

# DX (Group) plc

(Company registered number 08696699)



## Notice of Annual General Meeting 2017

To be held on **8 December 2017 at 10.00 am**

at the registered office of DX (Group) plc:

Ditton Park

Riding Court Road

Datchet

Slough

SL3 9GL

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to what action you should take, you are recommended to seek advice from your stockbroker, solicitor or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in DX (Group) plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

19 October 2017

Dear Shareholder

## **Annual General Meeting 2017**

### **Introduction**

I am pleased to inform you that the fourth Annual General Meeting of DX (Group) plc (the **Company**) will be held at the Company's registered office at Ditton Park, Riding Court Road, Datchet, Slough, SL3 9GL on Friday, 8 December 2017 at 10.00 am (the **Meeting**).

The formal notice convening this Meeting (**Notice**) is set out on pages 3 to 5 of this document. Explanatory notes and further information on each of the resolutions to be considered at the Meeting appear on pages 6 to 8 of this document.

Accompanying the Notice is the 2017 Annual Report (the **Annual Report**).

### **Action to be taken**

You are asked to complete and sign the enclosed Form of Proxy and return it, together with any power of attorney or other authority under which it is signed or certified by a notary or an office copy thereof in accordance with the instructions printed on it to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible and, in any event, to arrive by no later than 10.00 am on 6 December 2017. Alternatively, if you hold your ordinary shares in uncertificated form, you may use the CREST electronic proxy appointment service, details of which are set out in note 2 to the Notice.

Completion and return of the Form of Proxy or appointment of a proxy through CREST does not prevent you from attending the Meeting and voting in person should you wish to do so.

### **Recommendation**

The Board considers that all of the resolutions to be put to the Meeting are in the best interests of the Company and its shareholders and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Board unanimously recommends that you vote in favour of all the proposed resolutions as each of the Directors intend to do in respect of their own beneficial holdings (if any).

Yours faithfully

**Ronald Series**

Chairman

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the **Meeting**) of DX (Group) plc (the **Company**) will be held at Ditton Park, Riding Court Road, Datchet, Slough, SL3 9GL on **8 December 2017** at **10.00 am** for the following purposes:

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 9 will be proposed as ordinary resolutions and Resolutions 10 to 12 will each be proposed as a special resolution.

## Resolutions

*Ordinary business (each to be proposed as ordinary resolutions)*

- Resolution 1** THAT the audited Annual Report and Accounts for the financial year ended 30 June 2017, together with the Directors' Report and Auditor's Report thereon, be received.
- Resolution 2** THAT KPMG LLP be re-appointed as auditor of the Company.
- Resolution 3** THAT the Directors be authorised to determine the auditor's remuneration.
- Resolution 4** THAT Ronald Series be elected as a Director.
- Resolution 5** THAT Lloyd Dunn be elected as a Director.
- Resolution 6** THAT Russell Black be elected as a Director.
- Resolution 7** THAT Paul Goodson be elected as a Director.
- Resolution 8** THAT Ian Gray be elected as a Director.

*Special business*

**Resolution 9** (to be proposed as an ordinary resolution) THAT the Directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the **Act**) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any securities into shares in the Company (**Rights**):

(a) up to a nominal amount of £668,418.33; and

- (b) comprising equity securities (as defined in the Act) up to a nominal aggregate amount of £1,336,836.67 (such amount to be reduced by any allotments made under paragraph (a)) in connection with an offer by way of a rights issue:
- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

This authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this Resolution (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

# Notice of Annual General Meeting continued

**Resolution 10**  
(to be proposed as  
a special resolution)

THAT, subject to the passing of Resolution 9, the Directors be and are hereby authorised, pursuant to Section 570 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash during the period referred to in Resolution 9, as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

- (a) to the allotment of equity securities for cash (but in the case of the authority granted under paragraph (b) of Resolution 9, by way of a rights issue only):
  - (i) to the holders of ordinary shares on the register on a fixed record date in proportion (as nearly as may be practicable) to their existing holdings; and
  - (ii) to the holders of other equity securities, as required by the rights of those securities, or as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which it may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter,

- (b) (otherwise than pursuant to subparagraph (a) above) up to an aggregate nominal amount of £200,525.50 (which is 10% of the issued share capital of the Company at the date of this Notice).

This authority shall expire at such time as the authority conferred under Resolution 9 expires (unless previously renewed, varied or revoked by the Company in general meeting) save that the Company may before such expiry make an offer or enter into agreements which would or might require equity securities to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot equity securities or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

**Resolution 11** (to be proposed as a special resolution) THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of one pence each provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 20,052,550 (being 10% of the issued ordinary share capital as at the date of this Notice);
- (b) the minimum price, exclusive of expenses, which may be paid for each ordinary share is one pence;
- (c) the maximum price, exclusive of expenses, which may be paid for each ordinary share shall be the higher of (i) an amount equal to 5% above the average of the middle market quotations for an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is carried out; and
- (d) the authority conferred by this Resolution shall expire at the end of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in general meeting), save that the Company may, before such expiry, enter into a contract for the purchase of ordinary shares which would or might be completed wholly or partly after such expiry and the Company may purchase ordinary shares pursuant to any such contract as if this authority had not expired.

**Resolution 12** (to be proposed as a special resolution) THAT, with effect from the passing of this resolution, article 143(d)(ii) of the articles of association of the Company be altered by amending the definition of "borrowings" to include new clause (O) and excluding from the borrowing limit of the Company any indebtedness incurred by the Company pursuant to the recent fundraising, as announced by the Company on 9 October 2017:

'(O) any indebtedness incurred by the Company pursuant to the issue of loan notes under the loan note instrument dated 19 October 2017.'

By order of the Board

**Zoe Pepper**  
Company Secretary  
DX (Group) plc  
Ditton Park  
Riding Court Road  
Datchet SL3 9GL  
19 October 2017

# Explanatory Notes to the Notice of Annual General Meeting

## **Resolution 1: Reports and Accounts (ordinary resolution)**

The Directors are required to present the audited accounts and the reports of the Directors and the auditor for the financial year ended 30 June 2017 to shareholders at the Meeting for approval.

## **Resolution 2: Re-appoint auditor (ordinary resolution)**

The Company is required to appoint the auditor at each general meeting at which accounts are laid before the Company, to hold office until the end of the next annual general meeting. The Directors, on the recommendation of the Audit Committee (which has evaluated the effectiveness and independence of the external auditor), are proposing the re-appointment of KPMG LLP.

## **Resolution 3: Authority to set the auditor's remuneration (ordinary resolution)**

In accordance with standard practice, this resolution gives authority to the Directors to determine the remuneration to be paid to the auditor.

## **Resolutions 4-8 (inclusive): Election of Directors (ordinary resolution)**

The Company's articles of association (**Articles**) require that any Director who is appointed either to fill a vacancy or as an addition to the existing board must, irrespective of the terms of his appointment, hold office only until the first annual general meeting following such appointment. In accordance with the Articles, it is proposed that shareholders will be asked to elect each of Ronald Series, Lloyd Dunn, Paul Goodson, Russell Black and Ian Gray as Directors of the Company. A brief biography for each of the Directors can be found on page 14 of the Annual Report.

## **Resolution 9: Authority to allot securities (ordinary resolution)**

The authority sought by this resolution is for the shareholders to grant the Directors authority under section 551 of the Act to allot shares.

This is similar to the authority granted at the Company's last annual general meeting, which this new authority replaces. If the shareholders vote in favour of this resolution, the Directors will have the authority to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate maximum nominal value of £1,336,836.67 (representing approximately two thirds of the issued share capital. This is within the guidelines issued by the Association of British Insurers, as it is considered routine and standard practice for a company listed on the Alternative Investment Market to seek authorisation to allot up to two thirds of its existing issued share capital (excluding shares held in treasury). The Company currently has no shares held in treasury. However, the additional one third may only be applied to fully pre-emptive rights issues and the authorisation is only valid until the next annual general meeting. The Directors will be seeking annual renewal of this authority in accordance with best practice and to ensure the Company has maximum flexibility in managing its capital resources. The authorities granted under Resolution 9 will expire at the end of the next annual general meeting.

## **Resolution 10: Disapplication of statutory pre-emption rights (special resolution)**

Under Section 561 of the Act, if the Directors wish to allot any of the unissued shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. This resolution is seeking to authorise the Directors (pursuant to Section 570 of the Act) to disapply the statutory pre-emption provisions and to allot ordinary shares of up to an aggregate nominal amount of £200,525.50 otherwise than on a pro rata basis. This represents 10% of the Company's issued share capital on the date of this Notice. This is similar to the authority granted at the Company's last annual general meeting, which this new authority replaces. This authority will expire at the end of the next annual general meeting of the Company.

## **Resolution 11: Purchase of own shares by the Company (special resolution)**

The shareholders are asked to approve this resolution which grants the Company the ability to purchase its own shares. The authority will be limited for the Company to make market purchases of up to 20,052,550 ordinary shares, being 10% of the entire issued share capital as at the date of this Notice. The authority will be kept under review and the Company will only exercise the power of purchase after careful consideration and when the Company is satisfied that to do so is in its best interests under the circumstances. Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Company currently has no ordinary shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is one pence. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the higher of (i) an amount equal to 5% above the average of the middle market quotations for an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Official List at the time the purchase is carried out. The authority granted by this resolution will expire at the conclusion of the next annual general meeting of the Company.

### **Resolution 12: Amendment to the Articles of Association (special resolution)**

The shareholders are asked to approve this resolution to amend article 143(d)(ii) of the Company's articles of association, in order to exclude from the borrowing limit of the Company (as defined in article 143(a) of the articles of association), any indebtedness incurred by the Company pursuant to the recent fundraising, as announced by the Company on 9 October 2017. As the Company and its new management team are taking a positive and determined approach to the Company's turnaround, and will be taking a thorough review of all of the Company's operations in order to formulate a comprehensive new improvement plan, the Company is seeking shareholder approval to exclude any indebtedness incurred by the Company pursuant to the recent fundraising from the borrowing limit under the Company's articles of association. The Directors believe that given the nature of the fundraising, and the ability of the subscribers of the loan notes to convert the loan notes into equity securities (subject to shareholder approval), that the fundraising should be excluded from the definition of "borrowings" for the purpose of the borrowing limit. The amendment proposed by this resolution will take effect from the passing of this resolution, and the articles of association of the Company will be altered accordingly from this time.

#### **General notes:**

1. Only those members registered on the Company's register of members at Close of Business on 6 December 2017 or, if this Meeting is adjourned, at Close of Business on the day two days prior to the adjourned meeting, shall be entitled to attend, speak and vote at the Meeting.
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Form of Proxy with this Notice. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.

The notes to the Form of Proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the Form of Proxy, the form must be completed and signed; sent or delivered to Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; and received by Link Asset Services no later than 10.00 am on 6 December 2017.

In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

In order for a proxy appointment 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 (EUI) 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 issuer's agent (ID RA10) by 10.00 am on 6 December 2017. 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.

# Explanatory Notes to the Notice of Annual General Meeting continued

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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(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 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.

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.

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).

3. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
4. The following documents will be available for inspection at the registered office of the Company (at an agreed time, please contact [legalandregulatory@thedx.co.uk](mailto:legalandregulatory@thedx.co.uk)) from the date of this Notice and at the place of the Meeting for at least 15 minutes prior to the Meeting until the end of the Meeting:
  - Copies of the service contracts of Executive Directors of the Company.
  - Copies of the letters of appointment of the Non-executive Directors of the Company.
  - A copy of the current Memorandum and Articles of Association of the Company.
5. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
  - [legalandregulatory@thedx.co.uk](mailto:legalandregulatory@thedx.co.uk).

You may not use any electronic address provided either in this Notice or any related documents (including the Chairman's letter and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated. In particular, the telephone numbers, website and email addresses set out in this Notice or proxy forms are not to be used for the purpose of serving information or documents on the Company, including the service of documents or information relating to proceedings at the Company's AGM.