

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt about what action to take, you should consult an appropriate independent professional adviser who is authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all your Ordinary Shares, please send this document, but not, if you have received one, the accompanying personalised proxy form, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have purchased Ordinary Shares after the date of this document, you should contact Link Asset Services using the address set out in section 4 of the Chairman's Letter, if you wish to request a new paper proxy form.

J.P. Morgan Securities plc, which conducts its United Kingdom investment banking business as J.P. Morgan Cazenove and which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Caledonia in connection with the Waiver Resolution and for no one else and will not be responsible to anyone other than Caledonia for providing the protections afforded to their clients, or for giving advice in connection with any matter referred to in this circular.

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# CALEDONIA INVESTMENTS PLC

(Registered in England and Wales under No. 235481)

## **Notice of the 2020 Annual General Meeting including proposals for the renewal of the Company's authority to make market purchases of its Ordinary Shares and a waiver of the requirements of Rule 9 of the City Code on Takeovers and Mergers**

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Notice of the Annual General Meeting of Caledonia to be held at Cayzer House, 30 Buckingham Gate, London SW1E 6NN at 11.30 a.m. on 29 July 2020 is set out at the end of this document.

Proxy appointments for the Annual General Meeting should be completed and returned as soon as possible and, to be valid, must be deposited so as to be received no later than 11.30 a.m. on 27 July 2020 with the Company's registrar, Link Asset Services, by one of the following methods: (i) if using a paper proxy form, by post to the address provided for such purpose in the proxy form or by hand during normal business hours to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or (ii) online at [www.signalshares.com](http://www.signalshares.com) using the Ordinary Shareholder's investor code; or (iii) in the case only where Ordinary Shares are held in CREST (as an alternative to methods (i) and (ii)), via the CREST Proxy Voting Service; or (iv) for institutional investors, via the Proxymity platform ([www.proxymity.io](http://www.proxymity.io)).

Participants in the ISA and Savings Scheme can direct The Share Centre as to how they wish to vote at the Annual General Meeting by one of the following methods: (i) online at [www.share.com](http://www.share.com); or (ii) by email to [shareholder.rights@share.co.uk](mailto:shareholder.rights@share.co.uk); or (iii) by telephoning +44 1296 414665. Instructions must be received by The Share Centre no later than the close of business on 22 July 2020.

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## Definitions

The following definitions apply throughout this document, unless the context otherwise requires:

<b>2006 Act</b>	means the Companies Act 2006
<b>2011 PSS</b>	means the Caledonia Investments 2011 Performance Share Scheme
<b>2019 AGM</b>	means the annual general meeting of the Company held on 24 July 2019
<b>2020 PSS</b>	means the Caledonia Investments 2020 Performance Share Scheme, details of which are set out in section 3 of the Chairman's Letter and in Part III of this document
<b>Annual General Meeting or AGM</b>	means the annual general meeting of the Company to be held at Cayzer House, 30 Buckingham Gate, London SW1E 6NN at 11.30 a.m. on 29 July 2020 and any adjournment(s) thereof
<b>Annual Report</b>	means Caledonia's annual report for the year ended 31 March 2020
<b>Articles</b>	means the existing articles of association of the Company
<b>Authority to Make Market Purchases</b>	means the authority to make market purchases of Ordinary Shares to be proposed to Ordinary Shareholders in the terms of resolution 16 set out in the notice of AGM at the end of this document
<b>Board</b>	means Caledonia's board of directors
<b>Business Day</b>	means any day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in London
<b>Caledonia or the Company</b>	means Caledonia Investments plc of Cayzer House, 30 Buckingham Gate, London SW1E 6NN
<b>Caledonia Group Services</b>	means Caledonia Group Services Limited, a wholly-owned subsidiary of the Company
<b>Cayzer Trust</b>	means The Cayzer Trust Company Limited of Cayzer House, 30 Buckingham Gate, London SW1E 6NN
<b>Chairman</b>	means Mr D C Stewart, the chairman of Caledonia
<b>Chairman's Letter</b>	means the letter from the Chairman set out in Part I of this document
<b>Concert Party</b>	means that group of Ordinary Shareholders which the Panel has confirmed is deemed to act in concert, details of the members of the Concert Party being set out in paragraph 5 of Part III of this document
<b>Concert Party Directors</b>	means those Directors who are members of the Concert Party, namely The Hon C W Cayzer, Mr J M B Cayzer-Colvin and Mr W P Wyatt
<b>CREST</b>	means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>CREST Manual</b>	means the document entitled 'CREST Manual' issued by Euroclear
<b>CREST Member</b>	means a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
<b>CREST Participant</b>	means a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations)
<b>CREST Proxy Voting Service</b>	means Euroclear's electronic proxy voting service
<b>CREST Regulations</b>	means the Uncertificated Securities Regulations 2001 (SI 2001 No 3755)
<b>CREST Sponsor</b>	means a CREST Participant admitted to CREST as a sponsor
<b>CREST Sponsored Member</b>	means a CREST Member admitted to CREST as a sponsored member
<b>Deferred Bonus Plan</b>	means the Caledonia Investments 2011 Deferred Bonus Plan

<b>Directors</b>	means the directors of Caledonia
<b>Employee Share Trust</b>	means The Caledonia Investments plc Employee Share Trust
<b>Euroclear</b>	means Euroclear UK and Ireland Limited
<b>Executive Directors</b>	means Mr J M B Cayzer-Colvin, Mr T J Livett and Mr W P Wyatt
<b>FCA</b>	means the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
<b>Group</b>	means Caledonia and its subsidiaries
<b>Independent Shareholders</b>	means those Ordinary Shareholders who are not members of the Concert Party
<b>ISA</b>	means the Caledonia Investments Individual Savings Account
<b>J.P. Morgan Cazenove</b>	means J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove
<b>Latest Practicable Date</b>	means the close of business on 19 June 2020, being the latest practicable date prior to the publication of this document
<b>Link Asset Services</b>	means Link Asset Services, a trading name of Link Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
<b>Listing Rules</b>	means the Listing Rules as published by the FCA in its handbook of rules and guidance
<b>Market Abuse Regulation</b>	means the EU Market Abuse Regulation no. 596/2014
<b>Non-Concert Party Directors</b>	means Mr S J Bridges, Mr G B Davison, Mrs C L Fitzalan Howard, Mrs S C R Jemmett-Page, Mr T J Livett and Mr D C Stewart
<b>Non-Executive Directors</b>	means Mr S J Bridges, The Hon C W Cayzer, Mr G B Davison, Mrs C L Fitzalan Howard and Mrs S C R Jemmett-Page
<b>Official List</b>	means the Official List of the FCA
<b>Ordinary Shares</b>	means ordinary shares of 5p each in Caledonia
<b>Ordinary Shareholders</b>	means the holders of Ordinary Shares
<b>Panel</b>	means the Panel on Takeovers and Mergers
<b>Savings Scheme</b>	means the Caledonia Investments Share Savings Scheme
<b>Takeover Code</b>	means the City Code on Takeovers and Mergers
<b>The Share Centre</b>	means The Share Centre Limited, the administrator of the ISA and Savings Scheme
<b>UK Corporate Governance Code</b>	means the UK Corporate Governance Code published by the Financial Reporting Council in July 2018
<b>Waiver Resolution</b>	means the ordinary resolution 17 in the form set out in the notice of AGM at the end of this document approving a waiver of the mandatory offer provisions set out in Rules 9 and 37 of the Takeover Code

## Part I – Letter from the Chairman



Caledonia Investments plc

*Registered and head office*  
Cayzer House  
30 Buckingham Gate  
London SW1E 6NN

Registered in England and Wales  
under No. 235481

19 June 2020

### *Directors:*

David C Stewart	<i>(Chairman)</i>
William P Wyatt <sup>1</sup>	<i>(Chief Executive)</i>
Timothy J Livett	<i>(Chief Financial Officer)</i>
Jamie M B Cayzer-Colvin <sup>1</sup>	<i>(Executive Director)</i>
Stuart J Bridges	<i>(Non-Executive Director)</i>
The Hon Charles W Cayzer <sup>1</sup>	<i>(Non-Executive Director)</i>
Guy B Davison	<i>(Senior Independent Non-Executive Director)</i>
Claire L Fitzalan Howard	<i>(Non-Executive Director)</i>
Shona C R Jemmett-Page	<i>(Non-Executive Director)</i>

1. Concert Party Directors.

To Ordinary Shareholders, participants in the ISA and Savings Scheme and, for information only, holders of awards under the 2011 PSS and the Deferred Bonus Plan.

Dear Shareholder

### **1. Introduction**

The purpose of this letter is to provide you with an explanation of the resolutions to be proposed at the ninety-first Annual General Meeting of the Company, which will be held at Cayzer House, 30 Buckingham Gate, London SW1E 6NN, at 11.30 a.m. on Wednesday 29 July 2020 and to seek your approval of them. The notice of AGM is set out at the end of this document.

In light of social distancing measures in response to the Covid-19 pandemic, this year's AGM will be a closed meeting with the minimum necessary quorum of two shareholders present in order to conduct the business of the meeting. You are therefore encouraged to appoint the chairman of the meeting as your proxy and give your instructions on how you wish the chairman to vote on the proposed resolutions to ensure your vote is recognised at the meeting. All votes at the AGM will be conducted on a poll. The results of the meeting will be announced, in the normal way, as soon as possible after the conclusion of the meeting.

While shareholders will not be permitted to attend the AGM in person to ensure adherence to Government guidelines, we would be pleased to answer any questions you may have regarding Caledonia, the Annual Report or the business of the meeting. Your questions should be submitted via email to [investorrelations@caledonia.com](mailto:investorrelations@caledonia.com) by no later than 11.30 a.m. on 27 July 2020.

The first part of the AGM (resolutions 1 to 15 inclusive) will address the ordinary business of the AGM. The second part of the AGM (resolutions 16 to 21 inclusive) will seek the necessary shareholder approvals for:

- the Authority to Make Market Purchases;
- a waiver which the Panel has agreed to grant (subject to Independent Shareholders' approval) of any obligation on the Concert Party under Rule 9 of the Takeover Code which might arise if the Company makes purchases of Ordinary Shares pursuant to the Authority to Make Market Purchases;
- the renewal of the Company's authority to allot unissued Ordinary Shares;

- the renewal of the Directors' authority to allot Ordinary Shares, or transfer Ordinary Shares from treasury, on a non pre-emptive basis;
- the renewal of the Directors' authority to convene general meetings of the Company, other than annual general meetings, on 14 clear days' notice; and
- a new executive share plan to replace the 2011 PSS.

All of the resolutions to be proposed at the AGM (including for the proposals outlined above) are explained in further detail below.

## **2. Ordinary business**

The ordinary business of the AGM comprises resolutions 1 to 15 inclusive.

### ***Resolution 1: Annual Report***

The Directors are required to lay the Annual Report before the AGM. The Directors approved the Annual Report on 26 May 2020. Although not a statutory requirement, resolution 1 seeks the approval of the Annual Report by Ordinary Shareholders, who are being given the opportunity to submit questions in advance of the meeting by sending the Company Secretary an email at [investorrelations@caledonia.com](mailto:investorrelations@caledonia.com) by no later than 11.30 a.m. on 27 July 2020.

A copy of the Annual Report accompanies this document.

### ***Resolutions 2 and 3: Directors' remuneration report***

The Directors' remuneration report comprises three sections:

- an annual statement by the Chairman of the Remuneration Committee, which summarises and explains the major decisions taken and changes made to Directors' remuneration during the year;
- a remuneration policy, which sets out the framework for future remuneration payments to Directors; and
- an annual report on Directors' remuneration, which sets out payments made to Directors during the year.

The statement by the Chairman of the Remuneration Committee and the annual report on Directors' remuneration are required to be put to an annual advisory vote of shareholders. The remuneration policy is subject to a binding vote of shareholders and must be approved at least every three years, although an earlier vote will be required if the Remuneration Committee wishes to implement any policy changes or if an advisory vote on an annual report on Directors' remuneration is not passed. The current remuneration policy was approved by shareholders at the annual general meeting of the Company held on 20 July 2017 and therefore a new policy must be presented to shareholders for approval this year.

Resolution 2 therefore seeks approval of the Directors' remuneration report for the year ended 31 March 2020, other than the part containing the remuneration policy, the relevant sections of which are set out on pages 50 and 51 and 61 to 67 of the Annual Report. As required by the 2006 Act, the Company's auditor, KPMG LLP, has audited those parts of the annual report on Directors' remuneration required by the legislation to be audited and its report is set out on pages 74 to 79 of the Annual Report. As stated above, this resolution is advisory in nature and does not affect the remuneration paid to any Director.

Resolution 3 seeks approval of the new remuneration policy, which is set out on pages 52 to 60 of the Annual Report. The principal changes to the policy approved by shareholders in July 2017 are explained in the statement by the Chairman of the Remuneration Committee set out on pages 50 and 51 of the Annual Report. If approved, the new policy will take effect immediately after the AGM. After the passing of this resolution, the Company will only be able to make remuneration payments or payments for loss of office to directors if they are permitted by the new policy or if they are separately approved by shareholders.

### ***Resolution 4: Final dividend***

The Directors have proposed a final dividend of 44.5p per Ordinary Share for the year ended 31 March 2020, payable on 6 August 2020 to Ordinary Shareholders on the register of members as at the close of business on 26 June 2020. Resolution 4 seeks Ordinary Shareholders' approval of this dividend.

### ***Resolutions 5 to 13: Re-election of Directors***

In accordance with the provisions of the UK Corporate Governance Code, all of the Directors who will be retiring from the Board at the AGM, are offering themselves for re-election as set out in resolutions 5 to 13.

Biographies of the directors proposed for re-election, including details of the specific experience and attributes that they bring to the Board and why their contributions are, and continue to be, important to the Company's long-term sustainable success, are set out below.

- **Mr D C Stewart, Chairman (resolution 5)**

David Stewart was appointed a non-executive director of Caledonia in 2015 and Chairman in July 2017 and is Chairman of the Nomination Committee and a member of the Remuneration Committee. Having begun his career at Swire Pacific in 1981, he joined James Capel in 1986 and then Fidelity Investments in 1995, where he was Head of Emerging Markets and subsequently European President. From 2005 to 2013, he was Chief Executive Officer of Odey Asset Management before assuming a non-executive role until 2014. He is currently a director and co-founder of IMM Associates, Chairman of Hermes Fund Managers and a non-executive director of Marathon Asset Management.

Mr Stewart brings to the Board extensive experience of international business and asset management in the UK, Asia and emerging markets, which enables him to provide effective leadership of Caledonia's Board and valuable insight and advice in relation to the Company's global portfolio.

- **Mr W P Wyatt, Chief Executive (resolution 6)**

Will Wyatt joined the Caledonia group in 1997 from Close Brothers Corporate Finance, working first at Sterling Industries before transferring to Caledonia's head office in 1999 as an investment executive. He was appointed a director in 2005 and Chief Executive in 2010 and is also a member of the Nomination Committee. He has held board positions at numerous Caledonia investee companies and is currently a non-executive director of Cobehold. He is also a non-executive director of Real Estate Investors, a trustee of the Rank Foundation and Chairman of Newmarket Racecourses.

Mr Wyatt brings to the Board corporate finance and investment expertise and broad senior management experience, which enable him to provide effective leadership of the management team in executing the Board's strategy.

- **Mr T J Livett, Chief Financial Officer (resolution 7)**

Tim Livett was appointed as Chief Financial Officer in March 2019, joining Caledonia from the Wellcome Trust, where he had been Chief Financial Officer since 2014. Prior to this position, he worked for Virgin Atlantic for ten years, initially as Finance Director and latterly as Chief Financial Officer, having previously held senior financial positions at Hudson Global Resources and British Airways.

Mr Livett brings to the Board extensive commercial and financial experience, together with knowledge gained from his responsibilities for risk and performance oversight of Wellcome Trust's asset management division.

- **Mr J M B Cayzer-Colvin, Executive Director (resolution 8)**

Jamie Cayzer-Colvin joined the Caledonia group in 1995, initially working at its Amber speciality chemicals subsidiary before becoming an investment executive at the Company's head office in 1999. He was appointed a director in 2005 and has held board positions at numerous Caledonia investee companies. He currently sits on the advisory committees of a number of Caledonia's fund investments and is Chairman of The Henderson Smaller Companies Investment Trust, a non-executive director of Polar Capital Holdings and Chairman of Heritage of London Trust and the Bronze Oak Tree Project.

Mr Cayzer-Colvin brings to the Board broad senior management experience and investment expertise and he specifically contributes to the long-term sustainable success of the Company through his leadership of Caledonia's funds investment strategy.

- **The Hon C W Cayzer, Non-Executive Director (resolution 9)**

Having gained experience of merchant banking, commercial banking and corporate and project finance with Baring Brothers, Cayzer Irvine and Cayzer Ltd, The Hon Charles Cayzer was appointed an executive director of Caledonia in 1985, becoming non-executive in 2012, and is also a member of the Nomination Committee. During his period as an executive director of Caledonia, he was responsible for a large number of investment acquisitions and disposals and served on the boards of many investee companies, mostly in the property and hotel sectors. He is currently Chairman of Cayzer Trust and the Bedford Estates.

The Hon C W Cayzer brings to the Board extensive knowledge of commercial property and also broad commercial management experience, which enables him to provide insight and constructive challenge across the breadth of Caledonia's investment activities.

- **Mr S J Bridges, Independent Non-Executive Director (resolution 10)**

Stuart Bridges was appointed a non-executive director of Caledonia in 2013 and is Chairman of the Audit Committee and a member of the Governance and Nomination Committees. A chartered accountant, he was Chief Financial Officer of Control Risks until 2019, prior to which he was Group Chief Financial Officer of Nex Group from 2015 to 2017, which he joined after some 16 years as Chief Financial Officer of Hiscox. Before Hiscox, he held



positions in various financial services companies in the UK and US, including Henderson Global Investors. He is a member of the Finance Committee of The Royal Institution and a non-executive director of UIL Limited and Retail Money Market Limited.

Mr Bridges brings to the Board a wide knowledge of both the insurance and investment markets, as well as financial oversight expertise, the latter being particularly important to the Company in terms of his contribution to the Board as Chairman of the Audit Committee.

- ***Mr G B Davison, Senior Independent Non-Executive Director (resolution 11)***

Guy Davison joined the Board as a non-executive director in January 2018. He is Senior Independent Director, Chairman of the Governance Committee and a member of the Audit and Nomination Committees. After qualifying as a chartered accountant, he spent four years at Larpent Newton before joining Cinven, the leading international private equity firm, in 1988 as a founding partner, remaining with the firm until his retirement in January 2017. During that time, he was central to the development and expansion of the business from the time of its buy-out from British Coal in 1995 to an international operation which today has offices throughout Europe and North America. During his 29 years at Cinven, Mr Davison held numerous board positions, representing Cinven as chairman or non-executive director at some 25 of its portfolio companies. He also serves on the board of Ascot Authority (Holdings) Limited.

Mr Davison brings to the Board over 30 years' knowledge and experience of private equity investing, both in the UK and in Europe, which is of particular benefit to the Board and Caledonia's Private Capital team in evaluating new unquoted investment opportunities and in managing its existing unquoted portfolio.

- ***Mrs C L Fitzalan Howard, Independent Non-Executive Director (resolution 12)***

Claire Fitzalan Howard was appointed a non-executive director of Caledonia in July 2019 and is a member of the Nomination and Remuneration Committees.

She spent five years at Kleinwort Benson before joining Gauntlet Insurance Services, a privately-owned insurance broking company specialising in high net worth clients, where she had an executive role until 1996, and serving as a non-executive director between 2004 and 2019. She is a non-executive director of Schroders plc and is involved in a number of charitable trusts and foundations, including as a director of the Schroder Charity Trust and of the Stansted Park Foundation and as a trustee of the Schroder Foundation.

Mrs Fitzalan Howard brings to the Board broad experience in both the financial services and charitable sectors, as well as a deep experience of public and private businesses with significant family shareholdings.

- ***Mrs S C R Jemmett-Page, Independent Non-Executive Director (resolution 13)***

Shonaid Jemmett-Page was appointed a non-executive director of Caledonia in 2015 and is Chairman of the Remuneration Committee and a member of the Audit, Governance and Nomination Committees. Shonaid spent the first 20 years of her career at KPMG in London and Tokyo, rising to the position of Partner, Financial Services. In 2001, she moved to Unilever, where she was Senior Vice President, Finance and Information for Asia, based in Singapore, before returning to the UK as Finance Director for Unilever's global non-food business. In 2009, she joined CDC Group as Chief Operating Officer, a position she held until 2012. Since then, she has focused on non-executive appointments and is currently Chairman of Greencoat UK Wind and a non-executive director of QinetiQ Group plc and MS Amlin Insurance SE.

Mrs Jemmett-Page brings to the Board extensive financial oversight and international business experience, in particular in the Far East, which enables her to provide valuable insight and advice to the Board, both in terms of its general decision-taking and through her committee memberships. As Chairman of the Remuneration Committee, she ensures that senior executive remuneration supports Caledonia's overall strategy and business model in delivering long-term increases in capital and income for shareholders.

Following completion of the Board's annual evaluation process, the Nomination Committee is of the opinion (confirmed by the Chairman) that all of the directors offering themselves for re-election continue to make effective contributions to the performance of the Board and to demonstrate commitment to their roles as directors, including commitment of time for board and committee meetings and any other duties. Accordingly, the Nomination Committee recommends that all of the directors proposed for re-election at the AGM should be re-elected.

Under the Listing Rules, where a premium listed company has a controlling shareholder or shareholders (being a person or persons acting in concert who exercise or control 30 per cent. or more of the company's voting rights), the election or re-election of any director determined by its board to be independent must be approved by a majority vote of both (i) all of the shareholders of the company; and (ii) the independent shareholders, being those who are not controlling shareholders. If the election or re-election of an independent director is not approved by votes of both all shareholders and the independent shareholders and the company still wishes to propose that director for election or re-election, it must propose a further resolution, to be approved by all shareholders, at a meeting which must be held more than



90 days, but within 120 days, of the first votes. In the interim, the relevant independent director is treated as having been elected or re-elected until the meeting at which the further resolution is proposed. The level of the shareholding of the Concert Party in Caledonia means that these provisions apply to Caledonia's independent directors.

The Board has determined that Stuart Bridges, Guy Davison, Claire Fitzalan Howard and Shonaid Jemmett-Page are independent and accordingly the resolutions for their re-election (resolutions 10 to 13 inclusive) will be subject to the dual voting procedure described above. Single resolutions will be proposed at the AGM for the re-election of each director on which all shareholders may vote, but the Company will separately count the number of votes cast in favour by Independent Shareholders to determine whether the second requisite majority has been met. The Company will announce the results of the votes on each basis after the AGM has been held.

The Listing Rules also require that, where a premium listed company has a controlling shareholder, a circular to shareholders relating to the election or re-election of an independent director must include details of any existing or previous relationship, transaction or arrangement that the proposed independent director has, or has had, with the listed company, its directors, any controlling shareholder or any associate of a controlling shareholder. It must also include a description of why the listed company considers the proposed independent director will be an effective director, how the listed company has determined that the proposed director is independent and the process followed by the listed company for the selection of the proposed independent director.

Caledonia has received confirmation from each of the above directors that, other than by virtue of their positions as directors of Caledonia or as present or past shareholders in the Company, there are no existing or previous relationships, transactions or arrangements as referred to above requiring disclosure, except Mrs Jemmett-Page was Caledonia's audit partner at KPMG Audit Plc from November 1995 to March 2001. As explained on page 41 of the Annual Report, the Board does not consider that this affects her independence given the length of time that has elapsed since this role ended and also the fact that none of the current directors, other than The Hon C W Cayzer, were in post whilst she was audit partner.

The attributes that enable the independent directors to make an effective contribution to the Board and the specific reasons why their contributions are, and continue to be, important to the Company's long-term sustainable success are described in their biographies above. To determine their independence, the Board has taken into account the experience and standing of the individual directors concerned and the strength of character and judgement demonstrated by them.

To recruit new independent non-executive directors, the Nomination Committee will normally engage an independent search consultant to find appropriate candidates with the requisite skills, although the Nomination Committee may also consider candidates introduced from other sources. All of the independent directors proposed for re-election were selected following a search conducted by external consultants.

None of the Executive Directors has a contract of service which cannot be terminated within one year. The Non-Executive Directors seeking re-election are appointed under letters of appointment which do not provide any entitlement to compensation in the event of their ceasing to be directors.

### ***Resolutions 14 and 15: Re-appointment and remuneration of the auditor***

Resolution 14 seeks approval, as recommended by Caledonia's Audit Committee, of the re-appointment of KPMG LLP as auditor to the Company until the conclusion of the next general meeting of the Company at which accounts are laid. Resolution 15 will give authority to the Directors, acting through the Audit Committee, to agree the auditor's remuneration.

## **3. Special business**

The special business to be considered at the AGM comprises resolutions 16 to 21 inclusive.

### ***Resolution 16: Authority to make market purchases by the Company of its Ordinary Shares***

Authority was granted by Ordinary Shareholders of the Company at the 2019 AGM to purchase up to a maximum of 5,537,730 Ordinary Shares, representing approximately 10 per cent. of the then issued Ordinary Shares. Ordinary Shareholders are being asked by resolution 16, which will be proposed as a special resolution, to grant a new authority (which will replace the existing authority) to Caledonia to purchase up to the same maximum of 5,537,730 Ordinary Shares, which represents approximately 10 per cent. of the issued Ordinary Shares as at the Latest Practicable Date.

If the resolution is passed, it will empower the Company to make market purchases on the London Stock Exchange of up to 5,537,730 Ordinary Shares at a price per Ordinary Share not more than the higher of:

- a. 5 per cent. above the average of the middle market quotations for Ordinary Shares during the five Business Days preceding any such purchase; and

- b. the higher of:
- i. the price of the last independent trade in Ordinary Shares; and
  - ii. the highest current independent bid relating thereto on the trading venue where the purchase is carried out;
- nor less than 5p, being the nominal value of an Ordinary Share.

The Authority to Make Market Purchases will only be utilised if the Board believes that purchases of Ordinary Shares will be in the best interests of Caledonia and Ordinary Shareholders as a whole and will result in an increase in net asset value per Ordinary Share. In considering whether to exercise the Authority to Make Market Purchases, the Board will take into account both the longer-term investment opportunities available to Caledonia and any discount at which the Ordinary Shares are trading in the market relative to the net asset value per Ordinary Share.

A purchase of Ordinary Shares by the Company pursuant to the Authority to Make Market Purchases could increase the percentage of voting rights held by the Concert Party. In certain circumstances (described below), such an increase could trigger an obligation on the Concert Party to make a mandatory offer for the whole of the issued share capital of the Company pursuant to the Takeover Code. Accordingly, Independent Shareholders will be asked to renew the waiver of the mandatory offer provisions granted at the 2019 AGM such that purchases of Ordinary Shares by the Company pursuant to the Authority to Make Market Purchases will not trigger a requirement for the Concert Party to make a mandatory offer for the entire issued share capital of the Company. Further details relating to this waiver are set out below.

There are currently outstanding awards over 771,133 Ordinary Shares under the 2011 PSS and over 90,839 Ordinary Shares under the Deferred Bonus Plan, in aggregate representing approximately 1.56 per cent. of the issued Ordinary Shares as at the Latest Practicable Date. If the Authority to Make Market Purchases was exercised in full, the Ordinary Shares under award would represent approximately 1.73 per cent. of the issued Ordinary Shares. It is, however, the Board's policy, where possible, to source awards exercised under the 2011 PSS and, subject to resolution 21 being approved, under the 2020 PSS or called under the Deferred Bonus Plan using Ordinary Shares held by the Employee Share Trust, thereby avoiding dilution of Ordinary Shareholders' holdings.

The Authority to Make Market Purchases, if granted, will expire at the close of business on 29 October 2021 or, if earlier, at the conclusion of the next annual general meeting of the Company.

Ordinary Shares purchased by the Company pursuant to the Authority to Make Market Purchases may be cancelled, or held in treasury and subsequently cancelled, or sold for cash, or used to satisfy share-based awards issued to employees pursuant to the 2011 PSS, 2020 PSS and the Deferred Bonus Plan. Since the 2019 AGM, the Company has not purchased any Ordinary Shares for cancellation and no Ordinary Shares are currently held in treasury.

#### ***Resolution 17: Waiver of mandatory offer provisions set out in Rule 9 of the Takeover Code***

Resolution 17, the Waiver Resolution, which will be proposed as an ordinary resolution, seeks Independent Shareholders' approval on a poll of a waiver of the obligation that could arise on the Concert Party to make a general offer for the entire issued share capital of the Company as a result of purchases by the Company of Ordinary Shares pursuant to the Authority to Make Market Purchases.

The Panel has ruled that a group of Ordinary Shareholders is deemed to form a concert party for the purposes of the Takeover Code. As at the Latest Practicable Date, these shareholders, being Cayzer Trust, the Concert Party Directors, the Employee Share Trust, the directors of Cayzer Trust and other members of the wider Cayzer family, details of whom are disclosed in paragraph 5 of Part III of this document, between them were interested in 26,827,240 Ordinary Shares, representing approximately 48.45 per cent. of the shares carrying voting rights of the Company. The Concert Party's highest percentage of shares carrying voting rights held in the 12 months prior to the Latest Practicable Date was approximately 48.44 per cent.

Under Rule 9 of the Takeover Code, where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent., but does not hold shares carrying more than 50 per cent., of the voting rights of a company and such person, or any persons acting in concert with him, acquires an interest in any other shares in the company which increases the percentage of shares carrying voting rights in which he is interested, such person would normally have to extend a general offer to all shareholders to acquire their shares for cash at not less than the highest price paid by him, or parties acting in concert with him, during the 12 months prior to the announcement of the offer.

The percentage of shares carrying voting rights in which the Concert Party is interested could be increased by the purchase by the Company of Ordinary Shares through the exercise by the Company of the Authority to Make Market Purchases. Pursuant to Rule 37 of the Takeover Code, any increase in the percentage of shares carrying voting rights of the Concert Party resulting from such an exercise would normally be treated as an acquisition of interests in shares by the Concert Party for the purposes of Rule 9 of the Takeover Code. Accordingly, if the effect of such exercise was to increase the percentage of shares in which the Concert Party is interested, this could result in members of the Concert Party being obliged to make a general offer for the entire issued Ordinary Share capital of the Company.

In accordance with Rule 37 and Appendix 1 of the Takeover Code, the Panel has agreed to waive any requirement on the Concert Party to make a general offer to all shareholders of the Company which could arise as a result of an exercise of the Authority to Make Market Purchases, provided that the Independent Shareholders have passed, on a poll, the Waiver Resolution. In no circumstances will the Company make market purchases of Ordinary Shares which would result in the percentage of voting rights in which the Concert Party is interested exceeding 49.9 per cent. Accordingly, Independent Shareholders are being asked to approve, on a poll, the Waiver Resolution which, if so approved, will expire at the close of business on 29 October 2021 or, if earlier, at the conclusion of the next annual general meeting of the Company.

The waiver by the Panel will (subject to the discretion of the Panel) be invalidated if any further purchases of Ordinary Shares are made by any member of the Concert Party in the period between the date of this document and the date of the AGM. The waiver by the Panel will also not apply to the purchase of Ordinary Shares by the Concert Party itself, which would remain subject to the provisions of Rule 9 of the Takeover Code as described above. In the event that resolution 17 is passed, the Concert Party will not be restricted from making an offer for the Company.

The Concert Party has no intention of increasing or materially decreasing its interest in Caledonia, although this interest may subsequently increase to not more than 49.9 per cent. as a result of the exercise by the Company of the Authority to Make Market Purchases. The Concert Party remains fully supportive of Caledonia's management and has no intention to make any changes to the future business of the Company, to the continued employment of the employees and management of the Company and its subsidiaries (including material changes in their employment conditions or the balance of their skills and functions), to its pension scheme arrangements, to its fixed assets or to the existing trading facilities for the Company's Ordinary Shares. The Concert Party has also confirmed to the Company that it has no intentions in relation to the strategic direction of the Company, including in respect of the location of the Company's place of business or headquarters. The Company does not carry out research and development.

In considering whether to seek a waiver of the mandatory offer provisions set out in Rule 9 of the Takeover Code, the Non-Concert Party Directors have taken into account: (i) their belief that market purchases of Ordinary Shares as envisaged by resolution 16, details of which are set out above, will be in the best interests of Caledonia and Ordinary Shareholders as a whole; and (ii) the potential increase in the aggregate Concert Party holding, subject to the limit of this increase to a maximum of 49.9 per cent. from its current 48.45 per cent. interest in shares carrying voting rights in the Company.

Further details in relation to the Waiver Resolution are set out in Part II of this document.

#### ***Resolution 18: Authority to allot unissued Ordinary Shares***

Resolution 18, which will be proposed as an ordinary resolution, seeks to renew the authority granted at the 2019 AGM to allot unissued Ordinary Shares. Whilst they do not have any present intention of exercising any such authority, the Directors believe that it would be in the Company's interests to retain the maximum flexibility permitted by guidance issued by the Investment Association and, accordingly, are seeking authority to allot Ordinary Shares up to a nominal amount of £1,845,790, representing approximately two-thirds of the issued Ordinary Shares as at the Latest Practicable Date. Of this amount, Ordinary Shares with a nominal value of £922,895, representing approximately one-third of the issued Ordinary Shares as at the Latest Practicable Date, would only be available for allotment in connection with pre-emptive rights issues as set out in the resolution.

The authority, if granted, will last until the next annual general meeting of the Company or, if earlier, the close of business on 29 October 2021.

#### ***Resolution 19: Authority to allot Ordinary Shares on a non pre-emptive basis***

Resolution 19, which will be proposed as a special resolution, seeks to renew the Directors' authority to allot Ordinary Shares for cash in connection with a rights issue or other than pro rata to existing Ordinary Shareholders. In the case of an issue of Ordinary Shares other than pro rata to existing Ordinary Shareholders, the authority will be limited to a nominal amount of £138,434, which represents no more than 5 per cent. of the issued Ordinary Shares as at the Latest Practicable Date. If granted, the authority will last until the next annual general meeting of the Company or, if earlier, the close of business on 29 October 2021. This authority to allot shares on a non pre-emptive basis will also apply to the transfer of Ordinary Shares held in treasury, if any.

The Board will comply with the provision of the Statement of Principles of the Pre-Emption Group that no more than 7.5 per cent. of the issued Ordinary Share capital should be allotted for cash, or transferred from treasury, on a non pre-emptive basis during any rolling three-year period.

#### ***Resolution 20: Notice of general meetings***

Resolution 20, which will be proposed as a special resolution, seeks to renew the shareholder approval granted at the 2019 AGM to enable the Company to continue to convene general meetings, other than annual general meetings, on 14 clear days' notice.

An amendment to the 2006 Act, which came into force in 2009, increased the notice period for general meetings to 21 days. A listed company may, however, continue to call general meetings on 14 clear days' notice, provided that: (i) the company offers the facility for members to vote by electronic means accessible to all members who hold shares that carry rights to vote at general meetings; and (ii) members have passed a special resolution approving shorter notice at the immediately preceding annual general meeting or at a general meeting held since the annual general meeting.

The Board believes that it will be beneficial to preserve the current ability to convene general meetings, other than annual general meetings, on 14 clear days' notice and, accordingly, is seeking to renew the requisite shareholder approval at the AGM. This shorter notice period will not however be used as a matter of course, but only when merited by the business of the meeting. If granted, the approval will last until the next annual general meeting of the Company and it is the Board's intention to renew the authority at each subsequent annual general meeting.

#### **Resolution 21: 2020 PSS for senior executives**

The Company is seeking shareholder approval for the 2020 PSS to replace the 2011 PSS that was approved by the Company's shareholders in general meeting on 21 July 2011 and is scheduled to expire on 20 July 2021. The 2020 PSS is largely identical to the 2011 PSS save that it has been amended to reflect regulatory and corporate governance developments and to introduce a holding period to ensure that awards made to Executive Directors have a minimum combined performance period and holding period of five years. If approved, the 2020 PSS will enable awards to be granted for the period of ten years from the date of the AGM. The principal terms of the 2020 PSS are described in Part III of this document.

#### **4. Action to be taken**

You will find set out at the end of this document the notice convening the AGM, at which the resolutions referred to above will be proposed. Further information relating to the Waiver Resolution is set out in Part II of this document.

You are encouraged to lodge a proxy form for use at the AGM with Caledonia's registrar, Link Asset Services, as soon as possible. To be valid, proxy forms must be deposited with Link Asset Services, so as to be received no later than 11.30 a.m. on 27 July 2020, by one of the following methods: (i) if using a paper proxy form, by post to the address provided for such purpose in the proxy form or by hand during normal business hours to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or (ii) online at [www.signalshares.com](http://www.signalshares.com) using your investor code; (iii) in the case only where Ordinary Shares are held in CREST (as an alternative to methods (i) and (ii)), via the CREST Proxy Voting Service; or (iv) for institutional investors, via the Proxymity platform ([www.proxymity.io](http://www.proxymity.io)). The return of a proxy form would not ordinarily preclude you from attending the AGM and voting in person should you wish to do so. However, as this year's AGM will be held as a closed meeting in light of social distancing measures in response to the Covid-19 pandemic, shareholders will not be permitted to attend the meeting.

If you are a CREST Member and wish to appoint a proxy or proxies through the CREST Proxy Voting Service for the AGM and any adjournment(s) thereof, you may do so by using the procedures described in the CREST Manual. Appointing a proxy or proxies through the CREST Proxy Voting Service is more fully explained in the notice convening the AGM set out at the end of this document.

Participants in the ISA and the Savings Scheme can direct The Share Centre as to how they wish to vote at the AGM by one of the following methods: (i) online at [www.share.com](http://www.share.com); or (ii) by email to [shareholder.rights@share.co.uk](mailto:shareholder.rights@share.co.uk); or (iii) by telephoning +44 1296 414665. Instructions must be received by The Share Centre no later than the close of business on 22 July 2020.

**Please note that only Independent Shareholders are entitled to vote on the Waiver Resolution and that the vote on the Waiver Resolution will be by way of a poll. Accordingly, it is very important that a proxy form is duly completed by Ordinary Shareholders and returned or submitted by one of the methods described above or, in the case of participants in the ISA or the Savings Scheme, that voting directions are given to The Share Centre by one of the methods described above.**

#### *Further information*

Your attention is drawn to the further information set out in Parts II, III and IV of this document and to the Annual Report.

#### **5. Recommendations**

##### *Resolutions other than the Waiver Resolution*

**The Board believes that the proposals described above regarding the resolutions to be proposed at the AGM (other than the Waiver Resolution which was considered by the Non-Concert Party Directors whose recommendation is set out below) to be in the best interests of the Company and Ordinary Shareholders as a whole. Accordingly, the Board recommends Ordinary Shareholders to vote in favour of such resolutions at the AGM, as the Directors and certain of their close family members and connected persons intend to do in respect of their own beneficial holdings of Ordinary Shares, which amount to approximately 2.85 per cent. of the issued Ordinary Shares.**

*The Waiver Resolution*

**The Non-Concert Party Directors, who have been so advised by J.P. Morgan Cazenove, consider the waiver of the obligations that could arise on the Concert Party to make an offer under Rule 9 of the Takeover Code on the exercise of the Authority to Make Market Purchases to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing its advice to the Non-Concert Party Directors, J.P. Morgan Cazenove has taken into account the Non-Concert Party Directors' commercial assessments. Accordingly, the Non-Concert Party Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolution to be proposed at the AGM, as the Non-Concert Party Directors and certain of their close family members and connected persons intend to do in respect of their own beneficial holdings of Ordinary Shares, which amount to approximately 0.03 per cent. of the issued Ordinary Shares.**

In accordance with the provisions of the Takeover Code, the Concert Party is considered to be interested in the outcome of the Waiver Resolution and, accordingly, none of its members will vote on this resolution.

Yours faithfully

David Stewart  
Chairman

## Part II – Additional information relating to the Waiver Resolution

### 1. Responsibility

- 1.1. The Directors take responsibility for the information (including any expressions of opinion) contained in this document other than:
  - 1.1.1. the recommendation and associated opinion attributed to the Non-Concert Party Directors set out in section 5 of the Chairman's Letter;
  - 1.1.2. the statements in section 3 of the Chairman's Letter relating to the intentions of the Concert Party and to the Company's strategic direction and its repercussions; and
  - 1.1.3. the information relating to Cayzer Trust and the Concert Party contained in this Part II of this document.

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.2. The Concert Party Directors take responsibility for:
  - 1.2.1. the statements in section 3 of the Chairman's Letter relating to the intentions of the Concert Party and to the Company's strategic direction and its repercussions; and
  - 1.2.2. the information (including any expressions of opinion) relating to Cayzer Trust and the Concert Party contained in this Part II of this document.

To the best of the knowledge and belief of the Concert Party Directors (who have taken all reasonable care to ensure that such is the case), the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

- 1.3. The Non-Concert Party Directors take responsibility for the recommendation and associated opinion attributed to them in section 5 of the Chairman's Letter. To the best of the knowledge and belief of the Non-Concert Party Directors (who have taken all reasonable care to ensure that such is the case), the information contained for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. Business overview

Caledonia is a self-managed investment trust company with a premium listing on the London Stock Exchange. As at 31 March 2020, being the date to which the Annual Report is drawn up, it had net assets of approximately £1.8bn.

Caledonia's aim is to grow net assets and dividends paid to shareholders over the long term, whilst managing risk to avoid permanent loss of capital. It seeks to achieve this by investing in well-managed businesses that combine long-term growth characteristics with an ability to deliver increasing levels of income. Caledonia's investment strategy covers both listed and private markets, a range of sectors and, particularly through its fund investments, has global reach.

Caledonia has increased its annual dividend for 53 years.

### 3. The Board

The names of the Directors and the positions they hold are as follows:

D C Stewart	Chairman
W P Wyatt <sup>1</sup>	Chief Executive
T J Livett	Chief Financial Officer
J M B Cayzer-Colvin <sup>1</sup>	Executive Director
S J Bridges	Non-Executive Director
The Hon C W Cayzer <sup>1</sup>	Non-Executive Director
G B Davison	Senior Independent Non-Executive Director
C L Fitzalan Howard	Non-Executive Director
S C R Jemmett-Page	Non-Executive Director

1. Concert Party Directors.



#### 4. Interests in Ordinary Shares

##### *Significant interests in the Company*

- 4.1. As at the Latest Practicable Date, and so far as is known to the Company, the following persons were either directly or indirectly interested in 3 per cent. or more of the issued Ordinary Shares of the Company:

Name	Number of Ordinary Shares	Percentage of issued Ordinary Shares
Cayzer Trust <sup>1</sup>	19,292,364	34.84
Wells Capital Management	2,737,405	4.94

1. The Company has received formal notification in accordance with the requirements of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules that the Cayzer Trust held 19,372,364 Ordinary Shares, representing 34.98 per cent. of issued Ordinary Shares. The figure stated here follows enquiries made in connection with the preparation of this circular.

##### *Directors*

- 4.2. As at the Latest Practicable Date, the interests of the Directors in the issued share capital of the Company and (so far as the relevant Director is aware, having made due and careful enquiry) persons whose interests in Ordinary Shares each Director is taken to be interested in pursuant to Part 22 of the 2006 Act (as have been notified or are required to be notified to the Company pursuant to article 19 of the Market Abuse Regulation) were as follows:

Name	Number of Ordinary Shares	
	Beneficial	Non-beneficial
D C Stewart	4,072	–
W P Wyatt <sup>1</sup>	1,143,715 <sup>2</sup>	80,038 <sup>2</sup>
T J Livett	–	–
J M B Cayzer-Colvin <sup>1</sup>	375,913 <sup>3</sup>	121,942 <sup>3</sup>
S J Bridges	5,309	–
The Hon C W Cayzer <sup>1</sup>	41,092 <sup>4</sup>	15,500 <sup>4</sup>
G B Davison	8,100	–
C L Fitzalan Howard	–	–
S C R Jemmett-Page	1,000	–

- Concert Party Directors.
- Mr Wyatt's beneficial interests included 1,004,296 Ordinary Shares owned by The Dunchurch Lodge Stud Company, a company controlled by Mr Wyatt and certain of his connected persons, and 1,000 Ordinary Shares in which The Hon C W Cayzer and Mr D V Gibbs, a director of Cayzer Trust, had non-beneficial interests. His non-beneficial interests included 5,200 Ordinary Shares in which The Hon C W Cayzer had a beneficial interest and 14,500, 74,838 and 5,200 Ordinary Shares in which The Hon C W Cayzer, Mr Gibbs and Mr Cayzer-Colvin respectively had non-beneficial interests.
- Mr Cayzer-Colvin's beneficial interests included 255,634 Ordinary Shares in which Mr Gibbs and The Hon Mrs E Gilmour, another director of Cayzer Trust, had non-beneficial interests. His non-beneficial interests included 53,200 and 5,200 Ordinary Shares in which The Hon Mrs E Gilmour and The Hon C W Cayzer respectively had beneficial interests and 61,753, 5,200 and 53,200 Ordinary Shares in which Mr Gibbs, Mr Wyatt and Mrs S C Barry, another director of Cayzer Trust, respectively had non-beneficial interests. Mr Cayzer-Colvin's non-beneficial interests included 54,989 Ordinary Shares held by a trust where he acts as a trustee and do not form part of the interests of the Concert Party. Mr Cayzer-Colvin was appointed as a director of The Cayzer Family Archive, a company limited by guarantee and a registered charity, on 29 May 2020. The Cayzer Family Archive holds 1,593 Ordinary Shares. All five directors of The Cayzer Family Archive are treated as having a beneficial interest by virtue of them each holding a membership interest in the charity.
- The Hon C W Cayzer's beneficial interests included 5,200 Ordinary Shares in which Mr Wyatt and Mr Cayzer-Colvin had non-beneficial interests. His non-beneficial interests included 1,000 Ordinary Shares in which Mr Wyatt had a beneficial interest and Mr Gibbs had a non-beneficial interest and 14,500 Ordinary Shares in which Mr Wyatt and Mr Gibbs also had non-beneficial interests.
- The common interests referred to in notes 2 to 4 above arise because the Ordinary Shares referred to are held in family trusts of which the relevant persons (or persons connected with them) are either beneficiaries or trustees.

Each Executive Director, as a potential beneficiary, is deemed to have an interest in Ordinary Shares held by the Employee Share Trust, which acquires and holds Ordinary Shares for subsequent transfer to employees exercising awards under the 2011 PSS and under the Deferred Bonus Plan. As at the Latest Practicable Date, the Employee Share Trust held 534,457 Ordinary Shares.

Save as described in this paragraph 4.2 and paragraphs 4.3 and 4.4 below, the Directors have no interests in, rights to subscribe for, or short positions in, Ordinary Shares.



- 4.3. As at the Latest Practicable Date, the interests of the Directors, members of their immediate families and related trusts and, so far as the Directors are aware, the interests of persons connected with them (within the meaning of sections 252 and 253 of the 2006 Act) in awards granted under the 2011 PSS were as follows:

Name	Grant date	Number of shares outstanding	Exercise price (p)	Exercisable from date	Expiry date
W P Wyatt <sup>1</sup>	26.06.15	5,602	nil	26.06.20	26.06.25
	26.05.16	17,601	nil	26.05.21	26.05.26
	21.07.17	18,488	nil	21.07.22	21.07.27
	30.05.18	29,945	nil	30.05.21	30.05.28
	30.05.19	27,835	nil	30.05.22	30.05.29
		99,471			
T J Livett	30.05.19	19,330	nil	30.05.22	30.05.29
		19,330			
J M B Cayzer-Colvin <sup>1</sup>	26.06.15	5,126	nil	26.06.20	26.06.25
	26.05.16	10,666	nil	26.05.21	26.05.26
	21.07.17	11,704	nil	21.07.20 <sup>2</sup>	21.07.27
	30.05.18	18,133	nil	30.05.21	30.05.28
	30.05.19	17,280	nil	30.05.22	30.05.29
		62,909			

1. Concert Party Directors.

2. 504 of 11,704 Ordinary Shares outstanding are exercisable from 21.07.20, the remaining 11,200 shares outstanding are subject to further performance conditions with an earliest exercisable date of 21.07.22.

- 4.4. As at the Latest Practicable Date, the interests of the Directors, members of their immediate families and related trusts and, so far as the Directors are aware, the interests of persons connected with them (within the meaning of sections 252 and 253 of the 2006 Act) in awards over Ordinary Shares under the Deferred Bonus Plan were as follows:

Name	Type	Award date	Number of shares awarded	Market price at award (p)	Vesting date
W P Wyatt <sup>1</sup>	Compulsory	21.07.17	9,016	2837	01.04.20
	Compulsory	30.05.19	7,560	2910	01.04.22
			16,576		
J M B Cayzer-Colvin <sup>1</sup>	Compulsory	21.07.17	5,464	2837	01.04.20
	Compulsory	30.05.19	5,619	2910	01.04.22
			11,083		

1. Concert Party Directors.

- 4.5. No Director is or has been interested in any transactions which are or were unusual in their nature or conditions, or significant to the business of the Group, during the current or immediately preceding financial year or were effected by any member of the Group during an earlier year and remain in any respect outstanding or unperformed.

## The Concert Party

- 4.6. The members of the Concert Party and their respective beneficial and non-beneficial interests in Ordinary Shares as at the Latest Practicable Date were as follows:

Name	Number of Ordinary Shares (beneficial and non-beneficial)	Percentage of issued Ordinary Shares
W P Wyatt	1,155,433 <sup>1</sup>	2.09
J M B Cayzer-Colvin	382,873 <sup>1</sup>	0.69
The Hon C W Cayzer	55,592 <sup>1</sup>	0.10
Cayzer Trust <sup>2</sup>	19,292,364	34.84
Employee Share Trust	534,457	0.97
<i>Concert Party individual beneficial holdings of 100,000 or more Ordinary Shares (other than shown above)</i>		
The Hon Mrs E Gilmour	702,323 <sup>1</sup>	1.27
Mrs R Leslie	616,869	1.11
Trustees of B G S Cayzer's 1963 Settlement	558,450	1.01
Mrs A Hunter	546,290	0.99
Mrs A Ponsonby	439,112	0.79
Trustees of the B G S Cayzer Accumulation and Maintenance Trust	230,000	0.42
Mrs A Gaggero	190,073	0.34
Ortac Investment Company Limited	173,810	0.31
Major M G Wyatt	158,100	0.29
Mr C G P Wyatt	123,000	0.22
The Hon Mrs R Debarge	118,255	0.21
Mrs M Tetley	108,780	0.20
<i>Other Concert Party holdings below 100,000 Ordinary Shares</i>		
130 beneficial holdings	1,441,459	2.60
	26,827,240	48.45

- 14,500 Ordinary Shares in which both The Hon C W Cayzer and Mr W P Wyatt had a non-beneficial interest have been included under the interests of The Hon C W Cayzer only. 1,000 Ordinary Shares in which Mr Wyatt had a beneficial interest and The Hon C W Cayzer a non-beneficial interest have been included under the interests of Mr Wyatt only.  
5,200 Ordinary Shares in which The Hon C W Cayzer had a beneficial interest and Mr J M B Cayzer-Colvin and Mr Wyatt had non-beneficial interests have been included under the interests of The Hon C W Cayzer only.  
255,634 Ordinary Shares in which Mr Cayzer-Colvin had a beneficial interest and The Hon Mrs E Gilmour had a non-beneficial interest have been included under the interests of Mr Cayzer-Colvin only.  
53,200 Ordinary Shares in which The Hon Mrs E Gilmour had a beneficial interest and Mr Cayzer-Colvin had a non-beneficial interest have been included under the interests of The Hon Mrs E Gilmour only.  
48,300 Ordinary Shares in which Mr C G P Wyatt had a beneficial interest and Mr W P Wyatt had a non-beneficial interest have been included under the interests of Mr C G P Wyatt only.  
1,593 Ordinary Shares held by The Cayzer Family Archive, a company limited by guarantee and a registered charity, have been included under the interests of The Hon Mrs E Gilmour only, one of the five current directors. Mr Cayzer-Colvin, was appointed as a director of The Cayzer Family Archive on 29 May 2020 and the Ordinary Shares are not included in Mr Cayzer-Colvin's beneficial interests. All directors of The Cayzer Family Archive are treated as having a beneficial interest by virtue of them each holding a membership interest in the charity.
- The directors of Cayzer Trust are set out in paragraph 4.10 below.

The Hon C W Cayzer, Mr J M B Cayzer-Colvin and Mr W P Wyatt are all directors of Caledonia. The Hon C W Cayzer was an executive director of Caledonia from 1985 to 2012, since when he has been a non-executive director. Mr Cayzer-Colvin and Mr Wyatt have been executive directors of Caledonia since 2005 and Mr Wyatt was appointed Chief Executive of Caledonia in 2010. The biography of each can be found on pages 6 and 7 of this document.

The Hon C W Cayzer, Mr Cayzer-Colvin and Mr Wyatt are also all members of the Cayzer family, descendants of Sir Charles William Cayzer 1st Bt., who in 1878 founded the Clan Line shipping company which, following its merger with the Union-Castle Line to form the British & Commonwealth Shipping Company, became for a period one of the largest merchant fleets in the world. The Concert Party comprises the directors of Cayzer Trust, other current members of the Cayzer family and their related trusts and companies and the Employee Share Trust.

4.7. Concert Party members, details of whom are set out in paragraph 5 of Part III of this document, have dealt in Ordinary Shares during the 12 month period ended on the Latest Practicable Date as follows:

Name	Date	Transaction	Number of Ordinary Shares	Price (p)
Employee Share Trust	17.06.19	Sale	14,228	nil
Employee Share Trust	17.06.19	Purchase	14,228	3062.5
Employee Share Trust	18.06.19	Sale	10,108	nil
Employee Share Trust	18.06.19	Purchase	10,108	3062.5
Employee Share Trust	20.06.19	Sale	1,411	nil
Employee Share Trust	20.06.19	Purchase	811	3075
Employee Share Trust	24.06.19	Sale	5,987	nil
Employee Share Trust	24.06.19	Purchase	5,987	3097.5
Employee Share Trust	25.06.19	Sale	7,418	nil
Employee Share Trust	25.06.19	Purchase	3,499	3095
Employee Share Trust	26.06.19	Sale <sup>1</sup>	8,712	nil
W P Wyatt	26.06.19	Purchase <sup>1</sup>	8,712	nil
W P Wyatt	26.06.19	Sale <sup>1</sup>	8,712	3095
Employee Share Trust	26.06.19	Purchase <sup>1</sup>	8,712	3095
Employee Share Trust	26.06.19	Sale <sup>1</sup>	5,312	nil
J M B Cayzer-Colvin	26.06.19	Purchase <sup>1</sup>	5,312	nil
J M B Cayzer-Colvin	26.06.19	Sale <sup>1</sup>	5,312	3095
Employee Share Trust	26.06.19	Purchase <sup>1</sup>	5,312	3095
Employee Share Trust	26.06.19	Sale <sup>1,2</sup>	3,324	nil
G P Denison	26.06.19	Purchase <sup>1,2</sup>	3,324	nil
G P Denison	26.06.19	Sale <sup>1,2</sup>	3,324	3095
Employee Share Trust	26.06.19	Purchase <sup>1,2</sup>	3,324	3095
Trustees of the Iris McKellar Will Trust	02.08.19	Sale	295	nil
G P Denison	08.08.19	Purchase <sup>2</sup>	79	3025
J R Denison	08.08.19	Purchase <sup>2</sup>	45	3025
C Denison	08.08.19	Purchase <sup>2</sup>	23	3025
A Denison	08.08.19	Purchase <sup>2</sup>	24	3025
E Denison	08.08.19	Purchase <sup>2</sup>	23	3025
Cayzer Trust	26.09.19	Sale <sup>1</sup>	100,000	3012.6
Employee Share Trust	26.09.19	Purchase <sup>1</sup>	100,000	3016.6
Employee Share Trust	27.11.19	Sale <sup>1</sup>	8,014	nil
J M B Cayzer-Colvin	27.11.19	Purchase <sup>1</sup>	8,014	nil
J M B Cayzer-Colvin	27.11.19	Sale <sup>1</sup>	8,014	3077.5
Employee Share Trust	27.11.19	Purchase <sup>1</sup>	8,014	3077.5
Employee Share Trust	27.11.19	Sale <sup>1</sup>	12,695	nil
W P Wyatt	27.11.19	Purchase <sup>1</sup>	12,695	nil
W P Wyatt	27.11.19	Sale <sup>1</sup>	12,695	3077.5
Employee Share Trust	27.11.19	Purchase <sup>1</sup>	12,695	3077.5
Employee Share Trust	27.11.19	Sale	25,788	nil
Employee Share Trust	27.11.19	Purchase	25,688	3077.5
Employee Share Trust	28.11.19	Sale	14,822	nil
Employee Share Trust	28.11.19	Purchase	14,822	3092.5
Employee Share Trust	29.11.19	Sale	1,165	nil
Employee Share Trust	29.11.19	Purchase	1,165	3102.5
Employee Share Trust	02.12.19	Sale	2,608	nil
Employee Share Trust	02.12.19	Purchase	2,608	3087.5
B Giffard-Taylor	06.12.19	Sale <sup>1</sup>	300	n/a
E V Giffard-Taylor	06.12.19	Purchase <sup>1</sup>	100	n/a
J W Giffard-Taylor	06.12.19	Purchase <sup>1</sup>	100	n/a
J A Giffard-Taylor	06.12.19	Purchase <sup>1</sup>	100	n/a
S Wingfield	06.12.19	Sale <sup>1</sup>	1,200	n/a
H P Nurton	06.12.19	Purchase <sup>1</sup>	400	n/a
C J Nurton	06.12.19	Purchase <sup>1</sup>	400	n/a
C N Nurton	06.12.19	Purchase <sup>1</sup>	400	n/a
Cayzer Trust	09.12.19	Sale	18,063	3082.2
Cayzer Trust	10.12.19	Sale	10,326	3074.8
Cayzer Trust	11.12.19	Sale	8,194	3050.7

Name	Date	Transaction	Number of Ordinary Shares	Price (p)
Cayzer Trust	12.12.19	Sale	13,417	3050.3
Employee Share Trust	12.12.19	Sale	3,573	nil
Employee Share Trust	12.12.19	Purchase	1,686	3077.5
M G Wyatt	13.12.19	Sale <sup>1</sup>	2,000	3150
C M Pettifer Discretionary Settlement	13.12.19	Purchase <sup>1</sup>	320	3150
Bare Trust for L R Wyatt	13.12.19	Purchase <sup>1</sup>	400	3150
Bare Trust for W C P Wyatt	13.12.19	Purchase <sup>1</sup>	400	3150
Bare Trust for T P Wyatt	13.12.19	Purchase <sup>1</sup>	880	3150
Employee Share Trust	13.12.19	Sale	384	nil
Employee Share Trust	13.12.19	Purchase	384	3147.5
Cayzer Trust	17.12.19	Sale	10,000	3173
Employee Share Trust	19.12.19	Sale	525	nil
Employee Share Trust	19.12.19	Purchase	525	3147.5
Cayzer Trust	07.01.20	Sale	10,000	3150
G P Denison	09.01.20	Purchase <sup>2</sup>	30	3130
J R Denison	09.01.20	Purchase <sup>2</sup>	17	3130
C Denison	09.01.20	Purchase <sup>2</sup>	8	3130
A Denison	09.01.20	Purchase <sup>2</sup>	8	3130
E Denison	09.01.20	Purchase <sup>2</sup>	8	3130
A M Giffard-Taylor	10.01.20	Sale <sup>1</sup>	405	n/a
E V Giffard-Taylor	10.01.20	Purchase <sup>1</sup>	135	n/a
J W Giffard-Taylor	10.01.20	Purchase <sup>1</sup>	135	n/a
J A Giffard-Taylor	10.01.20	Purchase <sup>1</sup>	135	n/a
Employee Share Trust	14.01.20	Sale	7,149	nil
Employee Share Trust	14.01.20	Purchase	5,521	3127.5
Trustees of the Iris McKellar Will Trust	17.01.20	Sale	130	3160.2
Employee Share Trust	24.01.20	Sale	520	nil
Employee Share Trust	24.01.20	Purchase	520	3140
P A Herdman	04.02.20	Sale <sup>1</sup>	188	3093
J Herdman	04.02.20	Sale <sup>1</sup>	187	3093
E V Giffard-Taylor	04.02.20	Purchase <sup>1</sup>	125	3100
J W Giffard-Taylor	04.02.20	Purchase <sup>1</sup>	125	3100
J A Giffard-Taylor	04.02.20	Purchase <sup>1</sup>	125	3100
P A Herdman	04.02.20	Sale <sup>1</sup>	202	3090
J Herdman	04.02.20	Sale <sup>1</sup>	203	3090
A J Debarge	04.02.20	Purchase <sup>1</sup>	150	3090
The Hon Mrs R Debarge	04.02.20	Purchase <sup>1</sup>	255	3090
Cayzer Trust	21.02.20	Sale	10,000	3105
H M Crosfield	16.03.20	Purchase	1,481	2515
M Cayzer-Colvin	16.03.20	Purchase	100	2515
L Cayzer-Colvin	16.03.20	Purchase	100	2515
Mrs A Hunter	16.03.20	Purchase	5,000	2515
Mrs R Leslie	16.03.20	Purchase	5,000	2515
H D Pettifer	16.03.20	Purchase	740	2515
Mrs A Ponsonby	16.03.20	Purchase	4,822	2515
E R Ponsonby	16.03.20	Purchase	400	2515
E M Ponsonby	16.03.20	Purchase	400	2515
G E M Ponsonby	16.03.20	Purchase	560	2515
Trustees of the B G S Cayzer A&M Trust	16.03.20	Purchase	5,000	2515
Bare Trust for C Hunter	16.03.20	Purchase	5,000	2515
Bare Trust for P Hunter	16.03.20	Purchase	5,000	2515
Bare Trust for I Leslie	16.03.20	Purchase	5,000	2515
Bare Trust for T Leslie	16.03.20	Purchase	5,000	2515
Oliver Family Settlement	16.03.20	Purchase	370	2515
Oliver Family Settlement	16.03.20	Purchase	370	2515
N Oliver	16.03.20	Purchase	391	2552.7
M Oliver	16.03.20	Purchase	391	2552.7
R V Copeland	16.03.20	Purchase	111	2515
G R Moline	16.03.20	Purchase	370	2515

Name	Date	Transaction	Number of Ordinary Shares	Price (p)
K L F Wilkinson	16.03.20	Purchase	1,111	2515
W & G Poole	16.03.20	Purchase	370	2515
J A Balfour	16.03.20	Purchase	185	2515
E A Akenhead	16.03.20	Purchase	740	2515
J R Beddington	16.03.20	Purchase	400	2515
A C Vivian	16.03.20	Purchase	100	2515
M J J Balfour	16.03.20	Purchase	100	2515
P H Jackson	16.03.20	Purchase	500	2515
J L Jackson	16.03.20	Purchase	500	2515
The Hon A A Cayzer	25.03.20	Purchase	347	2159.3
Trustees of the RAI Settlement	25.03.20	Purchase	1,500	2175
Bare Trust for A P K Barder	27.03.20	Sale <sup>1</sup>	475	2142
A P K Barder	27.03.20	Purchase <sup>1</sup>	475	2142
Bare Trust for W J E Scott	27.03.20	Sale <sup>1</sup>	475	2142
W J E Scott	27.03.20	Purchase <sup>1</sup>	475	2142
Bare Trust for J N J Scott	27.03.20	Sale <sup>1</sup>	475	2142
J N J Scott	27.03.20	Purchase <sup>1</sup>	475	2142
Bare Trust for C E F Scott	27.03.20	Sale <sup>1</sup>	475	2142
C E F Scott	27.03.20	Purchase <sup>1</sup>	475	2142
Bare Trust for U O H Scott	27.03.20	Sale <sup>1</sup>	475	2142
U O H Scott	27.03.20	Purchase <sup>1</sup>	475	2142
Trustees of the Iris McKellar Will Trust	27.03.20	Sale	735	2104
Trustees of the RAI Settlement	31.03.20	Purchase	1,500	2415
The Hon A A Cayzer	31.03.20	Purchase	331	2397
A C M Cayzer	31.03.20	Purchase	843	2419.3
Bare Trust for H J R Barder	16.04.20	Sale <sup>1</sup>	450	2653
H J R Barder	16.04.20	Purchase <sup>1</sup>	450	2653
Employee Share Trust	17.04.20	Sale	1,118	nil
Employee Share Trust	17.04.20	Purchase	483	2632.5
Trustees of the Iris McKellar Will Trust	04.05.20	Sale	805	2505.4

1. Denotes intra-Concert Party dealings.

2. Dealing pre-dates Concert Party status.

- 4.8. Cayzer Trust is an investment holding company controlled by the Cayzer family. As at 31 March 2019, being the date to which Cayzer Trust's latest audited accounts have been prepared, Cayzer Trust had net assets of £294.9m, which comprised fixed assets (inclusive of long-term investments recorded at £283.4m) of £285.9m and net current assets after provisions of £9m. Long-term investments were recorded at fair value, with the exception of £228.4m of investments in associates recorded at cost of which £227.6m was attributable to Cayzer Trust's holding of Ordinary Shares. The fair value of these Ordinary Shares, based on the closing market share price on 31 March 2019, was £580.2m. A copy of the audited accounts of Cayzer Trust as at 31 March 2019 is available for inspection as noted in Part IV of this document.
- 4.9. As at the Latest Practicable Date, Cayzer Trust's issued share capital comprised 126,301,085 ordinary 1p shares. Each ordinary share carries one vote.

- 4.10. As at the Latest Practicable Date, the interests in the issued share capital of Cayzer Trust of the directors of Cayzer Trust and (so far as the relevant Cayzer Trust director is aware, having made due and careful enquiry) persons whose interests in Cayzer Trust shares each such director is taken to be interested in pursuant to Part 22 of the 2006 Act were as follows:

Name	Number of Cayzer Trust shares		Percentage of voting share capital held beneficially
	Beneficial	Non-beneficial	
Mrs S C Barry	— <sup>3</sup>	10,913,065 <sup>1</sup>	—
The Hon C W Cayzer	3,796,519 <sup>1</sup>	1,370,823 <sup>1</sup>	3.01
J M B Cayzer-Colvin	16,733,353 <sup>1,3</sup>	37,682 <sup>1</sup>	13.25
J P L Davis	—	—	—
G P Denison	—	—	—
D V Gibbs	— <sup>3</sup>	50,178,473 <sup>1</sup>	0.02
The Hon Mrs E Gilmour	6,542,647 <sup>1,3</sup>	11,958,795 <sup>1</sup>	5.18
Mrs R N Leslie	16,747,997	1,982,337	13.26
W P Wyatt	21,942,065 <sup>1,2</sup>	2,833,017 <sup>1</sup>	17.37

1. Including interests held by other directors arising through co-trusteeships.
2. The beneficial interests of Mr W P Wyatt included 17,609,202 Cayzer Trust shares owned by The Dunchurch Lodge Stud Company, a company controlled by Mr Wyatt and certain of his connected persons.
3. Mrs S C Barry, J M B Cayzer-Colvin, D V Gibbs and The Hon Mrs E Gilmour are each directors of The Cayzer Family Archive, a company limited by guarantee and a registered charity, which holds 29,054 Cayzer Trust shares. All directors of The Cayzer Family Archive are treated as having a beneficial interest in these Cayzer Trust shares by virtue of them each holding a membership interest in the charity. However, for reporting purposes, these have been included under the interests of The Hon Mrs E Gilmour only, one of the five current directors.

- 4.11. The Company has no interests in, rights to subscribe for, or short positions in, the issued share capital of Cayzer Trust. Save as disclosed in the table above, the Directors have no interests in, rights to subscribe for, or short positions in, the shares of Cayzer Trust.
- 4.12. Excluding intra-Concert Party dealings, during the disclosure period there were no dealings in the issued share capital of Cayzer Trust by the Directors.
- 4.13. As at the Latest Practicable Date, J.P. Morgan Cazenove held a net short position of 7,621 Ordinary Shares in the Company.

#### General

- 4.14. Save as disclosed in this paragraph 4 of Part II of this document and except for intra-Concert Party dealings:
- 4.14.1. none of the persons described in paragraph 4.14.2 below: (i) was interested, directly or indirectly, in any relevant securities; (ii) had any rights to subscribe for, or any short positions in, any relevant securities; or (iii) had entered into any agreements to sell any relevant securities, or any delivery obligations, or rights to require another person to purchase or take delivery of, any relevant securities;
  - 4.14.2. the following persons are those persons referred to in paragraph 4.14.1 above: (i) each Director and the members of his or her immediate family and related trusts and, so far as each Director is aware, persons connected with him or her (within the meaning of sections 252 and 253 of the 2006 Act); (ii) any person acting in concert with the Company; and (iii) each member of the Concert Party and any persons acting in concert with members of the Concert Party;
  - 4.14.3. no member of the Concert Party, nor any person acting in concert with members of the Concert Party, has dealt in any relevant securities during the 12 month period ended on the Latest Practicable Date;
  - 4.14.4. neither the Company, nor its Directors, nor any person acting in concert with the Company, has borrowed or lent any relevant securities, nor has any member of the Concert Party, nor any person acting in concert with any of them, borrowed or lent any relevant securities.
- 4.15. In paragraph 4.14 above and this paragraph 4.15:
- 4.15.1. 'derivative' includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security; and
  - 4.15.2. 'relevant securities' means the Ordinary Shares, options (including traded option contracts) in respect of, and derivatives referenced to, the Ordinary Shares, and any other securities of the Company carrying conversion or subscription rights into Ordinary Shares.



## 5. Middle market quotations

Set out below are the closing middle market quotations for Ordinary Shares, as derived from the Official List, for the first dealing day of each of the six months immediately preceding the date of this document and for the Latest Practicable Date:

Date	Price per Ordinary Share (p)
2 January 2020	3175.0xd
3 February 2020	3067.5
2 March 2020	2905.0
1 April 2020	2352.5
1 May 2020	2630.0
1 June 2020	2747.5
19 June 2020	2727.5

## 6. Directors

### *Executive Directors*

- 6.1. Executive Directors have service contracts with Caledonia Group Services as follows:

Name	Date of contract	Job title	Annual salary to 31.03.20 (£)	Current annual salary (£)	Notice period	Unexpired term
W P Wyatt	02.06.05	Chief Executive	540,000	540,000	12 months	Rolling 12 months
T J Livett	14.11.18	Chief Financial Officer	375,000	384,400	12 months	Rolling 12 months
J M B Cayzer-Colvin	19.04.05	Executive Director	335,250	343,700	12 months	Rolling 12 months

- 6.2. Pursuant to each Executive Director's service contract:

- 6.2.1. Caledonia Group Services may, at its discretion, terminate the relevant service contract without notice and make a payment in lieu of notice; and
- 6.2.2. (other than in the case of Mr Livett) Caledonia Group Services is required to pay a liquidated sum to the Executive Director if the relevant service contract is terminated within one year of a change of control of the Company.

Any such payment in lieu of notice or liquidated sum may not exceed one year's total emoluments for the relevant Executive Director.

- 6.3. Caledonia Group Services operates a discretionary annual bonus scheme for each Executive Director. The amount of bonus payable, which is limited to 100 per cent. of basic salary, depends on the level of the outperformance of Caledonia's diluted net asset value per Ordinary Share on a total return basis over the Retail Prices Index and on the attainment of individual performance objectives. In the case of Mr Cayzer-Colvin, part of the annual bonus is also determined by reference to the performance and objectives of the pool of capital for which he is responsible. The payment of any such bonus is subject to the overriding discretion of the Remuneration Committee.
- 6.4. Under the Company's current Directors' remuneration policy, any bonus that amounts to more than 50 per cent. of the basic salary of an Executive Director for the financial year to which the bonus relates is compulsorily deferred into Ordinary Shares for a three-year period under the Deferred Bonus Plan.
- 6.5. Under their service contracts, Mr Wyatt, Mr Livett and Mr Cayzer-Colvin, are entitled to have a fixed percentage of basic salary paid into personal pension arrangements or alternatively may receive this as a cash supplement. The fixed percentage is 15.0 per cent. for each Executive Director. Where a Director elects to receive a cash supplement in lieu of pension contribution, the supplement is reduced by such amount as is necessary to make the payment cost neutral to the Company taking into account its National Insurance contributions.
- 6.6. Each Executive Director receives additional benefits, which include items such as a cash allowance in lieu of a company car, private health care and life insurance. Executive Directors may also hold external non-executive directorships unrelated to the Company's business, in relation to which it may be agreed that those Executive Directors retain the fees arising therefrom. Mr Cayzer-Colvin retains fees from a non-executive directorship of The Henderson Smaller Companies Investment Trust plc and Mr Livett retains fees from a non-executive directorship of Premier Marinas Holdings Ltd, a position he held prior to joining Caledonia.
- 6.7. Save as disclosed above, there are no entitlements to commissions, profit sharing arrangements or any other specific compensation payments under any Executive Director's service contract.



### *Chairman and Non-Executive Directors*

- 6.8. The Chairman and the Non-Executive Directors do not have service contracts, but are appointed under letters of appointment that provide for termination without notice or compensation. Appointments are for a fixed period of three years, unless the Chairman or the relevant Non-Executive Director is not re-elected by Ordinary Shareholders at the next annual general meeting at which he or she stands for re-election. The Chairman and the Non-Executive Directors receive fees, which include fees payable in relation to memberships of Board committees, as follows:

Name	Fee (£)
D C Stewart	150,000
S J Bridges	45,500
The Hon C W Cayzer <sup>1</sup>	39,900
G B Davison	47,300
C L Fitzalan Howard	41,500
S C R Jemmett-Page	47,100

1. The Hon C W Cayzer also receives an annual fee of £5,000 in respect of his services as a trustee of the Caledonia Pension Scheme.

- 6.9. Neither the Chairman nor any Non-Executive Director, other than The Hon C W Cayzer, is eligible to participate in any incentive or pension arrangements. The Hon C W Cayzer receives a pension under the Caledonia Pension Scheme, a defined benefit scheme, which also provides for dependants' pensions.

### *General*

- 6.10. Save as disclosed above, there are no service contracts in force between any Director or proposed director of the Company and any member of the Group, and no such contract has been entered into or amended in the last six months preceding the date of this document.
- 6.11. Each of the Directors has the benefit, under article 211 of the Articles, of an indemnity, to the extent permitted by the 2006 Act, against any liability incurred by him or her for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

## **7. Material contracts**

No contracts have been entered into by the Group, other than in the ordinary course of business, within the period of two years prior to the publication of this document, which are or may be material.

## **8. Current ratings**

Dun & Bradstreet Inc ('D&B') publishes failure scores on companies within its database, which predict the likelihood that an organisation will obtain legal relief from its creditors or cease operations over the next 12 month period. The D&B failure score is a relative measure of risk within a range of 1 to 100, whereby a failure score of 1 represents organisations that have the highest probability of failure, and 100 the lowest, within their country. As at the Latest Practicable Date, Caledonia and Cayzer Trust each had D&B failure scores of 100.

## **9. General**

- 9.1. J.P. Morgan Cazenove has given and has not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 9.2. There has been no material or significant change in the financial or trading position of the Company since 31 March 2020, being the date to which the latest audited accounts have been prepared.
- 9.3. No agreement, arrangement or understanding exists whereby beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Authority to Make Market Purchases will be transferred to any other person.
- 9.4. No agreement, arrangement or understanding (including any compensation arrangement) exists between the Concert Party or any person acting in concert with it and any of the Directors or recent directors, shareholders or recent shareholders of the Company having any connection with or dependence on, or which is conditional on, the implementation of the Authority to Make Market Purchases.

## **10. Documents available for inspection**

See Part IV of this document for a list of the documents which will be made available for inspection as required, and details of how to receive hard copies of this document and any documents incorporated by reference herein.

## **Part III – Additional information relating to the new executive share plan**

### **1. Eligibility**

Executive directors and other employees of the Group are eligible for grants under the 2020 PSS. Participation in the 2020 PSS is at the discretion of the Remuneration Committee.

### **2. Grant of awards**

Awards can be granted within the period of six weeks commencing on any of the following:

- shareholder approval of the 2020 PSS at the AGM;
- the day immediately following the day on which the Company makes an announcement of its results for any period;
- any day on which the Remuneration Committee resolves that exceptional circumstances exist which justify the grant of awards; or
- the day immediately following the lifting of any dealing restrictions which prevented the grant of the options during the periods referred to above.

No payment is required for the grant of awards. No grants may be made under the 2020 PSS more than ten years following the adoption of the plan at the AGM.

### **3. Form of awards**

Awards are generally made as nil-cost options but may also be granted as conditional share awards.

The 2020 PSS also provides that where an award involving real shares is not appropriate for legal, regulatory or tax reasons, the award may be satisfied (in whole or in part) in cash.

### **4. Value of awards**

Award levels will be determined each year by the Remuneration Committee. In relation to any financial year, awards may be granted over shares with an aggregate market value (as measured at the date of grant) of up to 200% of the participant's base salary.

### **5. Performance conditions**

The vesting of awards will be dependent upon the satisfaction of performance conditions that are appropriate to the Company's strategic objectives. The Remuneration Committee can set different performance conditions for awards granted in different years and for awards granted to different participants in the same year (in terms of the type of condition, the weighting given to that condition and the targets applicable to each condition).

One-third of an award will normally be subject to performance conditions measured over the three financial years, commencing at the start of the year in which the award is granted, and the remaining two-thirds of an award will be subject to performance conditions measured over the five financial years commencing at the start of the year in which the award is granted (each the 'Performance Period'), save that the Remuneration Committee may set a different period if it considers it appropriate, including on recruitment of an executive director or if the grant of an award has been delayed beyond the end of the financial year in which it would have otherwise been granted.

Details of performance conditions applicable to executive directors are disclosed in the Company's directors' remuneration report. There will be no retesting of any performance condition.

The Remuneration Committee may vary the performance conditions applying to existing awards if as a result of an event (for example, an acquisition or disposal of a business or a significant part of a business) those circumstances which were relevant to the conditions originally imposed have subsequently changed provided that, in its reasonable opinion, the new conditions remain objective, would be a fairer measure of the performance and are no more difficult to satisfy than the original conditions.

### **6. Holding periods**

At the time the Remuneration Committee grants an award, it has discretion to impose a mandatory holding period on the shares to be issued or transferred following vesting. This means that shares allotted or transferred may not be transferred or disposed of (other than to satisfy any tax liability incurred in connection with the award) during the holding period. The Remuneration Committee may exercise its discretion to allow early release of shares subject to a holding period if the participant ceases to be an employee of the Group.

In respect of awards granted to Executive Directors, a post-vesting holding period of two years will apply to the one-third of awards, on an after-tax basis, for which performance is measured over three years.

## **7. Malus and clawback**

The Remuneration Committee has the right to cancel or reduce unvested awards, in the event of a material misstatement of the Company's financial results, miscalculation of a participant's entitlement, individual misconduct or an event resulting in material loss or reputational damage to the Company or any member of the Group. The Remuneration Committee may also, acting fairly and reasonably, reduce the level of vesting to take account of any matter which it considers appropriate including the broader performance of the Company, the shareholder experience and the conduct of the participant. In addition, the Remuneration Committee has the right to recover all or part of the value of awards and dividend equivalents received within two years of the date that such awards vested and became exercisable, in the event of a material miscalculation of a participant's entitlement, a material misstatement or restatement of the Company's financial results for the years to which the performance periods relate, or material personal misconduct that would justify summary dismissal, result in significant reputational damage to the Company, have a material adverse effect on the Company's financial position or reflect a significant failure of the Company's risk management or control.

## **8. Dividend equivalent**

The number of shares in respect of an award may be increased to account for dividends paid on any vesting shares in the period between grant and vesting. Alternatively, participants may receive a cash sum equal to the value of dividends paid on any vesting shares in the period between grant and vesting.

## **9. Cessation of employment**

Awards held by participants who leave at any time prior to vesting will lapse unless they leave by reason of death, injury, ill-health, disability, redundancy, the sale out of the Group of the participant's employing company or business, or in other circumstances at the discretion of the Remuneration Committee ('good leavers'). The Remuneration Committee may reassess an individual's good leaver treatment should circumstances change after the date of cessation but prior to vesting.

Awards held by a good leaver generally remain in force, subject to the applicable performance conditions, until the end of the applicable Performance Period. Such awards will normally be pro-rated on the basis of actual service within the respective Performance Period. Any holding period will continue to apply. The Remuneration Committee may allow a good leaver's awards to vest sooner, subject to the applicable performance conditions, and/or may waive the holding period requirement, if it considers it appropriate in light of the circumstances.

## **10. Corporate events**

In the event of a change of control of the Company, performance will be measured to the date of the relevant event and awards will vest to the extent that any applicable performance conditions are met. The Remuneration Committee will have discretion, in relation to the performance conditions, to adjust the vesting level if it considers that the performance conditions would have been met to a greater or lesser extent at the end of the full Performance Period. The Remuneration Committee will in normal circumstances scale down the vesting level having regard to the time that has elapsed between the grant of the award and the relevant event, but will retain a discretion to modify pro-rating if it considers that the contribution of the participant to the creation of shareholder value would not otherwise be properly recognised. In addition, on a demerger, dividend in specie or other transaction which would affect the value of any awards, the Remuneration Committee may allow awards to vest early in the same manner. An internal reorganisation to create a new holding company will not result in the accelerated vesting of awards.

## **11. Adjustment of awards**

If there is a variation in the share capital of the Company (including without limitation a capitalisation, rights issue or any subdivision or consolidation, or reduction of, share capital), the shares under an award and the applicable performance conditions may be adjusted to reflect that variation.

## **12. Rights attaching to shares**

All shares allotted under the 2020 PSS will carry the same rights as any other issued Ordinary Shares in the Company and application will be made for the shares to be listed by the FCA and traded on the London Stock Exchange.

Benefits received under the 2020 PSS are not pensionable and may not be assigned or transferred except on a participant's death.

## **13. Alterations to the 2020 PSS**

In addition to the Remuneration Committee's powers to vary performance conditions described above, it will have authority to amend the rules of the 2020 PSS, provided that no amendments to the advantage of the participants or eligible employees may be made to provisions relating to the key features of the 2020 PSS without the prior approval of shareholders in general meeting unless the amendment is minor and made to benefit the administration of the 2020 PSS, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or

regulatory treatment. Key features are: who can be a participant; the limits on the number of shares which can be issued under the 2020 PSS; the maximum entitlement of a participant under the 2020 PSS; the basis for determining a participant's entitlement to shares; the terms of shares to be provided under the 2020 PSS; and the provisions relating to adjustments in the event of a variation in the Company's share capital.

Additional schedules to the rules can be established to operate the 2020 PSS outside the UK. These schedules can vary the rules of the 2020 PSS to take account of any securities, exchange control or taxation laws or regulations.

#### **14. Satisfaction of awards**

An award may be satisfied with new issue shares, treasury shares or shares purchased in the market.

#### **15. Limits on the issue of shares**

In any ten-year period, the Company may not grant awards under the 2020 PSS if such grant would cause the number of shares that could be issued under the 2020 PSS or any other share plan adopted by the Company or any other company under the Company's control to exceed ten per cent. of the Company's issued ordinary share capital at the proposed date of grant.

In addition, in any ten-year period, the Company may not grant awards under the 2020 PSS if such grant would cause the number of Ordinary Shares that could be issued under the 2020 PSS or any discretionary share plans adopted by the Company or any other company under the Company's control to exceed five per cent. of the Company's issued ordinary share capital at the proposed date of grant.

The satisfaction of awards with treasury shares will be treated as an issue of Ordinary Shares for the purposes of the above limits for so long as institutional shareholder guidelines recommend this. If awards are satisfied by a transfer of existing Ordinary Shares, the percentage limits stated above will not apply.

## Part IV – Documents available for inspection

Copies of the following documents are, under normal circumstances, available for inspection on appointment at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS, and at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including 29 July 2020 and at the AGM to be held on that day, and also on the Company's website at <https://www.caledonia.com/shareholder-information/shareholder-meetings>:

1. The Annual Report.
2. The audited accounts of the Company for the financial year ended 31 March 2019.
3. The audited accounts of Cayzer Trust for the financial year ended 31 March 2019.
4. The audited accounts of Cayzer Trust for the financial year ended 31 March 2018.
5. Details of the Concert Party holdings of Ordinary Shares referred to above in paragraph 4.6 of Part II of this document.
6. The consent letter referred to above in paragraph 9.1 of Part II of this document.
7. The memorandum of association of the Company and the Articles.
8. The service contracts of each Executive Director and the letters of appointment of the Chairman and each Non-Executive Director.
9. The memorandum and articles of association of Cayzer Trust.
10. The draft rules of the 2020 PSS.
11. This document.

The documents available for inspection listed under items 1 to 4 above are incorporated by reference into this document. Printed copies of the audited accounts of the Company for the financial year ended 31 March 2020 and of those of Cayzer Trust for its financial years ended 31 March 2019 and 2018 will not be sent to Ordinary Shareholders, persons with information rights or other persons to whom this document is being sent unless requested. Printed copies of all of the documents incorporated by reference into this document are available free of charge on request in writing or by telephone from the Company Secretary at Caledonia Investments plc, Cayzer House, 30 Buckingham Gate, London SW1E 6NN (tel: +44 20 7802 8080).

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ninety-first annual general meeting of Caledonia Investments plc will be held at Cayzer House, 30 Buckingham Gate, London SW1E 6NN at 11.30 a.m. on 29 July 2020 for the purposes of considering and, if thought fit, passing the following resolutions, which, in the case of resolutions 16, 19 and 20 will be proposed as special resolutions and, in the case of all of the other resolutions, will be proposed as ordinary resolutions:

1. THAT the annual report and accounts for the year ended 31 March 2020, including the auditor's report to the members, be received and adopted.
2. THAT the directors' remuneration report, other than that part containing the directors' remuneration policy, as set out in the annual report and accounts for the year ended 31 March 2020, be approved.
3. THAT the directors' remuneration policy, as set out in the annual report and accounts for the year ended 31 March 2020, be approved.
4. THAT a final dividend of 44.5p per ordinary share for the year ended 31 March 2020 be approved and declared.
5. THAT Mr D C Stewart be re-elected as a director of the company.
6. THAT Mr W P Wyatt be re-elected as a director of the company.
7. THAT Mr T J Livett be re-elected as a director of the company.
8. THAT Mr J M B Cayzer-Colvin be re-elected as a director of the company.
9. THAT The Hon C W Cayzer be re-elected as a director of the company.
10. THAT Mr S J Bridges be re-elected as a director of the company.
11. THAT Mr G B Davison be re-elected as a director of the company.
12. THAT Mrs C L Fitzalan Howard be re-elected as a director of the company.
13. THAT Mrs S C R Jemmett-Page be re-elected as a director of the company.
14. THAT KPMG LLP be re-appointed as the company's auditor until the conclusion of the next general meeting of the company at which the accounts of the company are laid.
15. THAT the directors, acting through the Audit Committee, be authorised to agree the auditor's remuneration.
16. THAT, in place of all existing authorities to make market purchases of its ordinary shares, the company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the Companies Act 2006 ('2006 Act') at any time or times to make a market purchase or market purchases (within the meaning of section 693 of the 2006 Act) of any of its own ordinary shares of 5p each provided that:
  - a. the maximum number of ordinary shares hereby authorised to be so acquired is 5,537,730;
  - b. the minimum price, exclusive of expenses, which may be paid for such shares is 5p each;
  - c. the maximum price, exclusive of expenses, which may be paid for a share contracted to be purchased on any day, is an amount not more than the higher of:
    - i. 5 per cent. above the average of the middle market quotations for the ordinary shares of the company as taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
    - ii. the higher of:
      - aa. the price of the last independent trade in ordinary shares of the company; and
      - bb. the highest current independent bid relating thereto on the trading venue where the purchase is carried out;
  - d. the authority hereby conferred shall expire on 29 October 2021 or, if earlier, at the conclusion of the next annual general meeting of the company; and
  - e. the company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of its own shares in pursuance of any such contract.
17. THAT the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on the members of the Concert Party (as defined in the circular to shareholders dated 19 June 2020 accompanying this notice ('Circular')) to make a general offer to the shareholders of the company pursuant to Rule 9 of the City Code on Takeovers and Mergers ('Takeover Code') as a result of the exercise by the company of the authority to purchase its own ordinary shares as described in the Circular, be and is hereby approved, subject to the maximum percentage of voting rights in which the Concert Party is interested arising on the exercise by the company of the authority to purchase its own ordinary shares not exceeding 49.9 per cent. of the issued ordinary share capital in the company carrying voting rights.

In order to comply with the Takeover Code, resolution 17 will be taken on a poll and each of the members of the Concert Party will not be eligible to vote on the resolution.

18. THAT the directors be authorised to allot relevant securities (as defined in the 2006 Act):
- a. up to a nominal amount of £922,895; and
  - b. comprising equity securities (as defined in the 2006 Act) up to a nominal amount of £1,845,790 (including within such limit any shares issued under (a) above) in connection with an offer by way of a rights issue:
    - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - ii. to people who are holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,
 and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,
- such authorities to apply until the conclusion of next year's annual general meeting or, if earlier, until the close of business on 29 October 2021, but, in each case, so that the company may make offers and enter into agreements during the relevant period which would, or might, require relevant securities to be allotted after the authority ends and the directors may allot relevant securities under any such offer or agreement as if the authority had not ended.
19. THAT, if resolution 18 is passed, the directors be given power to allot equity securities (as defined in the 2006 Act) for cash under the authority given by that resolution and/or where the allotment constitutes an allotment of equity securities by virtue of section 560 of the 2006 Act, free of the restriction in section 561 of the 2006 Act, such power to be limited:
- a. to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 18(b), by way of a rights issue only):
    - i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - ii. to people who are holders of other equity securities, if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities,
 and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
  - b. in the case of the authority granted under resolution 18(a), to the allotment (otherwise than under (a) above) of equity securities up to a nominal amount of £138,434,
- such power to apply until the conclusion of next year's annual general meeting or, if earlier, until the close of business on 29 October 2021, but during this period the company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after the power ends and the directors may allot equity securities under any such offer or agreement as if the power had not ended.
20. THAT the directors be authorised to convene general meetings, other than annual general meetings, on not less than 14 clear days' notice, such authority to expire on the date of the next annual general meeting of the company.
21. THAT the Caledonia Investments 2020 Performance Share Scheme, the main provisions of which are summarised in Part III of the Circular and a copy of the rules of which is produced to the meeting and initialled by the chairman of the meeting for the purposes of identification, be and is hereby approved and the directors be and they are hereby authorised to do all acts and things as may be necessary or desirable to carry the same into effect.

By order of the board

Richard Webster  
Company Secretary  
19 June 2020

Caledonia Investments plc  
Registered in England and Wales under No. 235481

Registered and head office:  
Cayzer House  
30 Buckingham Gate  
London SW1E 6NN



## Notes

1. A member is entitled to appoint a proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf at the annual general meeting. 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. A proxy need not be a member of the company. In light of social distancing measures in response to the Covid-19 pandemic, the annual general meeting will be a closed meeting with the minimum necessary quorum of two shareholders present in order to conduct the business of the meeting. You are therefore encouraged to appoint the chairman of the meeting as your proxy and give your instructions on how you wish the chairman to vote on the proposed resolutions, to ensure your vote is recognised at the meeting.
2. To be valid, a form of proxy must be deposited so as to be received no later than 11.30 a.m. on 27 July 2020, with the company's registrar, Link Asset Services, by one of the following methods: (i) if using a paper proxy form, by post to the address provided for such purpose in the form of proxy or by hand during normal business hours to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or (ii) online at [www.signalshares.com](http://www.signalshares.com) using the member's investor code; or (iii) in the case only where ordinary shares are held in CREST (as an alternative to methods (i) and (ii)), via the CREST Proxy Voting Service (as defined in the Circular); or (iii) for institutional investors, via the Proxymity platform ([www.proxymity.io](http://www.proxymity.io)). The return of a completed form of proxy does not ordinarily preclude a member from attending and voting at the meeting in person. However, as this year's annual general meeting will be held as a closed meeting, shareholders will not be able to attend the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the company specifies that only those members holding ordinary shares who are entered on the register of members as at the close of business on 27 July 2020 or, in the event that the meeting is adjourned, on the register 48 hours before the time of any adjourned meeting(s), shall be entitled to attend and/or vote in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members after the close of business on 27 July 2020 or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting(s), shall be disregarded in determining the rights of any person to attend or vote at the meeting(s), notwithstanding any provisions in any enactment, the articles of association of the company or other instrument to the contrary.
4. CREST members who wish to appoint a proxy or proxies through the CREST Proxy Voting Service may do so for the annual general meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (as defined in the Circular). 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.

In order for a proxy appointment or instruction made using the CREST Proxy Voting Service to be valid, the appropriate CREST message ('CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland Limited ('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 Link Asset Services (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time(s) of receipt will be taken to be the time(s) (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After such time(s), any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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 their 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.

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 person to whom this notice is sent who is a person nominated under section 146 of the 2006 Act to enjoy information rights ('Nominated Person') may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
6. The statement of the rights of members in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the company.
7. Any member which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that each corporate representative is appointed to exercise the rights attached to a different share or shares held by that member.
8. Any member attending the meeting ordinarily has the right to ask questions relating to the business of the meeting. The company must cause any such question to be answered unless: (a) to do so would interfere unduly with the preparation of the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it would be undesirable to do so in the interests of the company or the good order of the meeting. This year's annual general meeting will be a closed meeting to enable the Company to adhere to Government guidelines. Members may submit questions in advance of the meeting by sending the Company Secretary an email at [investorrelations@caledonia.com](mailto:investorrelations@caledonia.com) by no later than 11.30 a.m. on 27 July 2020. The Board will attempt to provide answers to as many questions it receives as possible, in the same way as if they had been asked at the AGM and where it would have been required to do so pursuant to section 319A of the 2006 Act.
9. As at 19 June 2020, being the latest practicable date prior to the publication of this document, the company's issued share capital included 55,373,734 ordinary shares with voting rights. No ordinary shares were held in treasury and therefore, as at 19 June 2020, there was a total of 55,373,734 ordinary shares with voting rights in issue.
10. A copy of this notice and any other information required by section 311A of the 2006 Act can be found at the company's website, [www.caledonia.com](http://www.caledonia.com). Members may not use any electronic address (within the meaning of section 333(4) of the 2006 Act) provided in this notice of meeting (or the Circular or any related document) to communicate with the company for any purposes other than those expressly stated.
11. It is possible that, pursuant to members' requests made in accordance with section 527 of the 2006 Act, the company will be required to publish on a website a statement in accordance with section 528 of the 2006 Act setting out any matter that the members concerned propose to raise at the meeting relating to the audit of the company's latest audited accounts. The company cannot require the members concerned to pay its expenses in complying with those sections. The company must forward any such statement to its auditor by the time it makes the statement available on its website. The business which may be dealt with at the meeting includes any such statement.



