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# **Braemar Plc**

**(incorporated and registered in England and Wales  
under company registration number 02286034)**

## **Proposed Capital Reduction and Proposed rectification of the Relevant Dividends and Proposed Related Party Transactions and Notice of General Meeting**

This document should be read as a whole. Your attention is drawn to the Letter from the Chairman of Braemar Plc which is set out in Part III of this document and includes a recommendation that you vote in favour of the Capital Reduction Resolutions to be proposed at the General Meeting referred to below.

**Notice of a General Meeting of the Company to be held at the Company's offices at One Strand, Trafalgar Square, London, WC2N 5HR at 10.00 a.m. on 18 April 2023 is set out in Part VI of this document. To be valid, a Form of Proxy must be completed and returned as soon as possible and in any event so as to be received by Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible but, in any event, so as to arrive no later than 10:00 a.m. on 14 April 2023. Completion and posting of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the General Meeting.**

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The information included herein is based on information available as at the date of this document and, except as requested by the FCA or required by the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules as appropriate, or any other applicable law, will not be updated.

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## PART I: EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|   |                          |
|---|--------------------------|
| Publication of this document  | 29 March 2023            |
| Latest time and date for receipt of<br>Forms of Proxy for the General Meeting | 10 a.m. on 14 April 2023 |
| General Meeting   | 10 a.m. on 18 April 2023 |
| Expected date of initial directions hearing of the Court                      | 28 April 2023            |
| Expected date of Court Hearing to confirm the Capital Reduction               | 9 May 2023               |
| Expected effective date for the Capital Reduction                             | 10 May 2023              |

### Notes

1. The expected dates for the confirmation of the Capital Reduction by the Court and the Capital Reduction becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and dependent on the Court's timetable.
2. The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.
3. References in this document are to London times unless otherwise stated.

## PART II: DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context otherwise requires:

|   |   |
|---|---|
| <b>“Act”</b>                                  | Companies Act 2006;   |
| <b>“B Ordinary Share Issue”</b>               | the issue of one B Ordinary Share for each one Ordinary Share held by each Shareholder, as described in this document;  |
| <b>“B Ordinary Shares”</b>                    | the shares in the capital of the Company to be created by the B Ordinary Share Issue, where the nominal value of such shares is equal to the sum that is obtained by dividing the number of B Ordinary Shares to be issued into £19,754,926;  |
| <b>“Board” or “Directors”</b>                 | the directors of the Company or any duly appointed committee thereof;   |
| <b>“Capital Redemption Reserve”</b>           | the capital redemption reserve of the Company;  |
| <b>“Capital Redemption Reserve Reduction”</b> | the cancellation of the full amount outstanding to the credit of the Capital Redemption Reserve;  |
| <b>“Capital Reduction”</b>                    | the proposed cancellation of the Company's Capital Redemption Reserve and Share Premium Account, and the Merger Reserve Reduction pursuant to the Resolutions as set out in the Notice of General Meeting;  |
| <b>“Capital Reduction Record Time”</b>        | 6.00 p.m. on the date immediately preceding the date of the Court Hearing;  |
| <b>“Capital Reduction Resolutions”</b>        | the resolutions (as set out in full in the Notice of General Meeting at resolutions 1 to 5 (inclusive)) to be proposed at the General Meeting in relation to the proposed Capital Redemption Reserve Reduction, Share Premium Account Reduction and Merger Reserve Reduction;   |
| <b>“Company” or “Braemar”</b>                 | Braemar Plc, a company incorporated in England and Wales with registered number 02286034 and having its registered office at One Strand, Trafalgar Square, London England WC2N 5HR;   |
| <b>“Court”</b>                                | the High Court of Justice in England and Wales;   |
| <b>“Court Hearing”</b>                        | the hearing by the Court to confirm the Capital Reduction;  |
| <b>“Court Order”</b>                          | the order of the Court confirming the Capital Reduction;  |
| <b>“CREST”</b>                                | the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & International Limited is the Operator (as defined in the CREST Regulations);   |
| <b>“CREST Regulations”</b>                    | the Uncertificated Securities Regulations 2001 (as amended);  |
| <b>“Directors’ Deed of Release”</b>           | as defined in paragraph 4.2.3 of Part IV;   |
| <b>“Dividend Rectification Resolutions”</b>   | the resolutions (as set out in full in the Notice of General Meeting at resolutions 6, 7 and 8) to be proposed at the General Meeting to ratify the accounting entries in respect of unlawful dividends such that profits are appropriated, to ratify and approve the entry into the Shareholders’ Deed of Release and to ratify and approve the entry into the Directors’ Deed of Release; |
| <b>“Effective Date”</b>                       | the date of the Court Order;  |
| <b>“FCA Handbook”</b>                         | the FCA’s Handbook of Rules and Guidance;   |
| <b>“Financial Conduct Authority” or “FCA”</b> | the Financial Conduct Authority of the United Kingdom;  |
| <b>“Form of Proxy”</b>                        | the form of proxy accompanying this document relating to the General Meeting;   |
| <b>“FSMA”</b>                                 | the Financial Services and Markets Act 2000, as amended;  |

## PART II: DEFINITIONS continued

|  |   |
|--|---|
| <b>“General Meeting”</b>                 | the general meeting of the Company, notice of which is set out at the end of this document and including any adjournment(s) thereof;  |
| <b>“Group”</b>                           | the Company and its subsidiaries and subsidiary undertakings (in each case as defined in the Act);  |
| <b>“Investec”</b>                        | Investec Bank plc, authorised and regulated by the FCA and approved under section 88 of the FSMA as a Sponsor;  |
| <b>“Listing Rules”</b>                   | the listing rules made by the FCA under Part VI of FSMA (as set out in the FCA Handbook), as amended;   |
| <b>“Merger Reserve”</b>                  | the merger reserve of the Company;  |
| <b>“Merger Reserve Reduction”</b>        | the capitalisation of £19,754,926 of the amount standing to the credit of the Company’s merger reserve by issuing B Ordinary Shares in the capital of the Company and thereafter the cancellation of such B Ordinary Shares;  |
| <b>“Notice of General Meeting”</b>       | the notice of General Meeting, set out in Part VI of this document;   |
| <b>“Ordinary Shares”</b>                 | ordinary shares of 10 pence each in the capital of the Company;   |
| <b>“Proposals”</b>                       | <ul style="list-style-type: none"><li>(i) the appropriation of the distributable profits of the Company to the payment of each of the Relevant Dividends;</li><li>(ii) the waiver of the claims against the Relevant Directors and Recipient Shareholders pursuant to resolutions 7 and 8 set out in the Notice of General Meeting; and</li><li>(iii) the approval and ratification of the entry into each of the Directors’ Deed of Release and the Shareholders’ Deed of Release, all as set out in the Dividend Rectification Resolutions.</li></ul> |
| <b>“Recipient Shareholder”</b>           | a shareholder in the Company in receipt of a Relevant Dividend;   |
| <b>“Registrars”</b>                      | Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA;   |
| <b>“Related Party Resolutions”</b>       | resolutions numbered 7 and 8 set out in the Notice of General Meeting;  |
| <b>“Relevant Directors”</b>              | all the past and current directors of the Company who were directors at the time a Relevant Dividend was made, being; <ul style="list-style-type: none"><li>(i) James Gundy;</li><li>(ii) Tristram Simmonds;</li><li>(iii) Nicholas Stone;</li><li>(iv) Nigel Payne;</li><li>(v) Elizabeth Gooch;</li><li>(vi) Joanne Lake;</li><li>(vii) Lesley Watkins; and</li><li>(viii) Stephen Kunzer.</li></ul>  |
| <b>“Relevant Dividends”</b>              | the unlawful dividends detailed in paragraph 3.1 of Part IV of this document;   |
| <b>“Resolutions”</b>                     | the Capital Reduction Resolutions and the Dividend Rectification Resolutions set out in full in the Notice of General Meeting;  |
| <b>“Shareholders”</b>                    | holders of Ordinary Shares;   |
| <b>“Shareholders’ Deed of Release”</b>   | as defined in paragraph 4.2.2 of Part IV;   |
| <b>“Share Premium Account”</b>           | the share premium account of the Company;   |
| <b>“Share Premium Account Reduction”</b> | the cancellation of the full amount standing to the credit of the Share Premium Account; and  |
| <b>“UK”</b>                              | the United Kingdom of Great Britain and Northern Ireland.   |

# PART III: LETTER FROM THE CHAIRMAN OF THE COMPANY

**Braemar Plc**  
(incorporated and registered in England and Wales under company  
registration number 02286034)

Directors:

Nigel Payne (Non-executive Chairman)  
James Gundy (Chief Executive Officer)  
Nicholas Stone (Chief Financial Officer)  
Tristram Simmonds (Chief Operating Officer)  
Elizabeth Gooch (Non-executive Director)  
Joanne Lake (Non-executive Director)

Registered office:

One Strand  
Trafalgar Square  
London  
England  
WC2N 5HR

29 March 2023

*To Shareholders*

Dear Shareholder,

**PROPOSED CAPITAL REDUCTION**  
**and**  
**PROPOSED RECTIFICATION OF RELEVANT DIVIDENDS**  
**and**  
**RELATED PARTY TRANSACTIONS**  
**and**  
**NOTICE OF GENERAL MEETING**

## 1. Introduction

I am writing to provide you with details of a proposal to enhance the Company's ability to return value to Shareholders in the future and to address the payment of unlawful dividends that have been identified as part of an exercise which has been undertaken by the Company to increase the Group's capacity to pay future dividends.

This document also provides the details of a General Meeting that will be held at One Strand, Trafalgar Square, London WC2N 5HR at 10 a.m. on 18 April 2023 to consider the Resolutions that will be put to Shareholders to approve them.

The purpose of this document is to provide you with information about the Capital Reduction, the proposed rectification of Relevant Dividends and the related party transaction and to explain why the Board considers all the Resolutions to be in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of the Capital Reduction Resolutions to be proposed at the General Meeting. Given the interests of the Board in the Dividend Rectification Resolutions, and as required by the Listing Rules, the Board are unable to take part in the consideration of the matters dealt with by the Dividend Rectification Resolutions and therefore cannot recommend that shareholders vote in favour of the Dividend Rectification Resolutions but do recommend that shareholders vote on them. Shareholders should note that, unless:

- A) all Capital Reduction Resolutions are approved at the General Meeting (and the Court subsequently confirms the Capital Reduction), the Capital Reduction will not take place and the declaration and payment of unlawful dividends will not be rectified; and
- B) the Capital Reduction takes place and all Dividend Rectification Resolutions approved;

the payment of unlawful dividends will not be rectified, and the Company will have potential claims against Shareholders and Relevant Directors.

If Resolution 7 set out in the Notice of General Meeting is not approved, then the Company has a potential right to make claims against the Recipient Shareholders for recovery of the payment of the Relevant Dividends. There is no certainty as to the amounts that could be recovered if the Company sought to pursue these potential claims.

If Resolution 8 set out in the Notice of General Meeting is not approved, then the Company has a potential right to bring claims against the Relevant Directors in relation to the payment of the Relevant Dividends. There is no certainty as to the amounts that could be recovered if the Company sought to pursue these potential claims.

Part II of this document contains definitions of words and terms that have been used throughout it. Please refer to Part II as you review this document.

## PART III: LETTER FROM THE CHAIRMAN OF THE COMPANY continued

### 2. Background to, and reasons for, the Capital Reduction

Under the Act, a company may, with the sanction of a special resolution passed by its shareholders and confirmation of the Court, reduce or cancel its share capital, share premium account, capital redemption reserve and other reserves. It may then apply the sums resulting from such reduction to its distributable reserves. These sums may then be treated as distributable for the purposes of making future returns to Shareholders.

The Company currently has:

- 2.1 a Share Premium Account standing to the credit of £53,795,563;
- 2.2 a Capital Redemption Reserve standing to the credit of £396,382;
- 2.3 a Merger Reserve of £23,366,000;

The Act requires that if a company issues shares at a premium to the nominal value of those shares for cash or otherwise, a sum equal to the aggregate amount of or value of the premiums must be transferred to the company's share premium account. A share premium account can only be used in very limited circumstances. The Company intends to reduce the Share Premium Account in full.

The Company currently has a Capital Redemption Reserve which arose as a result of the accounting treatment applicable to a number of historical share buy backs (and associated cancellations of shares). The Company plans to reduce the Capital Redemption Reserve in full.

In certain circumstances such as where shares are issued in consideration for the acquisition of shares in another company, instead of creating a share premium, an amount is credited to the merger reserve. The Merger Reserve arose principally in 2001 in relation to the acquisitions of Braemar Shipbrokers Limited and Braemar Tankers Limited. Further additions to the Merger Reserve arose in respect of Naves and Atlantic Brokers.

The Share Premium Account and the Capital Redemption Reserve are statutory reserves in respect of which the Court has the power to sanction the reduction or cancellation. The Merger Reserve is a non-statutory reserve which cannot be reduced in the same way as the Share Premium Account and Capital Redemption Reserve. It is therefore proposed to capitalise £19,754,926 standing to the credit of the Merger Reserve by applying £19,754,926 in paying up in full new B Ordinary Shares of £0.10 each.

The B Ordinary Shares will be allotted and issued on the Business Day prior to the day of the Court Hearing, credited as fully paid, to the persons holding Ordinary Shares as at the Capital Reduction Record Time, on the basis of six B Ordinary Shares for each Ordinary Share held by Shareholders.

The B Ordinary Shares will not be admitted to trading on the London Stock Exchange, or any other market or stock exchange. It is a condition of issue of the B Ordinary Shares that no share certificates will be issued in respect of them. The B Ordinary Shares will have extremely limited rights and will not carry any rights to participate in the profits of the Company and have no rights to participate in the capital of the Company except on a winding up. The B Ordinary Shares will be transferable, but no market will exist for them and it is anticipated that the Court will confirm at the Court Hearing that they may be cancelled the day after they are issued.

The Capital Reduction, if approved, will provide the Company with the flexibility to continue with its existing progressive dividend policy and will allow the rectification of certain unlawful dividends which have been paid as described in paragraph 3 and Part IV of this document.

### 3. Payment of relevant dividends

In December 2022 the Company commenced a project to research options for increasing the distributable reserves available to the Company in order to support the Group's stated progressive dividend policy.

The initial focus was on short term options that would increase the distributable reserves as at 28 February 2023 in order to allow a final dividend recommendation with the publication of year end results later in 2023.

A review of these short-term identified that charges taken to retained earnings in recent years for the impairment of the value of certain preference shares held by the Company represented unrealised losses and could therefore potentially be excluded from the calculation of distributable reserves.

Whilst reviewing the possibility that the impairment losses could be determined as unrealised losses for the purpose of measuring distributable reserves, a broader review of other gains and losses that had been recorded in retained earnings in recent years was carried out. This review identified certain gains that had been recorded regularly relating to share-based payments charges.

The gains in question arose when shares were awarded to employees of other group companies and the cost of those shares was debited to the cost of investment of those group companies and credited to retained earnings. This is an accounting practice that has been ongoing within the Company since the introduction of IFRS 2 in 2005. The only way therefore that those gains could be considered to be realised is if the group companies concerned had been sold. The consequence of this is that a significant balance within retained earnings (that was not previously identified as created by unrealised gains) was incorrectly used by the Company in the calculation of its distributable reserves. This means that the Company has therefore paid several dividends between 2016 and 2023 without having sufficient distributable reserves from which to lawfully pay such dividends.



Details of the Relevant Dividends are set out below:

| Payment date and type of dividend payment (interim or final) | Amount per ordinary share | Total aggregate amount of dividend paid |
|--|---------------------------|---|
| FY 2016 – Interim dividend – 18 December 2015                | 9.0 pence                 | £2,659,000                              |
| FY 2017 – Final dividend – 29 July 2016                      | 17.0 pence                | £5,020,000                              |
| FY 2017 – Interim dividend – 16 December 2016                | 9.0 pence                 | £2,838,000                              |
| FY 2019 – Final dividend – 27 July 2018                      | 10.0 pence                | £3,076,000                              |
| FY 2019 – Interim dividend – 14 December 2018                | 5.0 pence                 | £1,540,000                              |
| FY 2020 – Final dividend – 26 July 2019                      | 10.0 pence                | £3,064,000                              |
| FY 2020 – Interim dividend – 13 December 2019                | 5.0 pence                 | £1,566,000                              |
| FY 2022 – Final dividend – 1 September 2021                  | 5.0 pence                 | £1,482,000                              |
| FY 2022 – Interim dividend – 16 December 2021                | 2.0 pence                 | £627,000                                |
| FY 2023 – Final dividend – 14 October 2022                   | 7.0 pence                 | £2,017,000                              |
| FY 2023 – Interim dividend – 4 January 2023                  | 4.0 pence                 | £1,158,000                              |
| <b>Total aggregate value</b>                                 |                           | <b>£25,047,000</b>                      |

Part IV of this document sets out details of how the Relevant Dividends are unlawful as well as the proposals for rectification.

The consequence of such dividends being paid otherwise than in accordance with the Act is that the Company may have a claim against all shareholders (former or present) who received any such dividends (up to the maximum value of cumulative dividends received by each shareholder) as well as a claim against all Directors (former or present, individually or in aggregate) who approved the declaration and payment of such dividends, up to the total aggregate value of £25,047,000.

The Group entered into deeds of release with related parties in connection with another dividend rectification process, relating to the Company's 1 September 2021 final dividend and 16 December 2021 interim dividend (shown above). In that instance, the Company identified that it had not properly prepared and filed unaudited interim accounts at Companies House, as required by the Companies Act 2006, prior to declaring and paying distributions to shareholders in respect of the Company's 1 September 2021 final dividend and 16 December 2021 interim dividend, and therefore sought to rectify that administrative oversight. Such dividend rectification was announced by the Company on 27 July 2022, classified as a smaller related party transaction pursuant to LR 11.1.10 R, and was approved by the Company's shareholders on 6 October 2022. However, as the Company has since identified through its analysis of historical IFRS 2 accounting treatment (as described above) that it did not in fact have sufficient distributable reserves at the time (and therefore that the filing of unaudited interim accounts at Companies House alone did not appropriately address the issue), and accordingly the dividend rectification was invalid and/or ineffectual and it is therefore necessary to redo this rectification.

Accordingly, the Company has entered into the Shareholders' Deed of Release and the Directors' Deed of Release. The consequence of the entry into these deeds by the Company is that the Company will be unable to make any claims against: (a) the recipient Shareholders; and (b) the Directors and former Directors, in each case in respect of the payment of the Relevant Dividends otherwise than in accordance with the Act.

The entry by the Company into the Directors' Deed of Release will constitute a related party transaction (as defined in the Listing Rules). This is because each of the Relevant Directors (comprising persons who are, or were within the last 12 months, directors of the Company) is deemed to be a related party under LR 11.1.4 R and they will be released from any liability to repay any amounts of the Relevant Dividends pursuant to the Directors' Deed of Release (as applicable). Therefore, Resolution 8 will seek the specific approval of the Company's shareholders for the entry into the Directors' Deed of Release as related party transactions in accordance with the requirements of the Listing Rules.

The technical issues identified in this paragraph and Part IV of this document in respect of the Relevant Dividends are of a historical nature and there is no change to the financial outlook of the Company as a consequence.

The Company has taken appropriate steps and has the necessary procedures in place to avoid the payment of any further unlawful dividends. In this regard the Company took steps to strengthen its financial reporting resources during 2022, including the hiring of a new experienced financial controller. A project, also utilising external consultants, to assess approaches to improve the distributable reserves position of Braemar Plc, led to the discovery of the current situation, resulting in the process that is now being undertaken. In future periods, more detailed reconciliations of opening to closing distributable reserves will be undertaken in order to identify unrealised gains and profits relating to the accounting treatment arising from the application of IFRS2 or any other accounting standard will be maintained to ensure there is no repeat of the identified error.

Accordingly, we do not believe any further remedial action is required. For avoidance of doubt, the Company continues to deem its procedures, systems and controls to be sufficient to enable it to comply with its obligations under the listing rules, disclosure requirements, transparency rules and corporate governance rules, and in particular its obligations under LR 10 and LR 11 as well as its requirement to make timely and accurate disclosure to the market.

## PART III: LETTER FROM THE CHAIRMAN OF THE COMPANY continued

### 4. The Capital Reduction

As a result of the Company's stated desire to continue with its existing progressive dividend policy, and in order to rectify the declaration and payment of unlawful dividends, the Company must undertake the Capital Reduction to provide it with the necessary distributable reserves.

In addition to the approval by Shareholders of the Capital Reduction Resolutions, the Capital Reduction requires the approval of the Court. Accordingly, following the General Meeting, an application will be made to the Court in order to confirm and approve the Capital Reduction.

In providing its approval of the Capital Reduction, the Court may require measures to be put in place for the protection of creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors who have consented to the Capital Reduction. Such creditor protection measures may include seeking the consent of the Company's creditors to the Capital Reduction or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company or an undertaking to treat as undistributable for the time being certain sums representing the realisation of "hidden value" in the balance sheet as at the Effective Date.

It is anticipated that the initial directions hearing in relation to the Capital Reduction will take place on 28 April 2023, with the final Court Hearing taking place on 9 May 2023 and the Capital Reduction becoming effective on the following day, following the necessary registration of the Court Order at Companies House.

There will be no change in the number of Ordinary Shares in issue (or their nominal value) following the implementation of the Capital Reduction and no new share certificates will be issued as a result of the Capital Reduction. The Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The distributable reserves arising on the Capital Reduction will, subject to the discharge of any undertakings required by the Court as explained above, support the Company's ability to pay dividends should circumstances in the future make it desirable to do so and appropriation of profits to ratify relevant accounting entries.

Shareholders should note that if, for any reason, the Court declines to approve the Capital Reduction, the Capital Reduction will not take place. The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the Capital Reduction would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or its Shareholders as a whole. The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that there is no real likelihood that any creditor of the Company would be prejudiced by the Capital Reduction.

### 5. General Meeting and Resolutions

The Notice of General Meeting is set out in Part VI of this document.

The General Meeting will take place at the Company's offices at One Strand, Trafalgar Square, London WC2N 5HR at 10 a.m. on 18 April 2023. At the General Meeting, the Resolutions set out in Part VI of this document will be proposed to Shareholders.

The Resolutions will be passed if 75% or more of the votes cast (in person or by proxy) at the General Meeting are in favour of the Resolutions.

The Resolutions, which are special resolutions, are summarised below:

**Resolution 1** – this is a resolution to approve, subject to confirmation of the Court, the cancellation of the Share Premium Account.

**Resolution 2** – this is a resolution to approve, subject to confirmation of the Court, the cancellation of the Capital Redemption Reserve.

**Resolutions 3, 4 and 5** – these resolutions provide authority to the directors to allot and issue the B Ordinary Shares, describe the rights attaching to the B Ordinary Shares and propose that the B Ordinary Shares created by the B Ordinary Share Issue be cancelled.

**Resolution 6** – this is a resolution that, subject to the passing of resolutions 1 – 5 (inclusive) and the Capital Reduction becoming effective, distributable profits of the Company be appropriated to the relevant accounting periods during which the Relevant Dividends were declared and paid.

**Resolution 7** – this is a resolution that is conditional upon the passing of resolutions 1 to 6 (inclusive) that releases and waives all claims which the Company may have in respect of the Relevant Dividends against previous and current shareholders and their successors in title and ratifies and authorises the entry into the Shareholders' Deed of Release by the Company.

**Resolution 8** – this is a resolution that is conditional upon the passing of resolutions 1 to 6 (inclusive) that releases and waives all claims which the Company may have in respect of the Relevant Dividends against the directors (current and former and their personal representatives and successors in title) at the time of declaration and payment of each respective Relevant Dividend and ratifies and authorises the entry into the Directors' Deed of Release by the Company.

## 6. United Kingdom Taxation

The following comments are intended as a general guide only and relate only to certain UK tax consequences of the Reduction of Capital. The comments are based on current legislation and HM Revenue & Customs published practice, both of which are subject to change, possibly with retrospective effect. These comments deal only with Shareholders who are resident for taxation purposes in the UK, who are the absolute beneficial owners of the Ordinary Shares and who hold them as an investment and not in a trading account ("**UK Shareholders**"). They do not deal with the position of certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes or persons regarded as having obtained their Ordinary Shares by reason of employment.

**Any Shareholder who has any doubt about their own taxation position, or who is subject to taxation in any jurisdiction other than the UK should consult their own professional taxation advisor immediately.**

### The Share Premium Reduction

The Share Premium Reduction should not have any consequences for UK Shareholders for the purposes of UK taxation of chargeable gains ("**CGT**"), UK income tax or UK corporation tax.

### The Capital Redemption Reserve Reduction

The Capital Redemption Reserve Reduction should not have any consequences for UK Shareholders for the purposes of UK CGT, UK income tax or UK corporation tax.

### The Merger Reserve Reduction

On the basis that the B Ordinary Shares will be treated as being paid up for "new consideration" received by the Company, the B Ordinary Share Issue should not give rise to any liability for UK income tax (or corporation tax on income) in a UK Shareholder's hands. For CGT purposes, the B Ordinary Share Issue should be treated as a "reorganisation", so that a UK Shareholder should not be treated as making a disposal of their Ordinary Shares for CGT purposes upon receipt of the B Ordinary Shares. Instead, the B Ordinary Shares should be treated as the same asset, acquired at the same time, as their Ordinary Shares. On a disposal of B Ordinary Shares or Ordinary Shares by a UK Shareholder for CGT purposes, a UK Shareholder's base cost in their Ordinary Shares would be apportioned between their B Ordinary Shares and their Ordinary Shares based on their respective market values at the date that the B Ordinary Shares or Ordinary Shares are disposed of.

It is likely that the market value of the B Ordinary Shares will be £nil for the duration of their existence. This is because the B Ordinary Shares will have no voting rights or rights to income; will have no market on which they can be traded; and it is anticipated that they will be cancelled for no payment on the day immediately following the date of their issue. Consequently, the issue of the B Ordinary Shares should not impact the base cost of the Ordinary Shares. The reduction of capital effected by the cancellation of the B Ordinary Shares should be treated for CGT purposes as a further "reorganisation" so that a UK Shareholder should not be treated as making a disposal of their Ordinary Shares or B Ordinary Shares for CGT purposes. Instead, the Ordinary Shares held by the UK Shareholder after the cancellation of the B Ordinary Shares should be treated as the same asset, acquired at the same time, as their holding of Ordinary Shares and B Ordinary Shares prior to the cancellation which, as described above, should in turn be treated as the same asset, acquired at the same time, as their original holding of Ordinary Shares.

Accordingly, following the B Share Issue and the cancellation of the B Shares, UK Shareholders should be left in the same position for CGT purposes as they were in originally before the B Ordinary Share Issue and cancellation of B Ordinary Shares. Even if (contrary to the preceding paragraph) the cancellation of the B Ordinary Shares were treated as a disposal for CGT purposes, provided that the market value of the B Ordinary Shares is £nil for the duration of their existence which, for the reasons described above, seems likely to be the case, there should be no adverse CGT consequences for UK Shareholders. There should be no chargeable gain (or allowable loss) on the cancellation of the B Ordinary Shares, and the UK Shareholder's base cost in their Ordinary Shares should be the same as it was originally before the B Ordinary Share Issue and cancellation of B Ordinary Shares.

### UK stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax will be payable on the Reduction of Capital, including the B Ordinary Shares Issue and the cancellation of the B Ordinary Shares.

## 7. Action to be taken in respect of the General Meeting

Shareholders can appoint a proxy electronically using the link [www.sharevote.co.uk](http://www.sharevote.co.uk) – Details of how to appoint a proxy in this way are set out on pages 21 to 22 of this document. Alternatively, you may request a hard copy Form of Proxy directly from our Registrar, Equiniti. Details of how to request, and complete, a hard copy Form of Proxy are set out on pages 21 to 22 of this document. To be valid, a Form of Proxy must be returned as soon as possible and so as to be received by the Registrars by not later than 10 a.m. on 14 April 2023.

The completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting in person.

In accordance with current best practice and to ensure voting accurately reflects the views of Shareholders, it will be proposed at the General Meeting that voting on the Resolutions will be conducted by poll vote rather than by a show of hands and the relevant procedures will be explained at the General Meeting.

**If the Dividend Rectification Resolutions are not passed, the Company may continue to have claims against the Relevant Directors and Recipient Shareholders.**

## PART III: LETTER FROM THE CHAIRMAN OF THE COMPANY continued

### 8. Questions

If you wish to ask a question relating to the business of the General Meeting in advance, please submit your questions to [company.secretary@braemar.com](mailto:company.secretary@braemar.com), please include in your email: the shareholder's full name, number of shares held and telephone contact details.

### 9. Recommendation

The Board consider all the Resolutions to be in the best interests of the Company and its Shareholders as a whole and the Board unanimously recommend that you vote in favour of the Capital Reduction Resolutions to be proposed at the General Meeting, as they intend to do in respect of their aggregate shareholdings, of 1,153,370 Ordinary Shares representing approximately 3.5% of the Ordinary Shares in issue at the date of this document.

Given the interests of the Board in the Dividend Rectification Resolutions, and as required by the Listing Rules, the Board are unable to take part in the consideration of the matters dealt with by the Dividend Rectification Resolutions and therefore cannot recommend that shareholders vote in favour of the Dividend Rectification Resolutions but do recommend that shareholders vote on them. However, the Board believes, having been advised by Investec in its capacity as the Company's sponsor, that (i) the waiver of claims against the Relevant Directors pursuant to the Related Party Resolutions and (ii) the entry into the Directors' Deed of Release are fair and reasonable so far as the Shareholders are concerned.

As none of the Board are deemed to be independent for the purposes of the Dividend Rectification Resolutions, the Relevant Directors are precluded, and have undertaken to abstain, from voting on the Dividend Rectification Resolutions. The Relevant Directors have also undertaken to take all reasonable steps to ensure that their associates abstain from voting.

Yours faithfully



**Nigel Payne**

*Non-executive Chairman*

## PART IV: BACKGROUND TO THE RECTIFICATION OF RELEVANT DIVIDENDS

### 1. BACKGROUND TO AND REASONS FOR THE DIVIDEND RECTIFICATION RESOLUTIONS

1.1. The Act requires that a public limited company must satisfy certain criteria in order to be able to declare and pay a dividend. Not only must a public limited company have distributable profits, but the Act also provides that a public limited company may only pay a dividend:

1.1.1. if at the time of the dividend, the amount of its net assets are not less than the aggregate of its called-up share capital and undistributable reserves; and

1.1.2. if, and to the extent that, the dividend does not reduce the amount of those net assets to less than the aggregate amount of its called-up share capital and undistributable reserves.

1.2. Prior to paying the Relevant Dividends (as defined below), the Company should have ensured that it had the requisite level of distributable profits and net assets. In order to make this determination, the Company was required to prepare and refer to "relevant accounts" (as defined by the Act).

1.3. If the annual accounts of a company showed sufficient distributable profits to declare a dividend, then such accounts will constitute "*relevant accounts*" for the purposes of the Act. Where they do not, a company may prepare "*interim accounts*" (as defined in the Act) which show the requisite level of distributable profits and net assets provided that such interim accounts are filed at Companies House before the declaration and payment of an interim dividend.

1.4. It has come to the Board's attention as described in paragraph 3 of Part III that, in relation to the Relevant Dividends, the technical requirements of the Act as regards sufficient net assets and/or the preparing and filing of relevant accounts and/or the requirement to have sufficient distributable profits had not been satisfied, which resulted in the Relevant Dividends being paid otherwise than in accordance with the requirements of the Act.

1.5. The total amount of the Relevant Dividends declared and paid is £25,047,000.

### 2. THE CONSEQUENCES OF THE RELEVANT DIVIDENDS HAVING BEEN MADE OTHERWISE THAN IN ACCORDANCE WITH THE ACT

2.1. Given that the Relevant Dividends have been declared and paid otherwise than in accordance with the Act, the Company may have claims against past and present shareholders who were recipients of the Relevant Dividends (the "**Recipient Shareholders**") and against persons who were directors of the Company at the time of the declaration and payment of the Relevant Dividends (the "**Relevant Directors**").

2.2. In the event that Dividend Rectification Resolutions are not passed, the Company would, in theory, retain the ability to bring these potential claims against both the Recipient Shareholders and the Relevant Directors.

2.3. The Company has **no** intention of bringing such claims, and the Board's intention is to instead put all potentially affected parties in the position, so far as is possible, in which they were always intended to be had the Relevant Dividends been declared and paid in accordance with the requirements of the Act.

### 3. THE RELEVANT DIVIDENDS

3.1. The issues discovered and referred to at paragraphs 1.4 and 1.5 above affect the following dividends paid by the Company and result in each of the Relevant Dividends being made otherwise than in accordance with the Act:

| Date and type of dividend payment (interim or final) | Amount per ordinary share | Total aggregate amount of dividend paid |
|--|---------------------------|---|
| FY 2016 – Interim dividend – 18 December 2015        | 9.0 pence                 | £2,659,000                              |
| FY 2017 – Final dividend – 29 July 2016              | 17.0 pence                | £5,020,000                              |
| FY 2017 – Interim dividend – 16 December 2016        | 9.0 pence                 | £2,838,000                              |
| FY 2019 – Final dividend – 27 July 2018              | 10.0 pence                | £3,076,000                              |
| FY 2019 – Interim dividend – 14 December 2018        | 5.0 pence                 | £1,540,000                              |
| FY 2020 – Final dividend – 26 July 2019              | 10.0 pence                | £3,064,000                              |
| FY 2020 – Interim dividend – 13 December 2019        | 5.0 pence                 | £1,566,000                              |
| FY 2022 – Final dividend – 1 September 2021          | 5.0 pence                 | £1,482,000                              |
| FY 2022 – Interim dividend – 16 December 2021        | 2.0 pence                 | £627,000                                |
| FY 2023 – Final dividend – 14 October 2022           | 7.0 pence                 | £2,017,000                              |
| FY 2023 – Interim dividend – 4 January 2023          | 4.0 pence                 | £1,158,000                              |
| <b>Total aggregate value</b>                         |                           | <b>£25,047,000</b>                      |

3.2. The issues set out above only affect the Relevant Dividends and do not affect any other dividends declared or paid by the Company.

## PART IV: BACKGROUND TO THE RECTIFICATION OF RELEVANT DIVIDENDS

### continued

#### 4. PROPOSED REMEDIAL ACTION

- 4.1. In order to remedy the potential consequences of the Relevant Dividends having been declared and paid otherwise than in accordance with the Act and to put all potentially affected parties in the position, so far as possible, in which they were always intended to be had the Relevant Dividends been made in accordance with the Act, the Company is proposing the Dividend Rectification Resolutions, the full text of which is set out in the Notice of General Meeting.
- 4.2. If passed, the effect of the Dividend Rectification Resolutions (subject to the Capital Reduction becoming effective), will be to:
- 4.2.1. authorise the appropriation of, in aggregate, an amount not exceeding £25,047,000 of the distributable profits of the Company to the payment of the Relevant Dividends, once the Capital Reduction becomes effective;
- 4.2.2. waive any and all claims which the Company has, or may have, in respect of the payment of the Relevant Dividends against its shareholders and former shareholders who appeared on the register of members on the relevant record dates of each respective Relevant Dividend (or the personal representatives and their successors in title of the estate of any deceased shareholders or former shareholders), such waiver to be effected by way of the deed of release dated 15 February 2023 in favour of such Recipient Shareholders which is conditional upon the Capital Reduction becoming effective and the passing of the Dividend Rectification Resolutions (the **"Shareholders' Deed of Release"**); and
- 4.2.3. waive any and all claims which the Company may have against all Directors (present or former) of the Company, at the time of the declaration and/or payment of each respective Relevant Dividend and the personal representatives (and their successors in title) of the estate of any deceased Directors, such waiver to be effected by way of the deed of release dated 15 February 2023 in favour of such Relevant Directors which is conditional upon the Capital Reduction becoming effective and the passing of the Dividend Rectification Resolutions (the **"Directors' Deed of Release"**).
- 4.3. The Company has been advised that the approach the Company is proposing by way of the Dividend Rectification Resolutions is consistent with the approach taken by other UK incorporated publicly quoted companies who have declared and paid dividends otherwise than in accordance with the Act.
- 4.4. The Dividend Rectification Resolutions, the full text of which is set out in the Notice of General Meeting, are to be proposed as special resolutions and, if passed, will, in conjunction with the relevant deeds of release, put all potentially affected parties in the position, so far as possible, in which they were always intended to be had the Relevant Dividends been made in accordance with all of the procedural requirements of the Act.

#### 5. THE AUTHORISATION OF THE APPROPRIATION OF THE COMPANY'S DISTRIBUTABLE PROFITS AND THE SHAREHOLDERS' DEED OF RELEASE

- 5.1. The Company proposes to seek authorisation to appropriate an aggregate sum of £25,047,000 of the distributable profits of the Company (being a sum equal to the aggregate of the Relevant Dividends paid to the Recipient Shareholders) to the payment of those dividends, subject to the Capital Reduction becoming effective. As a matter of common law, it is necessary for the appropriation of distributable profits to be approved by shareholders.
- 5.2. The proposed authorisation of the appropriation of the Company's distributable profits to the payment of the Relevant Dividends and the entry by the Company into the Shareholders' Deed of Release, will not have any effect on the Company's financial position. This is because the aggregate amount of the Relevant Dividends is equal to, and offset by, the release of each Recipient Shareholder from their liability to repay the amount already paid to them in respect of their respective Relevant Dividends, and the Company will not be required to make any further payments to shareholders in respect of the Relevant Dividends.
- 5.3. The Company has not recorded or disclosed the potential right to make claims against the Recipient Shareholders as an asset or contingent asset in its financial statements. Under the Company's International Financial Reporting Standards ("**IFRS**") accounting policies, it could only record such a right as an asset when an inflow of economic benefit in favour of the Company as a result of such claim or claims being brought was virtually certain, and the Board notes that the Company has **no** intention of bringing such a claim as it would not be appropriate to do so.
- 5.4. In addition, under IFRS, a contingent asset is required to be disclosed only when an inflow of economic benefits in favour of the Company is probable. The Board has concluded that any inflow of economic benefits as a result of such claims is less than probable.
- 5.5. Accordingly, the Company's entry into the Shareholders' Deed of Release has not itself resulted in any decrease in the Company's net assets or level of its distributable reserves.

## **6. DIRECTORS' DEED OF RELEASE**

- 6.1. The entry by the Company into the Directors' Deed of Release does not have any impact on the Company's financial position as the Company has not recorded or disclosed its right to potentially make claims against the Relevant Directors in respect of the Relevant Dividends as an asset or contingent asset of the Company.
- 6.2. As set out in paragraph 5.4 above, under the Company's IFRS accounting policies, it could only record such right as an asset or contingent asset when an inflow of economic benefit in favour of the Company as a result of such claim or claims being brought was virtually certain and the Board notes that the Company has no intention of bringing such a claim, primarily as it would not be appropriate to do so and also as the likelihood of such claim being successful is very low. The value of any economic benefit which the Company may derive from bringing claims against the Relevant Directors is uncertain (and, in any case, incapable of estimation with any certainty) on the basis that the Relevant Directors would be entitled to seek the court's relief against such claims and there can be no certainty as to the amounts (if any) which could be recovered by the Company (if any).
- 6.3. The Company's entry into the Directors' Deed of Release has not involved the disposition of any recognised asset or contingent asset in favour of the Relevant Directors.

## **7. TAX POSITION OF UK SHAREHOLDERS**

- 7.1. It is the Company's expectation that the tax position of UK shareholders should not be impacted by any procedural irregularity in relation to the Relevant Dividends, therefore, the Company does not expect the passing of the Resolutions to have an effect on the UK tax position of such persons.
- 7.2. If any UK tax resident shareholder has any doubts about his or her tax position, he or she should consult with an independent professional adviser.

## **8. TAX POSITION OF NON-UK SHAREHOLDERS**

- 8.1. It is also the Company's expectation that the tax position of non-UK shareholders should not be impacted by any procedural irregularity in relation to the Relevant Dividends, therefore, the Company does not expect the passing of the Resolution to have an effect on the non-UK tax position of such persons.
- 8.2. If any non-UK tax resident shareholder has any doubts about his or her tax position, he or she should consult with an independent professional adviser.

## PART V: ADDITIONAL INFORMATION

### 1. THE COMPANY

- 1.1. The Company was incorporated and registered in England and Wales on 11 August 1988 as a private limited company with registered number 02286034. The legal entity identifier of the Company is 213800EV6IKTTHJ83C19.
- 1.2. On 7 December 1988 the Company re-registered as a public limited company and changed its name to Seascope Shipping Holdings PLC. On 1 August 2002 the Company changed its name to Braemar Seascope Group PLC and on 21 June 2007 the Company changed its name to Braemar Shipping Services PLC.
- 1.3. On 12 September 2022 the Company changed its name to Braemar Plc.
- 1.4. The Company's registered office is One Strand, Trafalgar Square, London, WC2N 5HR. The Company's telephone number is +44 (0) 20 3142 4100.
- 1.5. The principal legislation under which the Company operates is the Companies Act 2006 as well as the laws of England and Wales.
- 1.6. The Company's website is [www.braemar.com](http://www.braemar.com). The information contained in the Company's website does not form part of this circular, save to the extent such information has been expressly incorporated by reference into this circular.

### 2. RELATED PARTY DISCLOSURE

- 2.1. The Relevant Directors (comprising persons who are, or were within the last 12 months, directors of the Company, being James Gundy, Tristram Simmonds, Nicholas Stone, Nigel Payne, Elizabeth Gooch, Joanne Lake, Stephen Kunzer and Lesley Watkins) are related parties of the Company under LR 11.1.4 R and each of them is a beneficiary under the Directors' Deed of Release.
- 2.2. No other notifiable related party transactions in relation to the Dividend Rectification Resolution have been identified.

### 3. INTERESTS IN ORDINARY SHARES

- 3.1. The interests of the related parties in paragraph 2.1 above in the Ordinary Shares as at 27 March 2023 (being the last practical date before the date of this document) as follows:

#### Shareholdings

| Name              | Number of Ordinary Shares held | Percentage of voting rights<br>(% - rounded to 2 decimal places) |
|-------------------|--------------------------------|--|
| James Gundy       | 772,165                        | 2.35   |
| Tristram Simmonds | 348,447                        | 1.06   |
| Nicholas Stone    | 14,500                         | 0.04   |
| Stephen Kunzer    | 10,000                         | 0.03   |
| Nigel Payne       | 8,258                          | 0.03   |

Nicholas Stone, Tristram Simmonds and James Gundy have awards under the Company's Company Share Option Plan ("CSOP"), Long Term Incentive Plan ("LTIP") and the Deferred Share Benefit Plan ("DBP"). Details of their interests are set out below:

#### Interests pursuant to the CSOP

| Director          | Share Options | Exercise Price (£) | Date of Grant    | Vesting Date | Expiry Date      |
|-------------------|---------------|--------------------|------------------|--------------|------------------|
| Nicholas Stone    | 24,650        | 1.22               | 9 July 2020      | 9 July 2023  | 9 July 2030      |
| Tristram Simmonds | 3,412         | 3.175              | 16 February 2023 | 30 June 2025 | 16 February 2033 |
| James Gundy       | 24,650        | 1.22               | 9 July 2020      | 9 July 2023  | 9 July 2030      |



#### Interests pursuant to the LTIP

| Director          | Number of Ordinary Shares under award | Exercise Price (£) | Date of Grant    | Vesting Date     | Expiry Date      |
|-------------------|---------------------------------------|--------------------|------------------|------------------|------------------|
| <b>2018 LTIP</b>  |                                       |                    |                  |                  |                  |
| James Gundy       | 33,294                                | –                  | 29 October 2018  | 26 May 2021      | 29 October 2028  |
| <b>2019 LTIP</b>  |                                       |                    |                  |                  |                  |
| Nicholas Stone    | 36,653                                | –                  | 1 July 2019      | 26 August 2022   | 1 July 2029      |
| James Gundy       | 166,200                               | –                  | 1 July 2019      | 26 August 2022   | 1 July 2029      |
| <b>2020 LTIP</b>  |                                       |                    |                  |                  |                  |
| Nicholas Stone    | 156,250                               | –                  | 24 July 2020     | 28 February 2023 | 24 July 2030     |
| James Gundy       | 218,750                               | –                  | 24 July 2020     | 28 February 2023 | 24 July 2030     |
| <b>2021 LTIP</b>  |                                       |                    |                  |                  |                  |
| Nicholas Stone    | 88,495                                | –                  | 14 June 2021     | 14 June 2026     | 14 June 2031     |
| James Gundy       | 300,884                               | –                  | 14 June 2021     | 13 June 2024     | 14 June 2031     |
| <b>2023 LTIP</b>  |                                       |                    |                  |                  |                  |
| Tristram Simmonds | 259,516                               | –                  | 16 February 2023 | 30 June 2025     | 16 February 2033 |
| James Gundy       | 164,360                               | –                  | 16 February 2023 | 30 June 2025     | 16 February 2033 |

#### Interests pursuant to the DBP

| Director          | Number of Ordinary Shares under award | Exercise Price (£) | Date of Grant    | Vesting Date |
|-------------------|---------------------------------------|--------------------|------------------|--------------|
| <b>2020 DBP</b>   |                                       |                    |                  |              |
| Nicholas Stone    | 28,245                                | –                  | 9 July 2020      | 9 July 2023  |
| Tristram Simmonds | 34,511                                | –                  | 9 July 2020      | 9 July 2023  |
| James Gundy       | 386,195                               | –                  | 9 July 2020      | 9 July 2023  |
| <b>2021 DBP</b>   |                                       |                    |                  |              |
| Nicholas Stone    | 25,398                                | –                  | 8 June 2021      | 8 June 2024  |
| Tristram Simmonds | 26,315                                | –                  | 8 June 2021      | 8 June 2024  |
| James Gundy       | 169,925                               | –                  | 8 June 2021      | 8 June 2024  |
| <b>2023 DBP</b>   |                                       |                    |                  |              |
| Nicholas Stone    | 1,537                                 | –                  | 16 February 2023 | 30 June 2025 |
| Tristram Simmonds | 14,505                                | –                  | 16 February 2023 | 30 June 2025 |
| James Gundy       | 66,484                                | –                  | 16 February 2023 | 30 June 2025 |

#### 4. SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

4.1. Each of Nicholas Stone, Tristram Simmonds and James Gundy being executive directors of the Company, has entered into a service contract with the Company. Each service contract can be terminated on six months written notice by either party. The Company may, in their sole discretion, terminate the employment immediately and make a payment in lieu of notice, equivalent to six months salary less income tax and national insurance contributions. The annual salaries of the executive directors are set out in the table below. The salaries are reviewed annually, with no obligation on the Company to increase each salary.

| Directors         | Position                      | Effective Date of Service Agreement         | Annual Salary FY 22/23 |
|-------------------|-------------------------------|---|------------------------|
| James Gundy       | Group Chief Executive Officer | 10 November 2020                            | £475,000               |
| Tristram Simmonds | Chief Operating Officer       | 21 July 2021                                | £375,000               |
| Nicholas Stone    | Chief Financial Officer       | 11 December 2018 (and amended 21 July 2021) | £250,000               |

4.2. The executive directors are expected to devote the whole of their working time, attention and abilities to the performance of their duties. The executive directors will receive the following benefits under the terms of their service agreements:

- 4.2.1. entitlement to a discretionary annual bonus;
- 4.2.2. entitlement to reasonable expenses reimbursement by the Company;
- 4.2.3. entitlement to an employer pension contribution of 5% in respect of each executive directors basic salary;
- 4.2.4. in the case of Nicholas Stone, a one-off sign on bonus of £50,000; and
- 4.2.5. 33 days paid holiday per annum (inclusive of bank holidays).

## PART V: ADDITIONAL INFORMATION continued

4.3. Nigel Payne, Elizabeth Gooch and Joanne Lake are non-executive directors of the Company and so have not entered into service contracts but are instead engaged pursuant to letters of appointment dated 6 April 2021, 21 July 2021 (as amended on 29 March 2022) and 2 February 2022 respectively, each for a term of approximately three years until the conclusion of that year's annual general meeting ("AGM"). Each appointment can be terminated on one month's written notice by either party.

### 5. MAJOR SHAREHOLDERS

5.1. In so far as is known by the Company, as at the date of this document, the following persons were interested, directly or indirectly in three percent or more of the voting rights attached to the Ordinary Shares:

| Name  | Number of Shares | % of Issued Share Capital |
|---|------------------|---------------------------|
| Braemar Plc ESOP (London)                         | 3,804,630        | 11.56                     |
| Hargreaves Lansdown Asset Mgt (Bristol)           | 2,282,880        | 6.93                      |
| Interactive Investor (Glasgow)                    | 2,198,553        | 6.68                      |
| Rock (Nominees) Limited (London)                  | 2,117,121        | 6.43                      |
| Vidacos Nominees Limited (London)                 | 1,372,985        | 4.17                      |
| Barclays Wealth (London)                          | 1,208,249        | 3.67                      |
| HSBC Global Custody Nominee (UK) Limited (London) | 1,000,172        | 3.04                      |

### 6. MATERIAL CONTRACTS

6.1. The Directors' and Shareholders' Deeds of Release set out that technical errors have come to light in respect of the procedures relating to the payment of dividends between 2015 and 2023. The Directors' Deed of Release states that the Company may have a claim against the directors of the Company at the time of declaration and/or payment of each respective dividend. The Shareholders' Deed of Release states that the Company may have a claim against the shareholders who were recipients of the relevant dividends. To rectify these technical errors, the Company intends to cancel its share premium account, capitalise part of its merger reserve and cancel the shares issued pursuant to the capitalisation. Under the Deeds of Release, the Company proposes to approve these actions by way of special resolutions at a general meeting of its shareholders. Subject to the resolutions being passed, the Company shall waive any and all claims the Company has, or may have, against the relevant shareholders and directors.

6.2. Other than as described in paragraph 6.1, there are no material contracts to which the Company or any member of the Group is a party which contains information that the Shareholders would reasonably require to make a properly informed assessment of how to vote.

### 7. SIGNIFICANT CHANGE

7.1. The Company has made one strategic acquisition since 31 August 2022 (set out paragraph 7.2 below), being the end of the last financial period for which interim financial information has been published.

7.2. On 19 December 2022, the Company acquired Southport Maritime Inc. for \$7,250,000 in cash to be paid on completion and up to 1,888,942 Braemar Plc Ordinary Shares to be delivered on the third anniversary of the transaction, contingent on intended recipients remaining employees of Southport Maritime Inc. for the full three-year period. The acquisition is intended to expand the Company's coverage in North and South America.

7.3. On 6 December 2022, the Company recruited a new tanker broking team of 10 brokers formerly employed by Medco Shipbrokers SL in Madrid, Spain. The team specialise in crude, dirty products, clean products and period chartering and will strengthen the Company's global coverage.

7.4. Save as disclosed in paragraphs 7.1 to 7.3 (inclusive) of this Part V, there has been no significant change in the financial position of the Group since 31 August 2022, being the end of the last financial period for which interim financial information has been published.

### 8. CONSENT

Investec has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are given.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

9.1. In addition to this document, the following documents will be available for inspection on the Company's website at [www.braemar.com](http://www.braemar.com) and during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the Company's registered office at One Strand, Trafalgar Square, London, WC2N 5HR from the date of this document up to and including the date of the General Meeting:

- 9.1.1. the Company's articles of association;
- 9.1.2. the Shareholders' Deed of Release, as appended to this document;
- 9.1.3. the Directors' Deed of Release, as appended to this document;
- 9.1.4. the consent referred to in paragraph 8 of this Part V.

## PART VI: NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Braemar Plc ("the Company") will be held at the Company's offices at One Strand, Trafalgar Square, London, WC2N 5HR at 10.00 a.m. on 18 April 2023 for the following business which will be proposed as special resolutions. Voting on all resolutions will be by way of a poll.

### Special Resolutions

1. That, subject to the confirmation of the High Court of Justice in England and Wales, the Share Premium Account of the Company be cancelled.
2. That, subject to the confirmation of the High Court of Justice in England and Wales, the Capital Redemption Reserve of the Company be cancelled.
3. That, the amount of £19,754,926 standing to the credit of the merger reserve be capitalised and applied in paying up in full at par such number of new B ordinary shares (the "**B Ordinary Shares**") equal to a multiple of six times the number of Ordinary Shares in issue as at the Capital Reduction Record Time (as defined in the circular to shareholders of the Company dated 29 March 2023 of which this notice forms part), such B Ordinary Shares having a nominal value equal to the sum that is obtained by dividing the number of B Ordinary Shares to be issued as set out above into £19,754,926 as shall be required to effect such capitalisation, and the directors of the Company be and are hereby authorised for the purposes of section 551 of the Companies Act 2006 (the "**Companies Act**") to allot and issue all of the B Ordinary Shares thereby created to such members of the Company as the directors of the Company shall in their absolute discretion determine upon terms that they are paid up in full by such capitalisation, and such authority shall for the purposes of section 551 of the Companies Act expire on the conclusion of the next annual general meeting of the Company, or, if earlier, 31 August 2023.
4. That, the B Ordinary Shares created and issued pursuant to resolution 3 above shall have the following rights and restrictions:
  - (a) the holder(s) of the B Ordinary Shares shall have no right to receive any dividend or other distribution whether of capital or income;
  - (b) the holder(s) of the B Ordinary Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
  - (c) the holder(s) of the B Ordinary Shares shall on a return of capital in a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share and the holder(s) of the B Ordinary Shares shall not be entitled to any further participation in the assets or profits of the Company;
  - (d) a reduction by the Company of the capital paid up or credited as paid up on the B Ordinary Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the B Ordinary Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holder(s) of the B Ordinary Shares to reduce its capital in accordance with the Companies Act; and
  - (e) the Company shall have irrevocable authority at any time after the allotment or issue of the B Ordinary Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Companies Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Companies Act purchase all but not some only of the B Ordinary Shares then in issue at a price not exceeding £1.00 for all the B Ordinary Shares.
5. That, subject to the confirmation of the High Court of Justice in England and Wales, the B Ordinary Shares allotted and issued pursuant to resolution 3 be cancelled and the amount of such cancellation be and is hereby credited to the reserves of the Company.

## PART VI: NOTICE OF GENERAL MEETING continued

6. That, conditional upon: (a) the passing of resolutions numbered 1 to 5 (inclusive) and the Capital Reduction (as defined in the circular to shareholders in the Company dated 29 March 2023 of which this Notice of General Meeting forms part) becoming effective, the appropriation of distributable profits of the Company to the payment of each of:

| Date and type of dividend payment (interim or final) | Amount per ordinary share | Total aggregate amount of dividend paid |
|--|---------------------------|---|
| FY 2016 – Interim dividend – 18 December 2015        | 9.0 pence                 | £2,659,000                              |
| FY 2017 – Final dividend – 29 July 2016              | 17.0 pence                | £5,020,000                              |
| FY 2017 – Interim dividend – 16 December 2016        | 9.0 pence                 | £2,838,000                              |
| FY 2019 – Final dividend – 27 July 2018              | 10.0 pence                | £3,076,000                              |
| FY 2019 – Interim dividend – 14 December 2018        | 5.0 pence                 | £1,540,000                              |
| FY 2020 – Final dividend – 26 July 2019              | 10.0 pence                | £3,064,000                              |
| FY 2020 – Interim dividend – 13 December 2019        | 5.0 pence                 | £1,566,000                              |
| FY 2022 – Final dividend – 1 September 2021          | 5.0 pence                 | £1,482,000                              |
| FY 2022 – Interim dividend – 16 December 2021        | 2.0 pence                 | £627,000                                |
| FY 2023 – Final dividend – 14 October 2022           | 7.0 pence                 | £2,017,000                              |
| FY 2023 – Interim dividend – 4 January 2023          | 4.0 pence                 | £1,158,000                              |
| <b>Total aggregate value</b>                         |                           | <b>£25,047,000</b>                      |

(each being a “**Relevant Dividend**” and together, the “**Relevant Dividends**”) and together having a total aggregate sum not exceeding £25,047,000 be and are authorised, each by reference to the same record date as the original accounting entries for the Relevant Dividends.

7. That, conditional upon: (a) the passing of resolutions numbered 1 to 6 (inclusive) any and all claims which the Company has, or may have, arising out of or in connection with the approval, declaration and/or payment of the Relevant Dividends against its current or former shareholders who appeared on the register of members on the relevant record date for each respective Relevant Dividend (or the personal representatives and their successors in title (as appropriate) of a shareholder's estate if he or she is deceased and/or the successors in title or assignees for corporate members) be waived and released, and the entry into a deed of release on 15 February 2023 in favour of such shareholders (or the personal representatives and their successors in title (as appropriate) of a shareholder's estate if he or she is deceased and/or successors in title or assignees for corporate members) by the Company be and is hereby ratified and authorised.
8. That, conditional upon: (a) the passing of resolutions numbered 1 to 6 (inclusive), any and all claims which the Company has, or may have, arising out of or in connection with the approval, declaration and/or payment of the Relevant Dividends against all Directors (present and former) of the Company at the time of declaration and payment of each respective Relevant Dividend (or the personal representatives and their successors in title (as appropriate) of any such Director's estate if he or she is deceased) including any breach of fiduciary duties be waived and released, and the entry into a deed of release on 15 February 2023 in favour of such Directors who acted as Directors of the Company at the time of declaration and payment of each respective Relevant Dividend (or the personal representatives and their successors in title (as appropriate) of any such Director's estate if he or she is deceased) by the Company be and is hereby ratified and authorised.

*Registered office*  
One Strand  
Trafalgar Square  
London  
WC2N 5HR

By Order of the Board

**Rebecca-Joy Wekwete**  
*Company Secretary*  
Dated 29 March 2023

### Notes to the Notice of General Meeting

1. A member who is an individual would usually be entitled to attend, speak and vote at the General Meeting or to appoint one or more other persons as his proxy to exercise all or any of his rights on his behalf. Further details of how to appoint a proxy, and the rights of proxies, are given in the Notes below. A member that is a company can appoint one or more corporate representatives (such as a director or employee of the company) whose attendance at the meeting is treated as if the company were attending in person, or it can appoint one or more persons as its proxy to exercise all or any of its rights on its behalf. In each case, the person attending the General Meeting will need to provide the Company or its registrars with evidence of their identity and, if applicable, their appointment as a proxy or corporate representative with authority to vote on behalf of the member.
2. A shareholder may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy does not need to be a shareholder of the Company. If you are appointing more than one proxy you will need to state clearly on each form of proxy the number of shares in relation to which the proxy is appointed, and ensure that, taken together, the numbers of shares stated on the forms of proxy do not exceed your holding. A proxy is legally required to vote in accordance with any voting instructions given by his appointing shareholder.
3. In the case of joint registered holders, the signature of one holder on a proxy card will be accepted and the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which names stand on the register of shareholders of the Company in respect of the relevant joint holding.
4. A personalised form of proxy for use in connection with the General Meeting is enclosed with the document of which this Notice forms part. If you do not have a personalised form of proxy and believe that you should, please contact the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA or on +44 (0)371 384 2030, please use the country code when calling from outside the UK. Completion and return of a form of proxy will not legally prevent a shareholder from attending and voting at the General Meeting. Addresses (including electronic addresses) in this Notice or any related documents (including the form of proxy) are included strictly for the purposes specified and not for any other purpose.
5. To appoint a proxy or proxies shareholders must complete: (a) a form of proxy, sign it and return it, together with the power of attorney or any other authority under which it is signed, or a notorially certified copy of such authority, to the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or (b) a CREST Proxy Instruction (see below); or (c) an online proxy appointment at [www.sharevote.co.uk](http://www.sharevote.co.uk) (you will need to enter the Voting ID, Task ID and Shareholder Reference Number, as found on your proxy form), in each case so that it is received no later than 10:00 a.m. on 14 April 2023 (or the date and time which is 48 hours prior to any reconvened meeting).
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via <https://www.euroclear.com>). CREST Personal Members or other CREST sponsored members and those CREST members who have appointed any 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. Shareholders that are an institutional investor may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by its registrars. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 10:00 a.m. on 14 April 2023 (or the date and time which is 48 hours prior to any reconvened meeting) in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited'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 Company's agent (ID RA19) by the latest time for receipt of proxy appointments set out in Note 5 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 Company'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.

8. 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 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 any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is 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.

## PART VI: NOTICE OF GENERAL MEETING continued

9. 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.
10. Only those shareholders included in the register of members of the Company at 18:30 on 14 April 2023 or, if the meeting is adjourned, in the register of members at 18:30 on the day which is two working days before the time for holding any adjourned meeting, will be entitled to vote at the General Meeting (or adjourned meeting) in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to vote at the General Meeting (or adjourned meeting).
11. 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: (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 General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of 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 General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
12. Under section 319A of the Companies Act 2006, the Company must cause to be answered any question relating to the business being dealt with at the General Meeting put by a member attending the meeting unless to do so would interfere unduly with the preparation for the meeting, or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. You will also be able to ask questions at the General Meeting itself. Shareholders who are not able to attend the General Meeting may submit questions on the business of the General Meeting by email to [company.secretary@braemar.com](mailto:company.secretary@braemar.com), by 10:00 a.m. on 14 April 2023 (or the date and time which is 48 hours prior to any reconvened meeting). Please include in your email: the shareholder's full name, number of shares held and telephone contact details. Responses will be given either by telephone, e-mail or by publication on the Company's website at the appropriate time.
13. From the date of this Notice until two years after the General Meeting is held, the information required by section 311A of the Companies Act 2006 (a copy of this Notice, the total number of shares and voting rights set out in paragraph 15 below, and any statements, resolutions or matters of business proposed by members after this Notice is sent out) will be available on the Company's website [www.braemar.com](http://www.braemar.com).
14. As at 27 March 2023 (being the last business day prior to the publication of this Notice), the Company's issued share capital comprised 32,924,877 ordinary shares of ten pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 27 March 2023 is 32,924,877.
15. 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 registered shareholder 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.
16. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (so the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
17. Voting on all resolutions at the General Meeting will be by way of a poll. This means that you will be asked to complete a poll card if you attend in person. The Company believes that this is the best way of representing the views of as many shareholders as possible in the voting process.

# APPENDIX I: SHAREHOLDERS' DEED OF RELEASE

**THIS DEED POLL** is made on 15 February 2023 by:

**BRAEMAR PLC** (registered number 02286034) whose registered office is at One Strand, Trafalgar Square, London, WC2N 5HR ("**Company**") in favour of certain of the current and former Directors of the Company (or the personal representatives and their successors in title (as appropriate) of his or her estate if such director or former director is deceased).

## WHEREAS:

- (A) The board of directors of the Company has become aware of certain technical errors in respect of the Company's procedures for the payment of the following dividends (the "Relevant Dividends"):

| Date and type of dividend payment (interim or final) | Amount per ordinary share | Total aggregate amount of dividend paid |
|--|---------------------------|---|
| FY 2016 - Interim dividend – 18 December 2015        | 9.0 pence                 | £2,659,000                              |
| FY 2017 - Final dividend – 29 July 2016              | 17.0 pence                | £5,020,000                              |
| FY 2017 - Interim dividend – 16 December 2016        | 9.0 pence                 | £2,838,000                              |
| FY 2019 – Final dividend – 27 July 2018              | 10.0 pence                | £3,076,000                              |
| FY 2019 – Interim dividend – 14 December 2018        | 5.0 pence                 | £1,540,000                              |
| FY 2020 – Final dividend – 26 July 2019              | 10.0 pence                | £3,064,000                              |
| FY 2020 – Interim dividend – 13 December 2019        | 5.0 pence                 | £1,566,000                              |
| FY 2022 – Final dividend – 1 September 2021          | 5.0 pence                 | £1,482,000                              |
| FY 2022 – Interim dividend – 16 December 2021        | 2.0 pence                 | £627,000                                |
| FY 2023 – Final dividend – 14 October 2022           | 7.0 pence                 | £2,017,000                              |
| FY 2023 – Interim dividend – 4 January 2023          | 4.0 pence                 | £1,158,000                              |
| <b>Total aggregate value</b>                         |                           | <b>£25,047,000</b>                      |

- (B) The Company has been advised that, as a consequence of the Relevant Dividends having been made otherwise than in accordance with the Companies Act 2006, it may have claims against all directors (present or former) of the Company at the time of declaration and/or payment of each respective Relevant Dividend (the "Directors").
- (C) To allow the rectification of the declaration and the payment of the Relevant Dividends (the "Rectification") the Company needs to reduce or cancel its share premium account and capitalise part or all of its merger reserve and cancel the shares issued pursuant to such capitalisation in accordance with the provisions of sections 645 to 649 of the Companies Act 2006 (the "Share Capital Reduction").
- (D) The Company proposes to deal with the Share Capital Reduction and Rectification at a general meeting of its shareholders to be held on or around 22 March 2023 to propose resolutions to:
- subject to confirmation by the High Court of Justice in England, reduce or cancel its share premium account;
  - provide authority to the directors to allot B ordinary shares created by the capitalisation of part or the whole of the Company's merger reserve;
  - prescribe the rights attaching the B ordinary shares;
  - subject to confirmation by the High Court of Justice, cancel the B ordinary shares created by the capitalisation of the Company's merger reserve;
  - subject to the passing of resolutions dealing with matters at (a) to (d) (inclusive) and the Share Capital Reduction becoming effective, appropriate the distributable profits of the Company to the payment of the Relevant Dividends;
  - subject to the passing of resolutions dealing with matters at (a) to (e) (inclusive) and the Share Capital Reduction becoming effective, waive and release any and all claims which it has or may have in respect of the Relevant Dividends against the recipient shareholders (or their personal representatives (and their successors in title) if they are deceased and/or the

## APPENDIX I: SHAREHOLDERS' DEED OF RELEASE continued

- successors in title or assigns for corporate members) and approving the execution of a Deed Poll in favour of the Recipient Shareholders in order to effect the same;
- g. subject to the passing of resolutions dealing with matters at (a) to (e) (inclusive) and the Share Capital Reduction becoming effective, waive and release any and all claims which the Company has or may arising out of or in connection with the approval, declaration and/or payment of the Relevant Dividends against all directors (present and former) of the Company at the time of declaration and payment of each respective Relevant Dividend (or the personal representatives and their successors in title (as appropriate) and approve the execution of this Deed Poll in favour of the directors in order to effect the same;
- sub-paragraphs (D) (a) to (g) (inclusive), together (the "Resolutions").

**THIS DEED POLL WITNESSES** as follows:

### 1. RELEASE

Subject to the passing of the Resolutions and the Share Capital Reduction becoming effective, the Company hereby irrevocably waives and releases all Directors (present or former) of the Company who acted as Directors at the time of declaration and/or payment of a Relevant Dividend (or their personal representatives and their successors in title (as appropriate) of his or her estate if such directors are deceased) from any and all liability that any of them has or may have to the Company and all claims and demands the Company has or may have against each of them, including, without limitation, any derivative action from or on behalf of shareholders of the Company, in connection with the declaration, making and payment of all or part of the Relevant Dividends.

### 2. GOVERNING LAW

This Deed Poll is governed by English law. Any non-contractual obligations arising out of or in connection with this deed poll shall be governed by English law.

**IN WITNESS** of which this deed poll has been executed and has been delivered on the date which appears on page 1.

**EXECUTED as a DEED POLL by  
BRAEMAR PLC**

acting by two Directors or a Director and its  
Secretary:

Director

Secretary



## APPENDIX II: DIRECTORS' DEED OF RELEASE

**THIS DEED POLL** is made on 15 February 2023 by:

**BRAEMAR PLC** (registered number 02286034) whose registered office is at One Strand, Trafalgar Square, London, WC2N 5HR England, EC4Y 0DT ("**Company**") in favour of the Recipient Shareholders (as defined below).

### WHEREAS:

- (A) The board of directors of the Company has become aware of certain technical errors in respect of the Company's procedures for the payment of the following dividends (the "Relevant Dividends"):

| Date and type of dividend payment (interim or final) | Amount per ordinary share | Total aggregate amount of dividend paid |
|--|---------------------------|---|
| FY 2016 - Interim dividend – 18 December 2015        | 9.0 pence                 | £2,659,000                              |
| FY 2017 - Final dividend – 29 July 2016              | 17.0 pence                | £5,020,000                              |
| FY 2017 - Interim dividend – 16 December 2016        | 9.0 pence                 | £2,838,000                              |
| FY 2019 – Final dividend – 27 July 2018              | 10.0 pence                | £3,076,000                              |
| FY 2019 – Interim dividend – 14 December 2018        | 5.0 pence                 | £1,540,000                              |
| FY 2020 – Final dividend – 26 July 2019              | 10.0 pence                | £3,064,000                              |
| FY 2020 – Interim dividend – 13 December 2019        | 5.0 pence                 | £1,566,000                              |
| FY 2022 – Final dividend – 1 September 2021          | 5.0 pence                 | £1,482,000                              |
| FY 2022 – Interim dividend – 16 December 2021        | 2.0 pence                 | £627,000                                |
| FY 2023 – Final dividend – 14 October 2022           | 7.0 pence                 | £2,017,000                              |
| FY 2023 – Interim dividend – 4 January 2023          | 4.0 pence                 | £1,158,000                              |
| <b>Total aggregate value</b>                         |                           | <b>£25,047,000</b>                      |

- (B) The Company has been advised that, as a consequence of the Relevant Dividends having been made otherwise than in accordance with the Companies Act 2006, it may have claims against past and present shareholders who were recipients of the Relevant Dividends (or their personal representatives (and their successors in title) if they are deceased and/or the successors in title or assigns for corporate members) (the "Recipient Shareholders").
- (C) To allow the rectification of the declaration and the payment of the Relevant Dividends (the "Rectification") the Company needs to reduce or cancel its share premium account and capitalise part or all of its merger reserve and cancel the shares issued pursuant to such capitalisation in accordance with the provisions of sections 645 to 649 of the Companies Act 2006 (the "Share Capital Reduction").
- (D) The Company proposes to deal with the Share Capital Reduction and Rectification at a general meeting of its shareholders to be held on or around 22 March 2023 to propose resolutions to:
- subject to confirmation by the High Court of Justice in England, reduce or cancel its share premium account;
  - provide authority to the directors to allot B ordinary shares created by the capitalisation of the Company's merger reserve;
  - prescribe the rights attaching the B ordinary shares;
  - subject to confirmation by the High Court of Justice, cancel the B ordinary shares created by the capitalisation of the Company's merger reserve;
  - subject to the passing of resolutions dealing with matters at (a) to (d) (inclusive) and the Share Capital Reduction becoming effective, appropriate the distributable profits of the Company to the payment of the Relevant Dividends;
  - subject to the passing of resolutions dealing with matters at (a) to (e) (inclusive) and the Share Capital Reduction becoming effective, waive and release any and all claims which it has or may have in respect of the Relevant Dividends against the Recipient Shareholders and approving the execution of this Deed Poll in favour of the Recipient Shareholders in order to effect the same;
  - subject to the passing of resolutions dealing with matters at (a) to (e) (inclusive) and the Share Capital Reduction becoming effective, waive and release any and all claims which the Company has or may arising out of or in connection with the approval, declaration and/or

## APPENDIX II: DIRECTORS' DEED OF RELEASE continued

payment of the Relevant Dividends against all directors (present and former) of the Company at the time of declaration and payment of each respective Relevant Dividend (or the personal representatives and their successors in title (as appropriate) and approve the execution of a Deed Poll in favour of the directors in order to effect the same:  
sub-paragraphs (D) (a) to (h) (inclusive), together (the "Resolutions").

**THIS DEED POLL WITNESSES** as follows:

### 1. RELEASE

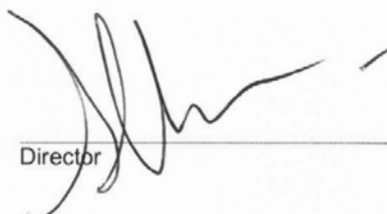
Subject to passing the Resolutions and the Share Capital Reduction becoming effective, the Company hereby irrevocably waives and releases each of the Recipient Shareholders (or their personal representatives and their successors in title if they are deceased and/or the successors in title or assignees for corporate members) from any and all liability that any such Recipient Shareholder (or their personal representatives and their successors in title if they are deceased and/or the successors in title or assignees for corporate members) has or may have to the Company and all claims and demands the Company has or may have against each of them in connection with receipt by them of all or part of the Relevant Dividends.

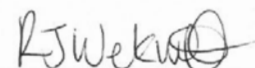
### 2. GOVERNING LAW

This Deed Poll is governed by English law. Any non-contractual obligations arising out of or in connection with this deed poll shall be governed by English law.

**IN WITNESS** of which this deed poll has been executed and has been delivered on the date which appears on page 1.

**EXECUTED as a DEED POLL by**  
**BRAEMAR PLC**  
acting by two Directors or a Director and its  
Secretary:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Secretary



