at Hampshire Trust Bank plc and Bank of Ireland UK plc. He has had an extensive number of appointments both in the UK and the Middle East

including non-executive director (“NED”) at Aldermore Bank plc, George Wimpy plc, Barclays Bank UK Retirement Fund, Vaultex Limited, LSL Properties plc, RIAS plc and several independent NED roles at banks in Qatar, UAE, Oman and Turkey. Robert was previously Chief Executive Officer at West Bromwich Building Society, a role he took to chart and implement its rescue plan. Prior to this, he was Chief Executive Officer at Portman Building Society and Bank of Ireland in the UK.

### **Jim Coyle**

*Chairman of the Audit and Risk Committee, and member of the Remuneration and Nomination and Management Engagement Committees*

Jim was appointed as a non-executive director of the Company in December 2015. Jim is a non-executive director, chair of the Audit committee and member of the Risk committee at HSBC UK Bank plc, chairman of HSBC Trust Group (UK) Ltd and Marks & Spencer Unit Trust Management Limited. He is also a non-executive director and Chairman of the Audit and Risk Committee at Scottish Water, non-executive Director at Marks & Spencer Financial Services plc and HSBC Private Bank (UK) Limited and an independent non-executive member of Deloitte UK Oversight Board. He was previously Chairman at Worldfirst, non-executive Director at the Scottish Building Society, non-executive director and Chairman of the Audit Committee of Vocalink plc, and Group Financial Controller at Lloyds Banking Group, having earlier held a role as Divisional Finance Director, Group Operations. Prior to this, Jim was Group Chief Accountant for the Bank of Scotland, having joined the bank in 1991. He qualified as a Chartered Accountant with KPMG before spending 10 years in the oil industry, holding senior positions with BP. Jim is a Fellow of the Chartered Institute of Bankers in Scotland, a former member of the Council of the Institute of Chartered Accountants of Scotland and the Financial Reporting Council Committees.

### **Richard Rowney**

*Member of the Audit and Risk, Remuneration and Nomination and Management Engagement Committees*

Richard was appointed as a non-executive director of the Company in July 2019. Richard was most recently Group Chief Executive of LV= a leading financial services provider and a mutual where he worked as an executive Member of the Board for 13 years. Richard left LV at the end of 2019 following the sale of the General Insurance business to the Allianz Group. Richard has led the business to win the Moneywise Most Trusted Life Insurer award as well as YouGov’s UK’s Most Recommended Insurer. Prior to his position as CEO he had been Managing Director of the group’s Life & Pensions business which he successfully turned into one of the UK’s leading Protection and Retirement specialist companies. Prior to his time at LV= Richard held various Director roles across Barclays corporate and retail banking. Richard holds a first-class degree in Geography from the University of Leeds, an MBA from Henley Business School and has completed the Harvard Management Programme in 2006.

### **Resolutions 8 and 9 – Re-appointment and remuneration of auditor**

At each meeting at which the Company’s financial statements are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit and Risk Committee, recommends the re-election of PricewaterhouseCoopers LLP and this will be proposed to the AGM as Resolution 8. Resolution 9 authorises the Audit and Risk Committee to determine the remuneration of PricewaterhouseCoopers LLP as auditors.

### **Resolution 10 and 11 – Authority to allot Ordinary Shares**

Resolution 10 will, if approved, authorise the Directors generally and unconditionally, in addition to all subsisting authorities, to exercise all the powers of the Company to allot Ordinary Shares, and to grant rights to subscribe for or to convert any security into Ordinary Shares for any purpose, up to an aggregate nominal amount of £37,249.92, such authority to apply until the end of next year’s AGM (or, if earlier, until the close of business on 31 August 2021) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to be granted after the authority ends and the Board may allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as if the authority had not ended.

Resolution 11, in addition to any authority granted pursuant to Resolution 10, will, if approved, authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot Ordinary Shares, and to grant rights to subscribe for or to convert any security into Ordinary Shares for any purpose, up to an aggregate nominal amount of £37,249.92, such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 31 August 2021), but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require Ordinary Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares to be granted after the authority ends and the Board may allot Ordinary Shares or grant rights to subscribe for or convert securities into Ordinary Shares under any such offer or agreement as if the authority had not ended.

The Directors wish to use their authorities under Resolutions 10 and 11 to ensure that the Company is able to take advantage of investment opportunities identified by its investment manager (in accordance with the Company's investment objective) as and when they arise. The Directors remain focused on delivering the Company's investment objective and are also mindful of the likely benefit to all members of increasing the market liquidity in the Company's shares and of reducing the Company's administrative expenses on a per share basis by increasing the number of Ordinary Shares in issue.

The Directors may exercise their authorities to allot shares during the forthcoming period of twelve months, in whole or in part, to raise additional capital primarily for the purpose of acquiring investments sourced by the Company's investment manager in line with the Company's investment policy. Under the Act, the Company is restricted from issuing shares on a non-pre-emptive basis unless permitted pursuant to a special resolution of the Company of the sort proposed in Resolutions 12 and 13. Under both Resolutions 12 and 13, the Directors may only issue shares on a non-pre-emptive basis at a gross price which is at least equal to the latest published net asset value per existing Ordinary Share at the time of their issue. Taken together, these factors mean that the Directors must issue shares in a manner which enables investors to avoid dilution to the then prevailing net asset value attributable to their shares. The authority to allot shares requested by Resolution 10 is in line with corporate governance best practice. The Directors are mindful that the size of the authority to allot shares sought under Resolution 11 (when added to the authority sought under Resolution 10) exceeds the levels recommended by corporate governance best practice. However, the Directors are of the view that such best practice is not directly relevant to the Company due to its status as an investment fund, and have instead sought to ensure that investors are appropriately protected against dilution through the arrangements described above. The Directors therefore believe that it will promote the success of the Company for the benefit of its members as a whole to have flexibility to issue new Ordinary Shares up to an aggregate maximum nominal amount of £74,499.84 (equal to approximately 20.00 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at 28 May 2020 (being the latest practicable date prior to publication of the Notice of AGM)).

These authorities will expire (unless previously renewed, varied or revoked) on the conclusion of the 2021 annual general meeting of the Company (or, if earlier, at the close of business on 31 August 2021).

### **Resolution 12 and 13 – Authority to disapply pre-emption rights in relation to Ordinary Shares**

Resolution 12 is a special resolution which is being proposed to authorise the Directors to disapply the pre-emption rights of existing shareholders in relation to issues of Ordinary Shares under resolution 10 (being in respect of Ordinary Shares up to an aggregate nominal value of £37,249.92 representing up to approximately 10.00 per cent. of the Company's issued ordinary share capital (excluding treasury shares) as at the date of the Notice of AGM).

No issuance of Ordinary Shares without pre-emption rights will be made at a price less than the latest published net asset value per Ordinary Share at the time of issue.

Resolution 13 is also a special resolution which is being proposed in addition to Resolution 12 to authorise the Directors to disapply the pre-emption rights of existing shareholders in relation to issues of Ordinary Shares under Resolution 11 (being in respect of Ordinary Shares up to an aggregate nominal value of £37,249.92, representing up to approximately 10.00 per cent. of the Company's issued ordinary share capital as at 28 May 2020), provided that in the case of any Ordinary Shares allotted the issue price is no lower than the latest published net asset value per Ordinary Share (as calculated in accordance with the Company's policies existing from time to time). In the event that both Resolutions 12 and 13 are passed, the Directors will have authority to disapply the pre-emption rights of existing shareholders in relation to issues of Ordinary

Shares up to an aggregate nominal amount of £74,499.84, which represents approximately 20.00 per cent. of issued ordinary share capital (excluding treasury shares) as at 28 May 2020.

These authorities under Resolutions 12 and 13 will expire (unless previously renewed, varied or revoked) on the conclusion of the 2021 annual general meeting of the Company (or, if earlier, at the close of business on 31 August 2021).

#### **Resolution 14 – Purchase of own shares**

Resolution 14 is a special resolution that will grant the Company authority to make market purchases of up to 5,583,762 of its own Ordinary Shares, representing approximately 14.99 per cent. of the Ordinary Shares in issue (excluding treasury shares) as at 28 May 2020 (being the latest practicable date prior to publication of the Notice of AGM). The Ordinary Shares bought back will either be cancelled or placed into treasury at the determination of the Directors.

The maximum price which may be paid per Ordinary Share is the higher of: (i) 5 per cent. above the average of the middle market value of an Ordinary Share of the Company for the five business days immediately preceding the day of purchase; and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent purchase bid for an Ordinary Share. The minimum price which may be paid for each Ordinary Share is £0.01.

At the annual general meeting of the Company held on 6 June 2019, a special resolution was proposed and passed giving the Directors authority, until the conclusion of the 2020 annual general meeting, to make market purchases of the Company's own issued shares up to a maximum of 14.99 per cent. of the issued share capital.

The Board is proposing that it should be given renewed authority to purchase Ordinary Shares in the market. The Directors may exercise the authority granted under this resolution if they consider it to be likely to promote the success of the Company for the benefit of its members as a whole, which may include addressing any significant imbalance between the supply and demand for the Company's Ordinary Shares and to manage a discount to net asset value at which the Ordinary Shares trade. Purchases would be made in accordance with the provisions of the Act. This authority shall expire on the conclusion of the 2021 annual general meeting of the Company (or, if earlier, at the close of business on 31 August 2021) when a resolution to renew the authority will be proposed. The Directors currently intend that any Ordinary Shares repurchased would be held in treasury, subject to applicable law and regulation.

From the Company's incorporation on 2 December 2015 to 31 December 2019, the Company made no market purchase of its own Ordinary Shares. On 27 January 2020, the Company announced that it had repurchased into treasury 2,200,000 Ordinary Shares at a price of 850 pence per Ordinary Share. As at 28 May 2020 (being the latest practicable date prior to publication of the Notice of AGM), 2,200,000 treasury shares were held by the Company.

#### **Takeover Code Requirements**

Under Rule 9 of the City Code on Takeovers and Mergers (the "**Code**") when:

1. a person acquires an interest in shares which (taken together with shares in which he and persons acting in concert (as defined in the Code) with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the Code; or
2. any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company subject to the Code, but does not hold shares carrying more than 50 per cent. of the voting rights of the company, and such person, or any persons acting in concert with him, acquires an interest in any shares which increase the percentage of shares carrying voting rights in which he is interested,

that person together with the persons acting in concert with him, is normally required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights.

Rule 37 of the Code states that when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purposes of Rule 9. However, Note 1 of Rule 37.1 states that a person who comes to exceed the limits in Rule 9.1 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, acting in concert with any of the directors. A person who has appointed a representative to the board of the company, and investment managers of investment trusts, will be treated for these purposes as a director.

As at 22 May 2020, Quilter plc ("**Quilter**") indirectly held 28.11 per cent. of the voting rights of the Company. If the proposed buy-back authority were to be used in full, the repurchase of Ordinary Shares could result in Quilter indirectly holding 33.06 per cent. of the reduced voting rights of the Company (assuming that the relevant Quilter shareholding entities did not sell any Ordinary Shares in connection with the exercise).

The Panel on Takeovers and Mergers (the "**Panel**") must be consulted in advance in any case where Rule 9 of the Code might be relevant. The Company has consulted with the Panel in relation to the proposed buy-back authority. The Panel has confirmed on an ex parte basis to the Company that, provided that Quilter is not acting in concert with the Company or any of its directors (such that they should be treated as "innocent bystanders" in relation to any increase in their holdings of shares in the Company as a result of an on-market share buyback), the Panel will not require Quilter, nor any person deemed to be acting in concert with it, to make a mandatory offer under Rule 9 of the Code on the grounds that its or their interest in the ordinary share capital of the Company has increased as a result only of the purchase by the Company of its own shares pursuant to the authority conferred by Resolution 14.

### **Resolution 15 – Notice Period for General Meetings**

Resolution 15 is a special resolution that will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. This authority would provide the Company with flexibility where action needs to be taken quickly but will only be used where the Directors consider it in the best interests of shareholders to do so and the matter to be considered is required to be dealt with expediently. The approval will be effective until the 2021 annual general meeting of the Company, at which time it is intended that renewal will be sought.

### **Resolution 16 – Amendment to the Company's articles of association**

Article 150 of the Company's articles of association currently provides that a continuation vote occur at every fifth annual general meeting. Given the vote held at the December 2019 general meeting, and to provide administrative flexibility, it is proposed that continuation votes may occur on the fourth or fifth annual general meeting since the previous such vote (or at any general meeting between such annual general meetings). Therefore, the next continuation vote shall occur in 2023 or 2024, with each subsequent continuation vote to be held every four or five years thereafter.

To implement this proposal, Resolution 16 is a special resolution to adopt new articles of association of the Company in substitution for, and to the entire exclusion of, the existing articles of association of the Company, with effect from the conclusion of this meeting. The new articles of association are in the same form as the existing articles of association, save that Article 150 has been deleted and replaced with the following article:

#### **150. Duration of the Company**

The directors shall periodically propose an ordinary resolution to the shareholders that the company continues in existence as an investment trust, such ordinary resolution to be proposed no earlier than the fourth annual general meeting, and no later than the fifth annual general meeting, since the last such proposal. The first such proposal shall be made no earlier than the annual general meeting in 2023 and no later than the annual general meeting in 2024. If the resolution is not passed at any general meeting at which such resolution is proposed, then the directors shall, within 4 months of the date of the resolution, put forward proposals to shareholders to the effect that the company be wound up, liquidated, reorganised or unitised.

## IMPORTANT NOTES TO THE NOTICE OF MEETING

The following notes explain your general rights as a shareholder and your right to vote at this AGM or to appoint someone else to vote on your behalf.

1. To be entitled to vote at the AGM (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the register of members of the Company at close of business on 24 June 2020 (or, in the event of any adjournment, 48 hours before the time fixed for the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the meeting. Each of the resolutions to be put to the AGM will be voted on by way of a poll.
2. As shareholders will be unable to attend the AGM in person, we are encouraging shareholders to ask questions of the Board by other means. We will be providing a dial-in facility to enable shareholders to listen to the AGM proceedings, details of which are available from the Company Secretary. Shareholders who choose to make use of this dial-in facility may ask questions. Questions can also be submitted to your Board in advance of the AGM by email to [HITCoSec@linkgroup.co.uk](mailto:HITCoSec@linkgroup.co.uk). Please send your questions by no later than 1.00 p.m. on 24 June 2020, stating your name and Shareholder Reference Number (as printed on your Form of Proxy). We will collate the questions we receive ahead of the AGM and will select a representative sample which will be answered during the AGM. Questions relating to the business of the AGM which shall be answered during the AGM except in certain limited circumstances outlined in the Chairman's letter enclosing the Notice of AGM dated 3 June 2020.
3. Members are entitled to appoint a proxy to exercise all or part of their rights to vote on their behalf at the AGM. Given the restrictions on attendance at the AGM, you should appoint only the Chairman of the meeting as your proxy, rather than appointing one or more named persons who will not be permitted to attend the meeting. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of AGM. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact our Registrar, Computershare, on 0370 707 4023. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
5. Any person to whom this Notice of AGM is sent who is a person nominated under Section 146 of the Act 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.
6. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3 and 4 do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
8. To be valid, any form of proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the form of proxy or in the case of shares held through CREST, via the CREST system, (see note 10 below). As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) using the Control Number, Shareholder Reference Number (SRN) and PIN provided on the form of proxy. In each case, for proxy appointments to be valid, they must be received by no later than 1.00 p.m. on 24 June 2020. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual (available from [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.
10. 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 UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuers' agent (ID 3 RA50) by 1.00 p.m. on 24 June 2020. For this purpose, the time of receipt will be taken to the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuers 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.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this respect, 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. 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.

12. 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 no more than one corporate representative exercises powers in relation to the same shares.
13. As at 28 May 2020 (being the last practicable business day prior to the publication of this Notice of AGM), the Company's issued share capital consists of 39,449,919 Ordinary Shares, carrying one vote each, of which 2,200,000 Ordinary Shares are held in treasury. Therefore, the total voting rights in the company as at 28 May 2020 are 37,249,919.
14. Under Section 527 of the Act, shareholders 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 circumstances 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 Act. 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 Act. Where the Company is required to place a statement on a website under Section 527 of the Act, 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 Act to publish on a website.
15. Subject to any legal restrictions relating to COVID-19, the following documents are available for inspection during normal business hours at the registered office of the Company on any business day from 3 June 2020 until the time of the AGM and may also be inspected at the AGM venue at 11-12 Hanover Square, London, 1WS 1JJ on the day of the meeting until the conclusion of the AGM:
  - copies of the Directors' letters of appointment;
  - a copy of the Memorandum and Articles of Association of the Company, marked to show the changes proposed by Resolution 16; and
  - the Annual Report and Accounts for the year ended 31 December 2019.
16. You may not use any electronic address provided in either this Notice of AGM or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated. A copy of this Notice of AGM, and other information required by Section 311A of the Act, can be found on the Company's website at [www.honeycombplc.com/information](http://www.honeycombplc.com/information).

