

Key differences between the current and proposed new Articles of Association

It is proposed that new articles of association ("**New Articles**") be adopted by the Company with effect from the conclusion of the General Meeting, principally to reflect developments in market practice since the Company's current articles of association ("**Current Articles**") were last amended in 2013. Copies of the New Articles and the Current Articles will be available for inspection on the Company's website at www.primorusinvestments.com/about/corporate-documents/.

The principal changes to the Current Articles, which are included in the proposed New Articles, are summarised below. References to an article are references to the proposed New Articles unless otherwise stated.

Share warrants to bearer

The Small Business, Enterprise and Employment Act 2015 prohibits companies from issuing share warrants to bearer ("**Bearer Shares**"). The authority to issue Bearer Shares and related provisions have not been incorporated into the new Articles. The Company has no Bearer Shares in issue.

Untraced shareholders

Article 32 facilitates the process for the Company to unite "lost" Shareholders with their dividends and/or shares. The Current Articles allow the Company, subject to certain conditions, to sell the shares of a member if, in the 12 years before such sale, at least three dividends have become payable and the member has not claimed them during that period. The Current Articles require the Company to give notice of its intention to sell any untraced shares by advertisement in national and local newspapers. Under Article 32 of the New Articles, the Company is required to use reasonable efforts to trace the member before sending a notice of its intention to sell any untraced shares. This could be, for example, the use of a professional asset reunification company or other tracing agent to search for Shareholders who have not kept their details up to date. This change reflects current market practice and provides greater flexibility so that the Company can improve shareholder services, while continuing to safeguard shareholder rights.

Electronic participation in general meetings

Articles 48 and 49 provide that the Company may hold 'hybrid' general meetings (including annual general meetings) so that members can participate in the meeting at a physical venue or via an electronic facility. This will allow the Company to take advantage of technological advances and evolving best practice, while also considering investor sentiment. In line with the views expressed by the Investment Association and other investor bodies the changes will not permit meetings to be held solely by electronic means, so a physical meeting will still be required.

Voting in accordance with instructions

Under the Companies Act 2006 (as amended by the Companies (Shareholders' Rights) Regulations 2009), a proxy is required to vote in accordance with the instructions given to them by the member who appointed them. Article 69.2 clarifies that the Company is not obliged to check whether a proxy has voted in accordance with the instructions given to them.

Directors below minimum through vacancies

The Current Articles provide that where the number of directors falls below the minimum number permitted, they may only act either to appoint more directors themselves or to call a general meeting so that new directors can be appointed by Shareholders. The New Articles (article 100) provide greater flexibility, as they allow the remaining director(s) to act notwithstanding any vacancy (including to appoint new directors or to call a general meeting to appoint new directors). The Board considers it prudent to give the Directors increased flexibility to ensure the Company has a functioning board at all times.

Service of notices

The provisions in the articles (from article 138 onwards) dealing with the service of notices by and on the Company have been updated to reflect changes in technology over the last 12 years and the greater use of electronic communication, while retaining appropriate provisions relating to traditional forms of communication, such as postal services.

General

As it is proposed to adopt the New Articles to make the changes noted above, the opportunity has been taken to tidy up and simplify the articles as well. Such changes include the use of more straightforward language where possible without changing the meaning (including making the language gender neutral) and removing articles which duplicate provisions in legislation.