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If you have sold or otherwise transferred all of your ordinary shares in the Company, you should pass this document and the accompanying form of proxy without delay to the purchaser or transferee, or to the stockbroker, bank manager or other person who arranged the sale or transfer so that they can pass those documents to the person who now holds the ordinary shares. If you have sold or otherwise transferred part only of your holding of ordinary shares in the Company, you should retain this document and consult the Company Secretary, Waterstone Company Secretaries Limited, or the stockbroker, bank manager or other person through whom the sale or transfer was effected.



# WALLS & FUTURES

WALLS & FUTURES REIT PLC

*(Incorporated and registered in England with registered number 10071765)*

## NOTICE OF ANNUAL GENERAL MEETING

### PROPOSED RENEWAL OF SHARE CAPITAL AUTHORITIES AND CANCELLATION OF SHARE PREMIUM ACCOUNT

Notice of an annual general meeting of the Company to be held on Wednesday 21<sup>st</sup> October 2020 at 1.00pm (the “AGM”) is set out at the end of this document. Please note that owing to ongoing uncertainty around the Covid 19 Pandemic and in the interest of health and safety, there will be no physical AGM this year and the meeting will take place hosted by the Zoom meetings platform. A form of proxy for use in connection with the AGM is enclosed with this document. Whether or not you intend to join the AGM by videoconference, you are strongly encouraged to use your proxy to vote in advance of the meeting. You are requested to complete and sign the form of proxy in accordance with the instructions printed on it and return it to the Company Secretary (i) by post, to: Waterstone Company Secretaries Ltd, Third Floor, 5 St Bride Street, London, EC4A 4AS; or (ii) by email to the Company Secretary at the following email address: [karen@bhsecretaries.co.uk](mailto:karen@bhsecretaries.co.uk) but, in any event, so as to be received no later than Monday 19<sup>th</sup> October 2020 at 1.00pm. The completion and return of a Form of Proxy will not preclude shareholders from joining the AGM and voting in person should they so wish, however **both proxy voting and the submission of any questions for the Directors in advance of the meeting are strongly encouraged in the interest of efficiency and smooth running of the AGM.**

Friday 25<sup>th</sup> September 2020

*To the holders of ordinary shares*

Dear Shareholder,

## **PROPOSED RENEWAL OF SHARE CAPITAL AUTHORITIES AND CANCELLATION OF SHARE PREMIUM ACCOUNT**

### **1. Introduction**

I am writing to inform you that the Company is proposing to renew its authorities to allot shares free from statutory pre-emption rights, implement share buybacks and cancel its share premium account (all as discussed below), conditional on (i) the passing of appropriate ordinary and special resolutions (together, the “Resolutions”) to be proposed at the annual general meeting of the Company (the “**AGM**”) and (ii) in the case of the Share Premium Cancellation (discussed below), the approval of the High Court of Justice in England and Wales (the “**Court**”) (the “**Proposals**”).

Other routine business to be dealt with at the AGM includes resolutions to receive the Company’s Annual Report and Financial Statements and the reports of the Directors and Auditors for the year ended 31 March 2020; to re-appoint Kingston Smith LLP as Auditor of the Company until the conclusion of the next general meeting and to authorise the Board of Directors to determine the remuneration of the Auditor and to re-appoint the Directors who retire by rotation pursuant to Article 67 and offer themselves for re-appointment by general meeting as a Director of the Company.

The Directors also wish to be able to continue to call General Meetings (other than AGMs) on 14 clear days’ notice. The Directors do not expect to use this power unless urgent action is required on the part of the shareholders. Subject to shareholder approval, the authority given shall expire at the next AGM of the Company or (if earlier) on 21<sup>st</sup> October 2021, when it is expected that a similar resolution will be proposed.

This letter explains the background to, and reasons for, the Proposals and explains why your Board considers the Proposals are likely to promote the success of the Company for the benefit of the Company’s shareholders as a whole and why the Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the AGM, notice of which is set out at the end of this document.

### **2. Renewal of share capital authorities**

The Board intends that the Company will seek to raise additional equity in order to continue to grow the Company’s business and target the acquisition of properties within the scope of the Company’s investment strategy. Accordingly, as part of the Proposals, the Board is seeking to renew the current share capital authorities in order to provide the Company with the ability to raise additional equity funding.

If the Resolutions are passed at the AGM, they will confer authority on the Board to allot shares and grant options over shares having an aggregate nominal value of up to £50,000 (being up to 1,000,000 ordinary shares of £0.05 nominal value each (“Ordinary Shares”), of which the Board will be authorised to allot up to an aggregate nominal amount of £46,938 without first having to offer those shares on a pro-rata basis to existing shareholders). These authorities will expire at the end of the Company’s 2021 Annual General Meeting or, if sooner, 12 months after the date of the passing of the Resolutions.

A special resolution is also included to renew the Directors’ current authority to make limited market purchases of the Company’s Ordinary Shares. The authority is limited to a maximum aggregate number of 375,508 Ordinary Shares, representing 10 per cent of the Company’s Ordinary Shares in

issue, subject to the conditions set out in the resolution on price. If passed, the approval and authority given shall expire at the next AGM of the Company or (if earlier) on 21<sup>st</sup> October 2021, when it is expected that a similar resolution will be proposed.

### **3. The Share Premium Cancellation**

#### **Background**

The Company is seeking shareholder approval to cancel the entire amount standing to the credit of the Company's share premium account (the "Share Premium Cancellation"). The Company currently has a balance on its share premium account of £3,505,154 which has arisen as a result of various prior issues of shares by the Company at prices in excess of their nominal value.

Under the Companies Act 2006 (the "Act"), a company's share premium account constitutes a non-distributable reserve and the sum credited to that reserve is not distributable to shareholders. The Company's Articles and the Act permit the Company to cancel its share premium account provided that the Company's shareholders resolve to do so by special resolution and the cancellation is subsequently confirmed by the Court.

Subject to any direction given by the Court in confirming the proposed Share Premium Cancellation and subject to the terms of any undertaking given by the Company in relation to the reserve which arises, the effect of the Share Premium Cancellation will be to increase the Company's distributable reserves by the balance on the Company's share premium account, after netting off any losses. As at 31 March 2020 the Company had retained losses of £770,261. The increased distributable reserves may be returned to the Company's shareholders by way of dividends and/or share buy-backs at a future date if the Directors consider it appropriate to do so.

The Share Premium Cancellation will have no impact on the Company's cash position or on its net assets, until such time as dividends or other distributions are made. It will also have no impact on the nominal value of the Company's ordinary shares.

Shareholders should note that unless the Share Premium Cancellation is approved at the AGM and subsequently by the Court, the Share Premium Cancellation will not be implemented, and the Company's ability to pay dividends may be constrained.

#### **Application to the Court**

The Company intends to apply to the Court to approve the Share Premium Cancellation. In seeking the Court's approval of the Share Premium Cancellation the Court will need to be satisfied that the interests of the creditors (including contingent creditors) of the Company, whose debts remain outstanding on the date that the Share Premium Cancellation becomes effective, will be protected and will not be prejudiced by the proposed Share Premium Cancellation. It is the Board's intention, if the Resolutions are passed, to take appropriate steps to satisfy the Court that the Company's creditors will not be so prejudiced.

The Board reserves the right to elect not to proceed with the Share Premium Cancellation if the Board believes that the terms required to obtain confirmation by the Court are unsatisfactory to the Company or if, as the result of an unforeseen event, the Board considers that to continue with the Share Premium Cancellation would be inappropriate or inadvisable or no longer in the best interests of the Company and its shareholders as a whole.

Shareholders should note that if, for any reason, the Court declines to approve the Share Premium Cancellation, then the Share Premium Cancellation will not take place.

#### **4. The AGM**

As discussed above, the Proposals are conditional upon, amongst other things, shareholder approval being obtained at the AGM. At the end of this document is a notice convening the AGM to be held by videoconference on Wednesday 21<sup>st</sup> October 2020 at 1.00pm.

#### **5. Action to be taken**

A form of proxy for use in connection with the AGM is enclosed with this document. You are strongly encouraged to vote in proxy ahead of the meeting. You are requested to complete and sign the form of proxy in accordance with the instructions printed on it and return it to the Company Secretary (i) by post, to: Waterstone Company Secretaries Ltd, Third Floor, 5 St Bride Street, London, EC4A 4AS; or (ii) by email to the Company Secretary at the following email address: [karen@bhcsecretaries.co.uk](mailto:karen@bhcsecretaries.co.uk) but, in any event, so as to be received no later than 1.00pm on Monday 19<sup>th</sup> October 2020. The completion and return of a Form of Proxy will not preclude shareholders from attending the AGM and voting in person should they so wish, **however both proxy voting and the submission of any questions for the Directors in advance of the meeting are strongly encouraged in the interest of efficiency and smooth running of the AGM.**

Shareholders should note that, unless the Resolutions are approved at the AGM the Proposals will not be implemented.

#### **6. Recommendation**

The Directors consider the Proposals are likely to promote the success of the Company for the benefit of the Company's shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the AGM, as the Directors intend to do in respect of their beneficial holdings.

Yours faithfully,

Joseph McTaggart  
Director

## **Walls & Futures REIT PLC - NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Walls & Futures REIT (the Company) will be held by videoconference on Wednesday 21<sup>st</sup> October 2020 at 1.00 pm for the purposes of considering and, if thought fit, passing the following Ordinary and Special Resolutions respectively.

**Please note that due to ongoing concerns around the Covid-19 Pandemic, there will be no physical AGM and shareholders attending at the Company's offices will not be permitted entry.**

### **ORDINARY RESOLUTIONS**

1. To receive the Company's Annual Report and Financial Statements and the reports of the Directors and Auditors for the year ended 31 March 2020.
2. To re-appoint Kingston Smith LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company.
3. To authorise the Board of Directors to determine the remuneration of the Auditor.
4. To re-elect Joe McTaggart, who retires by rotation pursuant to Article 67 and offers himself for re-appointment by general meeting as a Director of the Company.
5. To re-elect David Peter White, who retires by rotation pursuant to Article 67 and offers himself for re-appointment by general meeting as a Director of the Company.
6. To re-elect Peter Andrew Wylie, who retires by rotation pursuant to Article 67 and offers himself for re-appointment by general meeting as a Director of the Company.
7. That, in accordance with section 551 of the Companies Act 2006 (the "Act") the Directors have conferred on them the authority and power to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal value of £50,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's 2021 Annual General Meeting or, if sooner, 12 months after the date of the passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted and the Directors may allot shares or grant rights to subscribe for or convert any securities into shares in pursuance of such offer or agreement as if this authority had not expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of rights already made or offered or agreed to be made pursuant to such authorities.

### **SPECIAL RESOLUTIONS**

8. That, subject to the passing of Resolution 4 above, and in substitution for all subsisting authorities, the Directors be and are hereby authorised pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 4 above, provided that such authority shall be limited:
  - (i) To the allotment of equity securities for cash in connection with an offer or issue of or invitation to apply for equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (or as nearly as practicable) to the respective numbers of ordinary shares held by them or, in the case of other equity securities, in proportion to the number of ordinary shares into which they would convert, or such other basis of allocation as the Directors consider to be fair and reasonable, but subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems under the laws of any territory or the requirements of any regulatory authority or stock exchange in any territory or otherwise; and

- (ii) Otherwise than pursuant to paragraph (i) of this Resolution, up to an aggregate nominal amount of £46,938 (representing 25 per cent of the Company's issued ordinary share capital), and any such authority shall, unless renewed, varied or revoked by the Company, expire at the end of the Company's 2021 Annual General Meeting or, if sooner, 12 months after the date of the passing of this resolution (save that the Company may, before the expiry of the power hereby conferred, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired).
9. That the Company be and is generally and unconditionally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of section 693(4) of the UK Companies Act 2006) of ordinary shares of 5p each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:
- (i) The maximum aggregate number of Ordinary Shares which may be purchased is 375,508 (representing less than 10 per cent of the issued share capital of the Company);
  - (ii) The minimum price (exclusive of all expenses) which may be paid for an Ordinary Share shall not be less than the nominal value of such share;
  - (iii) The maximum price (exclusive of all expenses) which may be paid for an Ordinary Share is an amount equal to the higher of:
    - a) 105 per cent of the average of the middle market quotations for an Ordinary Share in the Company as derived from the NEX Exchange Growth Market for the five business days immediately preceding the day on which that ordinary share is purchased; and
    - b) The higher of the price of the last independent trade and the highest independent current bid for an ordinary share in the Company on the NEX Exchange Growth Market at the time the purchase is carried out; and
  - (iv) this resolution shall, unless varied, revoked or renewed prior to such time, expire at the conclusion of the next annual general meeting of the Company or, if sooner, 12 months after the date of the passing of this resolution, save that the Company may before the expiry of this authority make a contract to purchase ordinary shares which will or might be executed wholly or partly after the expiry of this authority and may make a purchase of ordinary shares in pursuance of such contract as if the authority conferred by this resolution had not expired.
10. Subject to the confirmation of the High Court of Justice in England and Wales (the "Court"), the entire amount standing to the credit of the Company's share premium account be cancelled and, subject to any undertaking required by the Court, the amount of the share premium account so cancelled be credited to a special reserve which may be applied in any manner in which the Company's profits available for distribution may be applied, including by way of dividends and share buy-backs.
11. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

By Order of the Board

**JOSEPH MCTAGGART, Director**

25<sup>th</sup> September 2020

## **EXPLANATORY NOTES ON RESOLUTIONS**

### **Ordinary Resolutions**

For resolutions proposed as ordinary resolutions at the AGM, more than half the votes cast must be in favour of the resolution for each one to be passed.

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

The first item of business is the receipt by shareholders of the audited accounts for the financial year ended 31 March 2020 together with the Directors' Report and the Auditors' Reports (together the Annual Report). The Chair will present the Annual Accounts for the year ended 31 March 2020 to the meeting. These financial statements may be downloaded from the Company's website: <http://www.wallsandfutures.com/>

### **Re-appointment and Remuneration of Auditors (ordinary resolutions 2 & 3)**

These resolutions relate to the re-appointment of Kingston Smith LLP as the company's auditors to hold office until the next AGM of the Company and to authorise the Board of Directors to set their remuneration.

### **Re-election of Directors Retiring by Rotation (resolutions 4, 5 & 6)**

In accordance with Article 67, having been elected by the members at the AGM in 2017 and therefore held office at the two preceding AGMs without retiring, the incumbent Directors have confirmed that they are willing to continue to act and wish to offer themselves for re-election to the members.

### **Directors' authorisation to allot shares (ordinary resolution 7)**

Directors would like continued authority and power to issue shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal value of £50,000 during the 12 months between this and the next annual general meeting, unless there is a decision by the Company to act otherwise in regards to the issue of shares or securities.

### **Special Resolutions**

The following resolutions are proposed as special resolutions at the AGM. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Disapplication of Pre-emption Rights (special resolution 8)**

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

The purpose of this resolution is to authorise the Directors to continue to allot new shares and equity securities in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company (a) in connection with a rights issue or other pre-emptive offer: and (b) otherwise up to an aggregate nominal value of £46,938 in each case without first making an offer under company law to existing shareholders in proportion to their existing holdings. If passed, the approval and authority given shall expire at the next AGM of the Company or (if earlier) on 21<sup>st</sup> October 2021, when it is expected that a similar resolution will be proposed.

### **Buyback of Company Shares (special resolution 9)**

This resolution renews the Directors' current authority to make limited market purchases of the Company's Ordinary Shares. The authority is limited to a maximum aggregate number of 375,508 Ordinary Shares, representing 10 per cent of the Company's shares in issue, subject to the conditions set out in the resolution on price. If passed, the approval and authority given shall expire at the next AGM of the Company or (if earlier) on 21<sup>st</sup> October 2021, when it is expected that a similar resolution will be proposed.

### **Cancellation of share premium account (special resolution 10)**

The Directors propose to cancel the entire amount standing to the credit of the Company's share premium account in order to create a special distributable reserve which (subject to the approval of, and any direction given by, the Court and any undertaking which the Company may be required to

give to the Court) would provide the Company with flexibility to finance share buy-backs or to pay dividends or other distributions to the Company's shareholders in the future.

### **Notice of General Meetings (special resolution 11)**

The Directors wish to be able to continue to call General Meetings (other than AGMs) on 14 clear days' notice. The Directors do not expect to use this power unless urgent action is required on the part of the shareholders. Subject to shareholder approval, the authority given shall expire at the next AGM of the Company or (if earlier) on 21<sup>st</sup> October 2021, when it is expected that a similar resolution will be proposed.

### **NOTES:**

#### **Entitlement to attend and vote**

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 6.30 pm on 19<sup>th</sup> October 2020 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 6.30 pm on 19<sup>th</sup> October 2020 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.

#### **Proxies**

2. A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) as their proxy to exercise all or any of their rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by them. **You are strongly encouraged to use your proxy to vote in advance of the AGM.**
3. Your proxy could be the Chair, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must join the meeting for your vote to be counted. Details of how to appoint the Chair or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from joining the meeting and voting in person. If you join the meeting, your proxy appointment will automatically be terminated.
4. In order to be valid a proxy must be appointed in accordance with clauses 58 and 59 of the Articles. An appointment of proxy is provided with this notice and instructions for use are shown on the form. A completed form must be returned to the Company Secretary by one of the following methods:
  - (a) in hard copy form by post, by courier or by hand to the Company Secretary at the address shown on the form of proxy; or
  - (b) when submitted by email, to the email address stated on the form of proxy;

and in each case must be received by the Company not less than 48 hours before the time fixed for the meeting.

5. To change your proxy instructions, you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company Secretary. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.



### **Corporate representatives**

6. Corporate shareholders may appoint corporate representatives to attend, speak and vote on their behalf at the Annual General Meeting. Where a person is authorised to represent a corporate shareholder at the meeting any Director or the Secretary may require him to produce a certified copy of the resolution from which he derives his authority.

### **Documents available for inspection**

7. Copies of the following documents will be available for inspection by appointment at the registered office of the Company during normal business hours on any weekday (public holidays excepted) from the date of this Notice until the conclusion of the Annual General Meeting:
  1. A copy of the Articles of Association (also available by visiting the Companies House website); and
  2. Each Director's service contract or letter of appointment.

### **Right to ask questions**

8. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting, but no such answer need be given if:
  - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information,
  - (b) the answer has already been given on a website in the form of an answer to a question, or
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Should you have any questions, you are strongly encouraged to visit the Company's website, where answers to questions received by the Directors from shareholders will be published and questions may be submitted in advance of the meeting.

9. We ask all those joining the Annual General Meeting to facilitate its orderly conduct and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave. The AGM will be hosted by Zoom. Please ensure that your audio is muted unless you wish to ask a question, having been invited by the Chair to do so.

### **Total Voting Rights**

10. As at 25<sup>th</sup> September 2020 (being the latest practicable date prior to publication of this Notice) the Company's issued share capital comprised 3,755,086 ordinary shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 25<sup>th</sup> September 2020 is 3,755,086.