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15 May 2024

**THE ALTRO GROUP PLC (COMPANY NUMBER: 01493087) (Company)  
SHAREHOLDER CIRCULAR & NOTICE OF ANNUAL GENERAL MEETING**

Dear Shareholder

**Report & Accounts**

Please find enclosed a copy of the Group consolidated Report and Accounts for the 2023 financial year. As shareholders are aware, global trading conditions were challenging during 2022 and the Group recorded much lower profits than have been achieved in previous years. I am pleased to report that during 2023 we recovered to much more normal profit levels. The detail of the results can be found in the enclosed Report & Accounts.

**Dividend**

Although there was no final dividend paid for the 2022 financial year, we have since paid two interim dividends (each of 4.5p per ordinary share) on the 2023 financial year and the Board are proposing a final dividend of 7p at the AGM. If approved, this will be paid on 26 July 2024.

**Annual General Meeting**

I am pleased to also be writing to you with details of the Annual General Meeting (**AGM**) of the Company. The notice convening the AGM (**AGM Notice**) is contained at Part IV of this Shareholder Circular. The AGM is to be convened at 1.30pm on 18 June 2024 at the Company's registered office at Works Road, Letchworth Garden City, Hertfordshire, SG6 1NW.

An outline of the proposed resolutions can be found below:

***Resolutions 1-6 (Annually Recurring Resolutions)***

*These are our usual annual resolutions in relation to the financial statements, auditors, directors' remuneration and a proposed dividend (as outlined above). In addition are our standard resolutions in relation to allotment of securities and disapplication of pre-emption rights, although these will cease to be relevant should resolutions 7-10 be passed.*

***Resolutions 7-10 (Resolutions in relation to re-registering as a Private Limited Company)***

*Public companies are subject to more extensive administrative requirements than private companies, and they are not permitted to use several simplified procedures under the Companies Act 2006 (the CA 2006) that private companies benefit from. Consequently, during 2023 the board of directors of the Company (Board) began considering re-registration of the Company as a private limited company and has concluded that the administrative burden involved with being a public company outweighs the benefits. In particular, the Board feels that simplification of business processes, where possible, is beneficial to the future success of the Company and the Board wish to set an example to the rest of the business by taking this first step. Additionally, the Company has never been listed and has no intentions to list at this time, so does not need to be registered as a public company for this purpose.*

*The Board will therefore propose re-registration of the Company as a Private Limited Company (**Re-Registration**) at this year's AGM and consequently a number of related resolutions (7-10) (**Resolutions**) are included in the Notice of AGM. If the Resolutions effecting the Re-Registration are passed by the Shareholders at the AGM, the Company will make the requisite filings with the Registrar of Companies (Registrar) and the Re-Registration will become effective upon the Registrar issuing a new certificate of incorporation as a private limited company (N.B. this will only will be issued once the Registrar is satisfied that no valid application can be made to cancel the Resolution approving the Re-Registration).*

*Once the Re-Registration has taken place, the Company will cease to be subject to the City Code on Takeovers and Mergers (Takeover Code or Code) and we have therefore included information about the impact of this, as well as further details of the proposed Re-Registration and the Resolutions in Parts I to III below.*

**Resolution 11 (Auditors' Limited Liability Agreement)**

*As is standard practice, our auditors PricewaterhouseCoopers LLP ("PWC") require us to sign an Engagement Letter for their audit services for the 2024 financial year. As in 2023, PWC are requiring us to sign a Limited Liability Agreement ("LLA") which will be appended to that Engagement Letter. A copy of the LLA can be found enclosed. Should the resolution pass, the audit will go ahead as planned with PWC and their liability in respect of the 2024 Audit will be capped at £5m. Should the resolution fail to pass, we will be unable to sign the Engagement Letter with PWC, so will be required to re-tender for this year's audit and select alternative auditors. As explained last year, our understanding is that this will be required by PWC every year from now on although the resolution may be in a different format in future years if the Company is re-registered as a Private Limited Company. Please note that the full wording of the LLA is enclosed with this Shareholder Circular.*

You will find a form of proxy enclosed with this Shareholder Circular. Whether or not you propose to attend the AGM personally, you are urged to complete and return the form of proxy in accordance with the instructions printed on the form as soon as possible. To be valid, a completed form of proxy must be received by Link Group by no later than 1.30pm on 14 June 2024. Please see the form of proxy for postal and electronic address details. Completion of a form of proxy will not preclude you from attending and voting at the AGM in person should you wish to do so.

**Memorial for David Kahn (1931 – 2024)**

As many of you are aware, my father David Kahn, sadly passed away in January 2024 at the age of 92. You will see some personal words from me about my father and his 70 years at Altro in my Chair's Statement at the start of the Report & Accounts. I know many of you knew my father personally or worked with him over the years and we would therefore like to invite shareholders to a Memorial immediately following the AGM which will be held at 2pm on 18 June 2024. I look forward to seeing as many of you there as possible. **In order for us to make catering arrangements, we would be grateful if you could let us know of your intention to attend either the AGM, Memorial or both by emailing [shareholder@altro.com](mailto:shareholder@altro.com) no later than 48 hours ahead of the meeting.**

I thank you for your support during my first year as Chair and since the sad passing of my father.

Yours faithfully,



Richard Kahn  
Chairman

*Encs. (Report & Accounts of The Altro Group plc, Form of Proxy for the forthcoming AGM, Proposed Articles of Association and Auditors' Limited Liability Agreement)*

## Re-Registration

In order to re-register as a private limited company the Shareholders must pass a special resolution approving the Re-Registration and change of name to Altro Group Limited. This requires the approval of not less than 75% of the votes cast by Shareholders at the AGM.

## Adoption of new articles of association

As part of the Re-Registration, the directors propose to adopt new articles of association (**New Articles**) to replace the Company's existing articles of association with effect from Re-Registration. A separate resolution is proposed for this purpose. The reason for adopting new articles of association is to ensure that they are appropriate for a private company and to take advantage of some of the simplified procedures available to private companies.

A brief summary of the changes effected by the adoption of the New Articles and the Re-Registration is contained at Part III below. There is also a complete copy of the New Articles enclosed with this circular.

## Directors' conflicts

The directors are under a statutory duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. This duty is not infringed where the matter has been authorised in advance by the directors in accordance with the CA 2006.

In accordance with the provisions of the CA 2006, an ordinary resolution is being proposed to allow the directors of the Company to authorise conflicts of interest.

## Allotment of shares

Once the Company has been re-registered as a private limited company, the Shareholders may give the directors unlimited powers to allot shares (subject to any prohibitions or limitations in the Company's articles). An ordinary resolution is being proposed for this purpose.

## The Takeover Code

The Takeover Code applies to all offers for companies which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Code also applies to all offers for companies (both public and private) which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man which are considered by the Takeover Panel (the "**Panel**") to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met – for example, if the company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

The Code currently applies to the Company, but none of these conditions will apply to it as a private company. **As a result, in the event that the resolution to re-register the Company as a private company is approved by shareholders at the general meeting of the Company and the re-registration becomes effective, the Code will cease to apply to the Company and shareholders will no longer be afforded the protections provided by the Code.**

This includes the requirement for a mandatory cash offer to be made if either:

- i. a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30% or more; or
- ii. a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.
- iii. Brief details of the Panel, and of the protections afforded by the Code (which will cease to apply following the re-registration of the Company as a private company), are set out in Part II of this document.

**Before giving your consent to the re-registration of the Company as a private company, you may want to take independent professional advice from an appropriate independent financial adviser.**

### *The Code*

The Code is issued and administered by the Panel. The Company is a company to which the Code applies and its Shareholders are accordingly entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatments by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

### *The General Principles and Rules of the Code*

The Code is based upon a number of General Principles which are essentially statements of commercial behaviour. The General Principles apply to takeovers and all other matters with which the Code is concerned. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of Rules. Some of the Rules provide more detail on how the General Principles will be applied by the Panel and others are provisions governing specific aspects of takeover procedure. Like the General Principles, the Rules are to be interpreted to achieve their underlying purpose.. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

### *Giving up the protection of the Code*

A summary of key points regarding the application of the Code to takeovers generally is set out in Part II below. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if you agree to the re-registration of the Company as a private company.**

It is the opinion of the directors of the Company that it is not appropriate for the Company to remain a public company because the administrative burden of complying with additional regulation under the CA 2006 and the provisions of the Code is disproportionate to the few benefits that the Company enjoys as a public company.

## PART II - Summary of Key Provisions on the Code

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies. **You should note that, by agreeing to the re-registration of the Company as a private company, you will be giving up the protections afforded by the Code.**

### *Equality of treatment*

General Principle 1 of the Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

### *Information to shareholders*

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the takeover bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

### *The opinion of the offeree board and independent advice*

The board of the offeree company is required by Rule 3.1 of the Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) on the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The document sent to shareholders must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except in certain circumstances, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

### *Optionholders and holders of convertible securities or subscription rights*

Rule 15 of the Code provides that when a Code offer is made and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the holders of those securities to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If the Re-Registration takes effect, these protections will be lost.

## PART III - Principal effect of the Re-registration and adoption of New Articles

### 1. *Accounts*

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to shareholders. Following the Re-Registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

### 2. *General Meetings and Resolutions*

A public company is required to hold an annual general meeting of shareholders each year, whereas a private company is not. In addition, after the Re-Registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of at least 75 per cent. of the voting shares then in issue (in the case of special resolutions).

### 3. *Directors' written resolutions*

A public company makes decisions either by board meeting or by a directors' written resolution and public company articles typically contain detailed provisions for the tabling of directors' written resolutions. Private companies are typically able to make decisions at board meetings or by unanimous consent (one species of which is a directors' written resolution). The New Articles contain customary wording reflecting the more flexible methods available to directors to make decisions.

### 4. *Issue of shares for non-cash consideration*

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the Re-Registration and adoption of the New Articles.

### 5. *Allotment and issuance of new shares*

Under the New Articles and the Resolutions the Company will opt into power granted by CA 2006 for a private company with one class of shares to allot shares at the directors' discretion and for statutory pre-emption rights in relation to those allotments to be generally disapplied. Given the large number of shares held by the Kahn family, the Company considers that it should take advantage of the administrative flexibility afforded by this option without significantly eroding the control over issues and allotments currently enjoyed by minority Shareholders.

### 6. *Financial assistance, reductions of capital and purchase of own shares out of capital*

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-Registration, these restrictions will no longer apply. In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-Registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court.

### 7. *Company secretary*

There is no requirement for a company secretary to be appointed, although the Company may appoint one should it wish and, in view of the size of the business, intends to do so going forward.

PART IV

**THE ALTRO GROUP PLC**  
**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of The Altro Group plc (the “**Company**”) will be held at the Company’s registered office at Works Road, Letchworth Garden City, Hertfordshire, SG6 1NW on **Tuesday 18 June 2023 at 1.30pm**.

**Ordinary Business (each to be proposed as an Ordinary Resolution):**

1. To receive and to adopt the report of the directors and the financial statements for the year ended 31 December 2023, together with the report of the auditors.
2. To authorise the directors’ remuneration payable for the year ended 31 December 2023.
3. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company and to authorise the directors to agree their remuneration.
4. To approve the recommendation of the directors that a final dividend of 7p per issued Ordinary Share of 10p each be declared in respect of the year ended 31 December 2023 and be paid on 26 July 2024 to the Ordinary Shareholders on the Company’s register of members at the close of business on 5 July 2024.

**Special Business (to be proposed as Ordinary or Special Resolutions as indicated below):**

*To consider and if thought fit pass the following resolution, which will be proposed as an Ordinary Resolution:*

5. **THAT** in the event that Resolution 7 below is not passed, pursuant to section 551 of the Companies Act 2006 (“Act”) and in substitution for all existing authorities, the directors be and are generally and unconditionally authorised to exercise all the powers of the Company 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 amount of £3,342,606.90 for a period expiring fifteen months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after expiry of this authority and the directors may allot shares or grant such rights in pursuance of that offer or agreement as if the authority conferred by this resolution had not expired.

*To consider and if thought fit pass the following resolution, which will be proposed as a Special Resolution:*

6. **THAT** in the event that Resolution 7 below is not passed, in substitution for all existing powers and subject to the passing of Resolution 5, the directors be and are generally empowered 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 general authority conferred by Resolution 5 as if section 561 of the Act and all pre-emption rights conferred by the Articles of Association of the Company did not apply to the allotment, for a period of fifteen months after the date of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot securities in pursuance of that offer or agreement as if the power conferred by this resolution had not

expired, but so that the aggregate nominal value of the equity securities allotted under this authority does not exceed £82,869.65.

*To consider and, if thought fit, approve the following resolutions that will be proposed as Special Resolutions:*

7. **THAT** the Company be re-registered as a private limited company under the Companies Act 2006 by the name Altro Group Limited (**the Re-Registration**).
8. **THAT**, subject to the passing of Resolution 7 above, and conditional upon the Re-Registration becoming effective, the new articles of association of the Company in the form produced to the Meeting and signed by the Chair for the purpose of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

*To consider and, if thought fit, approve the following resolutions that will be proposed as Ordinary Resolutions:*

9. **THAT**, subject to the passing of Resolution 7 above, and conditional upon the Company's Re-Registration becoming effective, the directors be given the authority to authorise matters giving rise to actual or potential conflicts of interest for the purposes of section 175 of the Companies Act 2006.
10. **THAT**, subject to the passing of Resolution 7 above, and conditional upon the Company's Re-Registration becoming effective, in accordance with paragraph 43(1) of Schedule 2 to the Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008 (SI 2008/2860) the directors be given the powers under section 550 of the Companies Act 2006 to allot shares and to grant rights to subscribe for or to convert any security into shares. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006.
11. **UPON** a copy of the liability limitation agreement between the Company and PricewaterhouseCoopers LLP (the "Auditor") for the financial year ending on 31 December 2024 (the "LLA") being produced to the meeting and initialled by the chairman of the meeting for the purposes of identification, **IT IS RESOLVED THAT** the LLA and its principal terms be and is hereby approved. **IT IS FURTHER RESOLVED THAT** the terms of the LLA are considered to be fair and reasonable in all the circumstances having regard to (a) the Auditor's responsibilities under Part 16 of the Companies Act 2006; (b) the nature and purpose of the Auditor's contractual obligations to the Company; and (c) the professional standards expected of the Auditor.

By Order of the Board



**E P Boyle**

Secretary

9 May 2024

Registered Office: Works Road, Letchworth Garden City, Hertfordshire, SG6 1NW



## Proxy Voting

1. A member is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the Meeting. A proxy need not be a member of the Company but must attend the meeting to represent you.
2. A member may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the number of shares set out in the other proxy appointments is in excess of the number of shares held by the member may result in the proxy appointment being invalid.
3. The appointment of a proxy will not preclude a member from attending and voting in person at the Meeting.
4. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar at Link Group on 0371 664 0391 if calling from the United Kingdom, or +44 (0) 371 664 0391 if calling from outside of the United Kingdom (Calls will be charged at local rate. Calls outside the United Kingdom will be charged at the applicable international rate. The lines are open between 9.00am – 5.30pm, Monday to Friday, excluding public holidays in England and Wales), or email Link at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.
5. A member which is a corporation may authorise one or more persons to act as its representative(s) at the Meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.
6. The proxy form must be completed and deposited at Link Group, PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL or sent to the email address: [TOUK-ProxyQueries@linkgroup.co.uk](mailto:TOUK-ProxyQueries@linkgroup.co.uk) not less than 48 hours before the time fixed for holding the Meeting or adjourned meeting.