Bad AGMs (and how to avoid them)
Case Study Notes

January 2020

CharlesRussell Speechlys

Important notice

The legal information included in the "Issues and potential solutions" section of this document is correct to the best of our knowledge and belief at the time of going to press. It is, however, specific to the case study and only suitable as a general guide to the issues raised within the case study. We recommend that specific professional advice is sought before any action is taken.

This case study was enacted at the "Bad AGMs (and how to avoid them)" seminar held on 21 January 2020. The scenario and the answers given highlight issues that arise in practice, but do not seek to be comprehensive, nor necessarily to reflect the advice Charles Russell Speechlys would have given if instructed to advise. The events which unfolded during the case study were acted out by an experienced panel to highlight issues, and do not represent how the panel members would necessarily react to the various situations in practice.

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Briefing Note

Meanswell plc (**Meanswell**) is a premium listed company that specialises in the creation and support of tablet and smart phone applications. It has been a difficult couple of years for Meanswell, particularly having been embroiled in an anti-doping scandal last year when its "MediSafe" sporting medical records app was hacked, triggering an investigation into a major British athlete.

The directors are keen to distance the company from the anti-doping scandal, whilst continuing to grow in the sports and esports sectors. Non-executive director Jonathan McDonald, who joined the Meanswell board in 2019 with a background in esports, introduced Meanswell to the founders of "U-Win", a new esports business that collects detailed results from esports competitions around the world and combines them with player data licensed from a relevant player's team. This data, which includes, name, bio and performance statistics, etc., is used to create a database which can be licensed to bookmakers to help them set odds.

The directors are very excited about U-Win and think that it has huge commercial potential. Meanswell has provided advisory and administrative support services to the U-Win team, including use of their office space and granting them access to Meanswell's software engineers.

Thanks to Meanswell's support, U-Win has created a new database and data distribution system. It is in advanced negotiations to sign deals with two household name bookmakers, who have been particularly interested in U-Win's ability to license player health and heart-rate data. U-Win is now looking for VC investment to fund further growth and intends to license its data to publishers for editorial purposes. It has asked the Company to invest in U-Win in addition to the other support the Company has been providing to it. U-Win has also been approached by a fantasy league operator who believes that there is an opportunity to use it to build a market leading esports fantasy league offering. It has also identified a rival app, "UGoPro", which has itself built up a database of users, and U-Win is in discussions with its management to acquire the business.

Whilst the Directors are excited about U-Win, a large corporate shareholder with 21% of the vote considers the Company's incubation of U-Win to be a distraction from the Company's core business plan. This shareholder has indicated that it intends vote against the reappointment of director Jonathan McDonald to the Meanswell board and has urged other shareholders to do the same. The shareholder failed to submit its proxy in time, however the Company expects that the shareholder will send a corporate representative to vote on its behalf at the meeting and that they will vote against Jonathan McDonald's appointment. The proxy results for those who have submitted proxy forms by the deadline are very close.

The Meanswell board intended to meet with each of company's top 10 largest shareholders, particularly Control Systems Limited, a shareholder holding 30% of the Company's voting share capital and a "controlling shareholder" under the Listing Rules, in advance of the AGM to garner support. However Meanswell failed to meet with shareholders and so, in a bid to deal with any questions regarding U-Win in advance of the AGM, Meanswell has included a question and response regarding U-Win on its website, explaining the support it has given to U-Win thus far.

Having had major issues with electronic voting in previous years, the Chairman has decided that this years' voting will be on a show of hands.

IMPORTANT NOTE: The examples we are using are all from real life and/or our experience, but the approaches that will be taken, and the documents produced, do not necessarily reflect what would have been done or produced had we been instructed to advise. The events which are about to unfold are being acted out by an experienced panel to highlight issues, and do not represent how the panel members would themselves react to the various situations in practice. In particular, our Chairman has kindly agreed to respond in a way which helps to highlight those issues, but which would certainly not represent how he would deal with the various issues at one of his own AGMs!

The cast: our panel and other contributors

The Board of Meanswell plc	Our other contributors
Tim Worlledge Chairman *(Non-Executive Chairman, Filta Group Holding PLC)*	**David Hicks** Master of Ceremonies *(Corporate, Charles Russell Speechlys)*
Harry Chathli Senior Independent Director *(Director, Luther Pendragon)*	**Chris Putt** Corporate Representative *(Corporate, Charles Russell Speechlys)*
Peter Swabey Finance Director and Company Secretary *(Policy & Research Director, ICSA, The Chartered Governance Institute)*	**Andrew Collins** Shareholder *(Corporate, Charles Russell Speechlys)*
Jonathan McDonald Independent Non-Executive Director *(Commercial, Charles Russell Speechlys)*	**Catherine Heath** Registrar *(Corporate, Charles Russell Speechlys)*
Nick White Independent Non-Executive Director *(Commercial, Charles Russell Speechlys)*	**Emily Dobson** Contributor, training materials *(Corporate, Charles Russell Speechlys)*

Notice of the 2020 (Mock) Annual General Meeting

IMPORTANT NOTE: this document has been prepared as part of the materials for the case study of Meanswell plc for the "Bad AGMs (and how to avoid them)" seminar held on 21 January 2020. It contains intentional errors and failures to follow best practice to highlight issues for attendees of the seminar. It should not be used as a specimen or precedent, or for any other purpose.

Meanswell plc

(incorporated and registered in England and Wales under number 5484310)

Notice of the 2020 Annual General Meeting

21 January 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Notice is hereby given that the Annual General Meeting ("AGM") of Meanswell plc ("Company") will be held at 5 Fleet Place, London EC4M 7RD on 21 January 2020 at 5.30 p.m.

Resolutions 1 to 10 will be proposed as ordinary resolutions and resolutions 11 to 13 will be proposed as special resolutions.

Ordinary Business

1. To receive the Company's accounts and reports of the directors and auditor (excluding the directors' remuneration report set out at pages 24 to 33 of the accounts) for the financial year ended 30 September 2019.
2. To approve the directors' remuneration report (excluding the directors' remuneration policy set out at pages 29 to 32 of the directors' remuneration report) for the financial year ended 30 September 2019 as contained within the Company's annual report and accounts.
3. To approve the directors' remuneration policy set out at pages 29 to 32 of the directors' remuneration report for the financial year ended 30 September 2019 as contained within the Company's annual report and accounts.
4. To re-elect Tim Worlledge as a director.
5. To re-elect Nick White as a director.
6. To re-elect Harry Chathli as a director.
7. To elect Jonathan McDonald a director.
8. To re-appoint Big 4 LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
9. To authorise the audit committee to determine the remuneration of the auditor.

Special Business

10. That the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "**CA 2006**") to exercise all powers of the Company to allot shares or grant rights to subscribe for, or convert any security into shares up to:

    a) an aggregate nominal amount of £20,166,667 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 10(b) below) in connection with an offer by way of a rights issue:

        i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

        ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

    but subject to such exclusions or other arrangements as the board of directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in any territory or the requirements of any regulatory body or stock exchange; and

b) in any other case, up to an aggregate nominal amount of £10,083,333 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 10(a) above in excess of £10,083,333),

provided that this authority shall, unless renewed, varied or revoked by the Company, continue until the conclusion of the Company's AGM in 2021 or 30 April 2021, whichever is the earlier, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

11. That subject to the passing of resolution 10 the directors be empowered to allot equity securities (as defined by section 560 of the CA 2006) pursuant to the authority conferred by resolution 11 for cash, and/or sell treasury shares for cash, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to:

a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under 10(a) by way of a rights issue only):

i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the board of directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

b) the allotment (otherwise than pursuant to paragraph 11(a) above) of equity securities up to an aggregate nominal value of £3,025,000.

The authority granted by this resolution shall, unless renewed, varied or revoked by the Company, continue until the conclusion of the Company's AGM in 2021 or 30 April 2021, whichever is the earlier, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

12. That the Company be generally and unconditionally authorised for the purposes of section 701 of the CA 2006 to make one or more market purchases (as defined in section 693(4) of the CA 2006) of its ordinary shares with nominal value of 5 pence each in the Company, provided that:

a) the Company does not purchase under this authority more than 62,500,000 ordinary shares;

b) the Company does not pay less than 55 pence for each ordinary share; and

c) the Company does not pay more per ordinary share than the higher of (i) an amount equal to 5 per cent. over the average of the middle-market price of the ordinary shares for the five business days immediately preceding the day on which the Company agrees to buy the shares concerned, based on share prices published in the Daily Official List of the London Stock Exchange; and (ii) the amount stipulated by the regulatory technical standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No. 596/2014.

This authority shall continue until the conclusion of the Company's AGM in 2021 or 30 April 2021, whichever is the earlier, provided that if the Company has agreed before this date to purchase ordinary shares where these purchases will or may be executed after the authority terminates (either wholly or in part) the Company may complete such purchases.

13. That a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.

By Order of the Board of Directors

Peter Swabey
General Counsel and Company Secretary
Meanswell plc
99 Best Square, Intentions Lane, London EC4B 2XL

24 December 2019

Explanatory Notes

Resolution 1

This resolution is for the shareholders to receive the Company's accounts (excluding the directors' remuneration report set out at pages 24 to 33 of the accounts) for the financial year which ended on 30 September 2019, together with the reports of the directors and the auditor.

Resolution 2

This resolution is to approve the directors' remuneration report (excluding the directors' remuneration policy set out at pages 29 to 32 of the directors' remuneration report) for the financial year ended on 30 September 2019.

Section 439 of the CA 2006 requires that a directors' remuneration report is put to an advisory vote of shareholders at the AGM.

Resolution 3

The directors' remuneration policy was approved at the 2019 AGM. It is being put to the shareholders for approval however no changes are proposed to the policy, which the directors feel is well considered.

Resolutions 4 to 7

Biographical details of each of the directors standing for re-election appear on page 17 of the annual report and accounts for the year ended 30 September 2019. Under the Company's articles of association, one-third of the directors are required to retire by rotation each year. However, all the directors will submit themselves for annual re-election by shareholders in accordance with corporate governance best practice. The Chairman is satisfied that, following individual formal performance evaluations, the performance of the directors standing for re-election or election continues to be effective and to demonstrate commitment to the role.

The Company is required to comply with the provisions of the UK Listing Rules (the "**Listing Rules**") relating to controlling shareholders (a shareholder who exercises or controls 30% or more of the voting rights in a company). For the purposes of the Listing Rules, Control Systems Limited ("**CSL**") is a controlling shareholder of the Company. As such, the election or re-election of any independent director by shareholders must be approved by a majority vote of both: (i) the shareholders of the Company; and (ii) the independent shareholders of the Company (that is, the shareholders of the Company entitled to vote on the election or re-election of directors who are not controlling shareholders of the Company).

Resolutions 6 and 7 (to re-elect Harry Chathli and to elect Jonathan McDonald) are therefore being proposed as ordinary resolutions which all shareholders may vote on, but in addition, the Company will separately count the number of votes cast by independent shareholders in favour of the resolutions (as a proportion of the total votes of independent shareholders cast on the resolutions) to determine whether the second threshold referred to in (ii) in the previous paragraph has been met. The Company will announce the results of resolutions 6 and 7 on this basis as well as announcing the results of the ordinary resolutions of all shareholders.

Under the Listing Rules, if a resolution to elect or re-elect an independent director is not approved by majority vote of both the shareholders as a whole and the independent shareholders of the Company at the AGM, the Company may put forward a further resolution to elect or re-elect that director at a general meeting which must be held between 90 and 120 days from the date of the original vote. Accordingly, if either of resolutions 6 and 7 are not approved by a majority vote of the Company's independent shareholders at the AGM, the relevant director will be treated as having been elected only

for the period from the date of the AGM until the earlier of: (i) the close of any general meeting of the Company convened for a date more than 90 days after, but within 120 days of, the AGM to propose a further resolution to re-elect him; (ii) the date which is 120 days after the AGM; and (iii) the date of any announcement by the board of directors that it does not intend to hold a second vote.

In the event that the director's re-election is approved by a majority vote of all shareholders at a second meeting (there is no requirement for an additional vote by the independent shareholders at such a meeting), the director will then be re-elected until the next AGM.

There are no existing or previous relationships, transactions or arrangements between each of Harry Chathli and Jonathan McDonald as independent directors and the Company, any of its directors, any controlling shareholder of the Company or any associate of a controlling shareholder of the Company within the meaning of Listing Rule 13.8.17 R.

Resolutions 8 and 9

These resolutions propose the reappointment of the Company's existing auditor to hold office until the end of the next such meeting and for the audit committee to determine the auditor's remuneration.

Resolution 10

The purpose of this resolution is to renew the directors' power to allot shares in accordance with section 551 of the CA 2006. The authority granted at the last annual general meeting is due to expire at this year's AGM.

If passed, the resolution will authorise the Directors to allot: (i) in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the CA 2006) up to a maximum nominal amount of £20,166,667 which represents approximately two thirds of the Company's issued ordinary shares (excluding treasury shares) as at 23 December 2019 (being the latest practicable date prior to printing of this document (the "**Latest Practicable Date**")). This maximum is reduced by the nominal amount of any equity securities allotted under the authority set out in paragraph 10(b) and (ii) in any other case, equity securities up to a maximum nominal amount of £10,083,333 which represents approximately one third of the Company's issued ordinary shares (excluding treasury shares) as at the Latest Practicable Date. This maximum is reduced by the nominal amount of any equity securities allotted under the authority set out paragraph 10(a) in excess of £10,083,333.

The maximum nominal amount of equity securities which may be allotted under this resolution is £20,166,667.

The directors have no present intention to issue new ordinary shares, other than pursuant to the exercise of options under employee share schemes. However, the directors consider it prudent to maintain the flexibility to take advantage of business opportunities that this authority provides.

20,000,000 shares are held in treasury as at Latest Practicable Date (representing approximately 3.3 per cent. of the Company's issued share capital (excluding treasury shares) on that date).

Resolution 11

Your directors also seek a power from shareholders to allot equity securities for cash or sell any shares held in treasury otherwise than to existing shareholders pro rata to their holdings, as there may be occasion where it is in the best interests of the Company not to be required to first offer such shares to existing shareholders.

Accordingly, resolution 11 will be proposed as a special resolution to grant such a power and will permit the directors to allot pursuant to the authority to allot granted by resolution 10 to allot equity securities (as defined by section 560 of the CA 2006) or sell treasury shares for cash without first offering them to

existing shareholders in proportion to their existing holdings: in relation to pre-emptive offers and offers to holders of other equity securities if required by the rights of those securities or as the Directors otherwise consider necessary, up to a maximum nominal amount of £10,083,333 which represents one third of the Company's issued ordinary share capital (excluding treasury shares) as Latest Practicable Date (being the latest practicable date prior to the publication of this document) (in each case subject to any adjustments, such as for fractional entitlements and overseas shareholders, as the Directors see fit); and in relation to rights issues only, up to a maximum additional amount of £10,083,333 which represents one third of the Company's issued ordinary share capital (excluding treasury shares) as at Latest Practicable Date; and in any other case, shares up to a maximum nominal value of £3,025,000 representing approximately 10% of the issued ordinary share capital of the Company as at Latest Practicable Date otherwise than in connection with an offer to existing shareholders.

The Company intends to use £2 million for general use, and confirms that the remaining £1 million will be used only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment. If given, these authorities will expire at the AGM in 2021 or on 30 April 2021, whichever is the earlier.

In accordance with institutional investor guidelines, the directors confirm their intention that no more than 7.5 per cent. of the issued share capital (excluding shares held in treasury) will be issued for cash on a non-pre-emptive basis during any rolling three year period (excluding shares issued pursuant to employee incentive schemes). The directors have no present intention of exercising this new authority.

Resolution 12
This resolution will give the Company authority to purchase its own shares in the markets up to a limit of 10 per cent. of its issued ordinary share capital. The maximum and minimum prices are stated in the resolution. Your directors believe that it is advantageous for the Company to have this flexibility to make market purchases of its own shares.

Your directors will exercise this authority only if they are satisfied that a purchase would result in an increase in expected earnings per share and would be in the interests of shareholders generally. In the event that shares are purchased, they would either be cancelled (and the number of shares in issue would be reduced accordingly) or, in accordance with the CA 2006, be retained as treasury shares.

As at the Latest Practicable Date, the total number of options over shares that were outstanding under all of the Company’s share option plans was 12,000,000, which if exercised would represent 1.88 per cent. of the Company’s issued share capital at that date. If the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (existing and being sought), this number of outstanding options could potentially represent 2.13 per cent. of the issued share capital of the Company.

If given, this authority will expire at the AGM in 2021 or on 30 April 2021, whichever is the earlier.

Resolution 13
The notice period for general meetings of the Company is 21 days unless shareholders approve a shorter notice period which cannot be less than 14 clear days. AGMs will continue to be called on at least 21 clear days’ notice. Resolution 13, which is a special resolution, will enable the Company to call general meetings (other than annual general meetings) on 14 clear days’ notice.

The Directors believe that this is in the best interests of the shareholders and it is intended that this shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

The approval will be effective until the Company's next AGM when it is intended that a similar resolution to renew the authority will be proposed.

Notes to the Notice of Annual General Meeting

1. A member may appoint one or more proxies to attend, speak and vote on his/her behalf at the AGM. A proxy need not be a member of the Company. More than one proxy may be appointed provided each proxy is appointed to exercise rights attached to different shares. Members who have lodged a proxy (whether by post or via the internet) are not precluded from attending and voting at the meeting themselves.

2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Register of Members of the Company as at close of business on Sunday, 19 January 2020 shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after this time shall be disregarded in determining the right of any person to attend and vote at the AGM.

3. In order to be valid, an instrument appointing a proxy and any power of attorney under which it is executed (or a duly certified copy of any such power of such authority) must be deposited at Registrars PLC, 101 Statutory Road, London EC4Z 3AB, or alternatively a member may appoint a proxy, or may wish to submit their proxies electronically at www.sharevote.co.uk, in each case not later than 5.30 p.m. on Sunday, 19 January 2020. Please see the form of proxy for further details.

4. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are set out below.

I) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

II) 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 and Ireland Limited's ("**Euroclear**") 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 issuer's agent (ID RA99) by 5.30 p.m. on Sunday, 19 January 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

III) CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

IV) 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.

5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

6. Any person to whom this notice is sent who is a person currently nominated by a member of the Company to enjoy information rights under section 146 of the CA 2006 (a "**nominated person**") may have a right under an agreement between him/her and such member by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the AGM. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement of the above rights of the members in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by a member of the Company.

7. Any member attending the AGM has a right to ask questions. The Company must answer any question asked relating to the business being dealt with unless: (a) to do so would interfere with the preparation of the AGM or involve the disclosure of confidential information; (b) the answer has already been given on the Company's website in the form of an answer to a question; or (c) it is undesirable in the Company's interests or good order of the AGM that the question be answered.

8. Under section 527 of the CA 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 AGM; 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 CA 2006, (in each case) that the members propose to raise at the AGM. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of CA 2006. Where the Company is required to place a statement on a website under section 527 of the CA 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 meeting includes any statement that the Company has been required under section 527 of the CA 2006 to publish on a website.

9. Copies of the service contracts and letters of appointment of the directors of the Company will be available for inspection at 99 Best Square, Intentions Lane, London EC4B 2XL, during normal business hours on any weekday (public holidays excluded) from the date of this notice of AGM until (and including) the date of the AGM, and at Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD from 5.30 p.m. on that date until the conclusion of the AGM. A copy of this notice of AGM and other information required by section 311A of the CA 2006 are also available for viewing on the Company's website (www.meanswell.com/agm).

10. As at 23 December 2019, which is the latest practicable date before publication of this notice of AGM, the Company's issued share capital comprised 625,000,000 ordinary shares of 5 pence each. As at 23 December 2019, the Company held 20,000,000 shares in treasury representing 3.3 per cent. of the Company's issued share capital (excluding treasury shares) on that date. Therefore, the total number of voting rights in the Company as at that date were 605,000,000.

11. You may not use any electronic address (within the meaning of section 333(4) of the CA 2006) provided in this notice of meeting (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Meanswell plc
99 Best Square
Intentions Lane
London EC4B 2XL

Issues and potential solutions

Part A: Issues arising out of the case study

Issue	Potential Solution(s)
Corporate representative unable to produce evidence of authority/appointment on arrival	Section 323 of The Companies Act 2006 ("**CA06**") states that if a corporation is a member of a company, it may by "resolution of its directors or any other governing body" authorise one or more representatives to act on its behalf at a meeting of the company. The Act is silent on what evidence of appointment a company should see to satisfy itself that the representative is duly appointed. Typically, this is addressed in the articles of association, so the first step is to check if the articles of association state what evidence the company requires. Where there is discretion about what evidence to obtain, the chairman needs to decide whether or not to require it. Best practice would be that the notes to the Notice of meeting and/or proxy form should contain a reference to the evidence that the representative should bring on registration. Generally, if a representative arrives without any evidence of appointment, best practice would be to err on the side of caution and let the representative attend but request the representative to produce evidence of authority, preferably during the AGM, to establish that he or she has been duly appointed. It may be in order to allow such a representative to participate on a show of hands, whilst noting whether the result would have been affected without such vote. Ideally, a representative should not participate in a poll without having provided evidence of authority. In our AGM scenario, the 'representative' was unable to produce evidence of his appointment on arrival. As voting at the AGM was initially conducted on a show of hands, the chairman permitted the individual to vote pending receipt of evidence of his appointment as representative. On the chairman using his discretion to call a poll during the course of the meeting, the individual was then prohibited by the chairman from voting as they had still not provided evidence of their appointment as corporate representative. There is no English case law directly on point, but in *Mauri Development Corporate Ltd v Power Beat International Ltd [1995] 2 NZLR 568* the High Court of New Zealand held that the right to attend and vote at a shareholder meeting was dependent on whether the corporate shareholder had validly resolved to appoint the corporate representative and not on the evidence of their appointment. In our AGM scenario, it was made clear that the chairman knew the corporate representative, the shareholder they represented, and that their vote may affect the passing of the resolution. In this instance (assuming Meanswell's articles of association are silent on evidence to be provided), the chairman might have instead exercised his discretion and permitted the corporate representative to vote on the poll, noting whether this made a difference to the passing of the resolution, and required that evidence of appointment be provided in advance of announcing the results of the poll. That would have reduced the scope for later challenge.

Issue	Potential Solution(s)
Dealing with disruptions	Most chairmen are very well versed at dealing with disruption, but the board should always ensure that there is a disruptions script available and the chairman is sufficiently briefed ahead of the meeting. The chairman is empowered to ensure that the business of the meeting can be conducted in an orderly manner but should always treat shareholders with respect. The chairman may consider offering a disruptive shareholder the opportunity to discuss the matter outside of the meeting. If that does not work, and the shareholder will not air his or her grievance in an orderly manner, the chairman may rule the person out of order and ask him or her to desist. If that has failed, even after the request is repeated, only then should the chairman consider adjourning the meeting or asking the shareholder to leave (or in extremis having him or her removed). In extreme circumstances, the chairman may adjourn for a short period to deal with disruptions or take advice, but must have a good reason to adjourn to a different time/place. Procedural motions can be moved by the chairman, for example to seek consent of the meeting to adjourn.
Rights to ask questions	Shareholders have a general right to ask questions on the business of the meeting, and shareholders in a 'traded' company have a statutory right to have their questions addressed (S.319A CA06), subject to certain exceptions (see our Company Secretary's guidance note). However the chairman can take a number of steps to ensure that this is handled efficiently, for example taking all questions on one issue at the same time and not answering questions that have already been answered (either at the meeting or on the website as an answer to a shareholder's question). The chairman has the power to end discussions on a particular topic, though if doing so should solicit a general agreement to this from those present (though this need not be a formal vote) and has the power to use reasonable judgement to impose (impartial) limitations on shareholders speaking (e.g. no grandstanding). The directors should ensure that they are fully briefed ahead of any shareholder meeting and able to effectively deal with questions that shareholders may pose. Directors should monitor the shareholder register, in particular in the run up to shareholder meetings. Significant changes in shareholdings can often be a sign that a shareholder is unhappy. The acquisition of shares by an entity which is known for being an activist, such as an activist hedge fund, should also be a red flag to directors. The directors should have a Q&A crib sheet prepared addressing matters which may arise at the meeting and may consider whether shareholders should be asked to provide questions in advance. The role of a chairman is crucial in adjudicating contentious shareholder meetings. It may fall on the chairman, for example, to decide on whether a particular matter is fit to be put to the vote at a general meeting or whether certain persons are eligible to vote. The chairman is not required to answer questions to the extent that would require the release of confidential/inside information. Under the Market Abuse Regulation (and the Criminal Justice Act 1993), no

Issue	Potential Solution(s)
	inside information can be covered in the AGM without having first been announced to the market, so the chairman should have been briefed on what information could and could not be disclosed and needed to avoid revealing any such information to the meeting. Where it is desirable to discuss information in the meeting, an announcement can be made to the market on the day ahead of the meeting.
Database rights	Database rights are "sui generis" i.e. their own kind of rights, as opposed to being a subset of, for example, copyright. Database rights are enshrined under EU law and exist in order to protect the investment made, which can be in terms of time, money and/or effort in collecting, compiling or organising data. U-Win's database should attract database rights.
Data protection considerations of U-Win	Whereas compliance with data protection law should be an important consideration for almost any business, given that U-Win's business model is dependent upon the use and exploitation of data (including personal data), it should be considered strategically important. Moreover, given that U-Win is a relatively young business, it currently has the opportunity to address any issues at an early stage, which is far more time and cost-effective than trying to 'retro-fit' the business for data protection compliance after it has become established.
Data collection	If we focus on the collection by U-Win of personal data (i.e. player name, bio, performance statistics, health and heart rate data), this raises a number of issues that U-Win should consider. The data that U-Win licenses in from the esports teams, which includes player heart rate data, is subject to the terms of the licence imposed by the teams. That licence is likely to restrict the purposes for which the data may be used. For example, it may say that the data may be sub-licensed and used solely for the setting of odds only, and may not be published or made available. The law of confidential information will also be relevant. The licences from the teams will likely include confidentiality obligations (e.g. prohibiting publication of the data as referred to above). U-Win should ensure that it has taken appropriate measures to protect the data it holds. This will include having contractual confidentiality obligations in its employment contracts and deals with suppliers. Practical measures are also important: are servers protected by passwords and encrypted, as appropriate? Is access restricted to those who actually need it? From a data protection perspective, the GDPR requires a controller (in this case U-Win) to be able to have and identify a lawful basis for processing data for a particular purpose. This will require U-Win to consider what its purpose for processing will be and which lawful basis is most appropriate in the circumstances. There are six available lawful bases for processing (although see our comments below on 'special category data'). No single basis is 'better' or more important than the others, but controllers should determine their lawful basis before they commence processing and document it. One lawful basis that may be appropriate in these circumstances is consent, i.e. the relevant individual has given clear consent for the controller to process their personal data for a specific purpose. If U-Win does seek to rely on consent, it should consider how it may be able to accurately record this where it is dealing

Issue	Potential Solution(s)
	with a relevant player's team, rather than the player themselves. U-Win is also envisaging processing health and heart rate data, which the ICO treats as a special category data, requiring a special category condition. This additional hurdle will also need to be considered.
Merger of a Database	With respect to U-Win's potential acquisition of the rival app "UGoPro" (which has itself built up a database of users), this may involve the merger of two separate databases. This has implications under both data protection and intellectual property law. From the data protection perspective, the acquisition of a database as an asset will likely entail a change of data controller for individuals whose personal data is contained in the acquired database. It may also involve a change of processing purpose. Both of these events are regulated by the GDPR. As such, U-Win should consider whether they will be able to demonstrate a lawful basis to process the data and, if so, how will it go about notifying individuals of the change? A failure to undertake this analysis may leave the buyer purchasing something that it is not entitled to use. As to the intellectual property analysis, it will be important to consider in the first place what rights UGoPro has in its database. Those rights may include database rights and rights in confidential information and may be subject to restrictions under licences. If UGoPro does not have many rights to speak of, does this undermine the value of the database to U-Win? It is also worthwhile considering whether the act of merging two existing databases may itself comprise a substantial enough investment in the compilation or organisation of data that means that database rights will arise in the newly created, merged, database. The directors of U-Win may, additionally, want to consider the fundamental question of whether they should be looking to acquire some (or all) of the shares in UGoPro, or whether a purchase of assets (including the database) may be more appropriate.
Chairman voting as proxy	S. 324 CA06 gives shareholders the right to appoint a proxy to exercise their rights to attend, speak and vote (both on a show of hands and a poll) at a meeting of the Company. Each shareholder of a company has one vote on a show of hands (s.284(2) CA06) and therefore a proxy appointed by a shareholder has one vote on a show of hands at a meeting (subject to any provisions in a company's articles, which could permit multiple proxies to have only one vote between them). Note that a single shareholder can appoint multiple proxies who can all speak and vote on a show of hands, provided they each vote in relation to different shares held by the shareholder. Where there are multiple proxies and their votes are likely to affect the outcome of a vote, it is recommended that the chairman should call a poll. Subject to the provisions of a company's articles of association, on a vote on a

Issue	Potential Solution(s)
	resolution on a show of hands at a meeting: 1. every proxy present who has been duly appointed by one or more shareholders entitled to vote on the resolution has one vote, and 2. a proxy has one vote for and one vote against the resolution if: a. the proxy has been duly appointed by more than one shareholder entitled to vote on the resolution, and b. the proxy has been instructed by one or more of those shareholders to vote for the resolution and by one or more other of those shareholders to vote against it Therefore where a chairman has been appointed as proxy for multiple shareholders and received instructions to vote both for and against a resolution by different shareholders, he should vote both for and against the resolution on a show of hands. In our AGM scenario, the chairman failed to vote both for and against the resolution to elect Jonathan McDonald, despite having received proxy instructions from some shareholders to vote against the resolution. Technically a chairman should vote both for and against in this instance, even where the resolution is clearly carried on a show of hands, thought it is hard to see the result being successfully challenged if his failure to vote against did not affect the result. It is the duty of the Chairman to ascertain the views of the meeting and so if the Chairman is aware that the result on a poll would likely be different from that obtained on a show of hands he should call for a poll. Note that if a poll is to be called the Chairman must not declare the result on a show of hands first.
Controlling shareholder	Listing Rule 9.2.2ER provides that the election or re-election of any independent director by shareholders must be approved by: (i) the shareholders of the listed company; and (ii) the independent shareholders of the listed company. The 'independent shareholders' are the shareholders of the Company entitled to vote on the election or re-election of directors who are not controlling shareholders of the Company). Meanswell has a controlling shareholder, Control Systems Limited ("CLS"), which holds 30% of the voting share capital. Accordingly, the election or re-election of the independent directors by shareholders needs to be in accordance with Listing Rule 9.2.2ER. Under Listing Rule 9.2.2F, if a resolution to elect or re-elect an independent director is not approved by both the shareholders as a whole and the independent shareholders of the Company, the Company may put forward a further resolution to elect or re-elect the proposed independent director at a general meeting, which must be held between 90 and 120 days from the date of the original vote. In our AGM scenario, it appeared that voting on the resolution to elect Jonathan McDonald to the board of directors was very close and that the resolution may not have been carried. Pursuant to Listing Rule 9.2.2F, the resolution to elect

Issue	Potential Solution(s)
	Jonathan McDonald to the board needed to be passed by both the shareholders as a whole and the independent shareholders of the Company. In the event that a resolution to elect an independent director is approved by the shareholders as a whole but not also by the independent shareholders of a company, the independent director will be treated as having been elected only for the period from the date of the AGM until the earlier of: (i) the close of any general meeting of the Company convened for a date more than 90 days after, but within 120 days of, the AGM to propose a further resolution to re-elect them; (ii) the date which is 120 days after the AGM; and (iii) the date of any announcement by the board of directors that it does not intend to hold a second vote. Note that there is no requirement for an additional vote by the independent shareholders at the subsequent general meeting.

Part B: Issues arising out of the Notice of Meeting

Issue	Potential Solution(s)
Notice periods under The UK Corporate Governance Code	S.307A CA06 sets minimum statutory notice periods for general meetings and requires 21 clear days for AGMs (clear days exclude the date on which the notice is given (i.e. received) and the date of the meeting) and 14 clear days for other general meetings. S.1147 CA06 also provides that documents sent by post within the United Kingdom are deemed to be received by the intended recipient 48 hours after posting, though the Company's articles may contain different periods (which would override the statutory default period). The statutory 48 hour period for deemed delivery under s1147 does not take account of non-working days (though again, the articles of association may provide differently). The relevant period should be confirmed and built into the notice period. The notice of meeting was posted on 24 December 2019, observing s.370A and s.1147 CA06, i.e. adding 48 hours for deemed delivery and excluding non-working days from the calculation (Christmas, Boxing Day and New Year's day in addition to weekends). In addition to the CA06 requirements, paragraph 36 of the Financial Reporting Council's Guidance on Board Effectiveness, which accompanies the 2018 UK Corporate Governance Code, stipulates that notice of an annual general meeting and related papers should be sent to shareholders at least 20 working days before the meeting, excluding the day of the meeting itself. In order to comply with the FCA's Guidance, the Notice of meeting should have been posted on 16 December 2019 (allowing 48 hours for deemed delivery).
Re-election of the Directors	Principle 3, provision 17 of The UK Corporate Governance Code 2018 states that all directors should be subject to annual re-election. Additionally, the board should set out in the notes to the resolutions to elect each director the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success. The re-election of Meanswell's Finance Director and Company Secretary, Peter Swabey, was not put to a resolution of the shareholders at the AGM, in contravention of best practice, as set out in The UK Corporate Governance Code 2018. Listing Rule 9.8.6 requires listed companies incorporated in the UK to include in their annual report (amongst other things): 1. a statement of how the company has applied the principles set out in The UK Corporate Governance Code 2018; and 2. a statement as to whether the company has complied/ not complied with all relevant provisions of The UK Corporate Governance Code 2018 in the accounting period. As Meanswell's articles of associate do not prescribe that each of the directors retire and be re-elected annually, in our AGM scenario the failure to re-elect Peter Swabey is not a breach of Company Law or the company's articles of association (and he can remain a director). The UK Corporate Governance

	Code 2018 is not a rulebook but rather it sets out good practice. However, the Company will be obliged to disclose non-compliance with the relevant provision of the UK Corporate Governance Code 2018 pursuant to the Listing Rules and should have engaged with shareholders on the oversight prior to the meeting, to assure them that best-practice governance is followed and this will be remedied going forward. It is also assumed that the proxy voting providers would have highlighted the issue and this should have been factored into the Company's engagement plan, which might, for example, have included an announcement confirming the intention to put all directors up for re-election the following year.
Board Composition	The UK Corporate Governance Code 2018 specifies at provision 11 that at least half the board, excluding the chairman, should comprise non-executive directors determined by the board to be independent. The QCA Corporate Governance Code reflects the position in the 2016 version of the UK Corporate Governance Code for companies outside of the FTSE 350 that such companies should have at least two independent non-executive directors. Provision 9 of the UK Corporate Governance Code 2018 provides that the chairman must be independent on appointment. The UK Corporate Governance Code 2018 includes a non-exhaustive list of circumstances in which an individual's independence could be impaired, including where the director in question has been an employee of the company or group within the past 5 years, has had a material business relationship with the company in the last 3 years or has close family ties with any of the company's advisers, directors or senior employees. Meanswell has 2 independent non-executive directors, Harry Chathli and Jonathan McDonald, out of 4 directors (excluding the chairman), so its composition is in accordance with the UK Corporate Governance Code 2018's independence requirement. The Hampton-Alexander Review, which proposes a voluntary target of at least 33% women on FTSE 350 boards by 2020 published its fourth report in November 2019 and the final report from the Parker Review was published in October 2017, which recommended that all FTSE 100 board should include at least one person of colour by 2021, and each FTSE 250 board by 2024. Diversity is also a key component of the UK Corporate Governance Code 2018. Meanswell should be aware of the recommendations of the Hampton-Alexander Review and the Parker Review and seek to comply with their recommendations and consider the diversity provisions within the UK Corporate Governance Code 2018. As there are no female directors on the board, Meanswell is not on track to meet female board targets under the Hampton-Alexander Review. Whilst this is not to say that appointments should not be made on merit, the Company should be considering how its succession planning can support improving diversity at board level.
Resolution to receive the Company's accounts and reports	Resolution 1 to receive Meanswell's 2019 accounts and reports excludes the directors' remuneration report, as set out at pages 24 to 33 of the 2019 accounts. As this resolution is to receive the accounts and reports only, this carve out of the remuneration report should not have been included. The remuneration report is also separately approved, but should not be excluded from this non-binding resolution to 'receive' the accounts and reports.

Resolution to approve the directors' remuneration policy	Resolution 3 is to approve the directors' remuneration policy, as set out in the directors' remuneration report. Meanswell's directors' remuneration policy must be put to shareholders for approval at least every three years (S.439A) and was last put to a shareholder vote in 2018. As the directors' remuneration policy does not need be put to a shareholder vote this year and no changes are proposed, there was no need to put it to the vote this year (provided certain information is included in the directors' remuneration report, including where the directors' remuneration policy can be inspected).
Bundling of specific and general authorities for the disapplication of pre-emption rights	Resolution 11 for the disapplication of pre-emption rights is for a disapplication of pre-emption rights of: (a) up to one third of the Company's issued share capital for pre-emptive offers to shareholders; and (b) of 10% of the Company's issued share capital for non pre-emptive offers. The Pre-Emption Group's principles (generally followed by listed companies) set out the extent to which a disapplication of pre-emption rights will be acceptable. The Statement of Principles applies to all listed companies, irrespective of whether they have institutional shareholders. The Pre-Emption Group recommend that companies should propose separate resolutions to authorise (i) disapplication of pre-emption rights on up to 5% of the issued share capital; and (ii) disapplication of pre-emption rights for an additional 5% for transactions which the board determines to be an acquisition or other capital investment, and has released template resolutions. Previous practice had been to propose a single resolution to dis-apply pre-emption rights of up to 10% of the issued ordinary share capital, (5% of which could be applied for general purposes and the other 5% for use in connection with an acquisition or specified capital investment). Following the release of the Pre-Emption Group's template resolutions, the Institutional Voting Information Service ("**IVIS**") has said it will automatically 'red top', i.e. consider it to be a breach of best practice, any company that proposes a single resolution. Resolution 11 bundles the 5% general disapplication and the 5% specific disapplication for non pre-emptive offers and is therefore at risk of being red-topped. The notes to the Notice of meeting explain that, of the 10% disapplication (being the general and specific disapplication combined), the Company intends to use up to £2 million for general use, and confirms that the remaining £1 million will be used only in connection with an acquisition or a specified capital investment. The amount of £1 million allocated for an acquisition or specified investment is within the 5% threshold for a specific disapplication. The suggested approach to avoid the resolution being red-topped would be to enter into a dialogue with the voting organisations and make clear that 5% of the disapplication would only be used in connection with an acquisition or a specified capital investment, as made clear in the explanatory notes.
Buyback authority	Resolution 12 contains a typographical error in providing that the minimum price payable for ordinary shares under the buyback authority is 55 pence, whereas it should be 5 pence, being the nominal value of the Company's ordinary shares. As this is clearly a typo, the resolution can be amended at the AGM. The

	chairman should have a standby script to deal with all eventualities, including an amendment to a special resolution, and communication with shareholders and proxy voting organisations and perhaps an announcement ahead of the AGM should have been considered.
Dual voting/ Independent Directors	The notice of meeting reflects one approach to deal with the additional requirements in respect of the dual voting structure for independent directors, which applies where a company has a Controlling Shareholder. Listing Rule 9.2.2ER provides that the election or re-election of any independent director by shareholders must be approved by: (i) the shareholders of the listed company; and (ii) the independent shareholders of the listed company. There is no need to propose two separate votes for each director when applying the dual voting structure, just to be able to separately account for the voting to confirm that both votes would have passed (i.e. with and without the Controlling Shareholder(s)); the FCA confirmed this approach, registrars (including Meanswell's) are comfortable dealing with the dual counting and it has become common practice. In addition, Listing Rule 13.8.17R mandates details to be included in the circular relating to election or re-election of the independent directors (in relation to any connections with the Controlling Shareholder(s) and their effectiveness, independence and selection). Pursuant to Listing Rule 13.8.17R, the notice of meeting should have included the following: 1. details of any existing or previous relationship, transaction or arrangement the proposed independent director has or had with the company, its directors, any controlling shareholder or any associate of a controlling shareholder or a confirmation that there have been no such relationships, transactions or arrangements; and 2. a description of: a. why the listed company considers the proposed independent director will be an effective director; b. how the listed company has determined that the proposed director is an independent director; and c. the process followed by the listed company for the selection of the proposed independent director. Meanswell's notice of meeting states there are no existing or previous relationships, transactions or arrangements between each of Harry Chathli and Jonathan McDonald as independent directors and the Company, any of its directors, any controlling shareholder of the Company or any associate of a controlling shareholder of the Company, However, the notice does not include information addressing Listing Rule 13.8.17.(2) above. The notice of meeting did not include biographical details of directors, however a cross reference to the report was included for directors' biographies. The UK Corporate Governance Code does not mandate that biographical details must be in the notice itself, and so the cross reference and inclusion in the report does meet that requirement. However, best/common practice would be to also

	include the directors' biographical details in the notice of meeting. As Meanswell has to include the information required for independent directors under the Listing Rules, our advice would have been to both include that information and the biographies within the notice of meeting. Note that we have not covered here the requirements for the chairman's covering letter, which was not included as part of the materials and is outside of the scope of the case study.
Weekend proxy cut off and record date for determining voting rights.	As the AGM is scheduled to be held on a Tuesday, the 48 hour cut off for proxies falls on a Sunday. To simplify procedures and reduce costs in respect of checking proxies it would have been better to exclude non-working days from the calculation, so that the cut off would have fallen on the previous Friday. Assuming that there is nothing to the contrary in the company's articles of association, working days are ordinarily excluded from the calculation of 48 hours both for forms returned to the company, its registrars and proxy instructions sent through the CREST system (s.327(3) CA06).s The notice of meeting also specifies that only those shareholders registered in the Register of Members of the Company as at close of business on Sunday, being 48 hours before the general meeting, may attend and vote at the AGM. Again, in calculating this period working dates are ordinarily excluded (Regulations 41(1) and (6) of the Uncertificated Securities Regulations 2001 (SI 2001/3755)).
Signing of the Notice of Meeting	The Notice of Meeting is signed by Peter Swabey, 'General Counsel and Company Secretary'. Peter Swabey is actually the Finance Director and Company Secretary of the Company, but provided he was duly authorised this should not impact the effectiveness of the notice itself.

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