

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or other financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all of your Shares in Picton Property Income Limited, please send this document and Form of Proxy, as soon as possible, 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.



## **PICTON PROPERTY INCOME LIMITED**

(The "Company")

(incorporated in Guernsey with Company No. 43673)

**LEI: 213800RYE59K9CKR4497**

## **NOTICE OF ANNUAL GENERAL MEETING**

Wednesday 18 November 2020 at 2.00 pm  
28 Austin Friars, London, EC2N 2QQ

**NOTICE IS HEREBY GIVEN** of the Fifteenth Annual General Meeting of the Company  
(the "AGM" or the "Meeting").

### **Action to be taken by shareholders**

Shareholders' attention is drawn to the resolutions to be proposed at the AGM, and the corresponding explanatory notes, set out overleaf.

The well-being and safety of shareholders, staff and service providers is a key concern of the Directors of the Company. Given the ongoing COVID-19 pandemic, shareholders are asked not to attend the Meeting in person. The Directors therefore encourage shareholders to complete and return their forms of proxy within the prescribed timeframe.

The Board welcomes feedback or questions from shareholders and, given the format and the prevailing circumstances, ask that any questions are submitted prior to the Meeting and no later than close of business on 11 November 2020. The Company Secretary will respond to all questions received. These may be submitted by emailing [team\\_picton@ntrs.com](mailto:team_picton@ntrs.com).

### **Recommendations**

The Directors consider that the passing of Resolutions 1 to 13 is in the best interests of the Company and its shareholders as a whole and accordingly recommend that you vote in favour of all the resolutions to be proposed at the forthcoming AGM. The Directors intend to vote in favour of these resolutions in respect of their own share interests, which amounts to 819,899 Ordinary Shares representing in aggregate 0.15 per cent of the nominal issued ordinary share capital of the Company.

**Company Secretary & Registered Office:**

Northern Trust International Fund Administration Services (Guernsey) Limited  
P.O. Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey  
GY1 3QL  
team\_picton@ntrs.com

Resolutions 1 to 10 will be proposed as Ordinary Resolutions. For each of these Resolutions to be passed, more than half of the votes cast must be in favour of the Resolutions. Resolutions 11 to 13 will be proposed as Special and Extraordinary Resolutions. For these Resolutions to be passed, at least three quarters of the votes cast must in favour of each Resolution.

**Resolution****Ordinary Business**

1. To receive the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 March 2020.
2. To re-elect KPMG Channel Islands Limited as Auditor of the Company until the conclusion of the next Annual General Meeting.
3. To authorise the Board of Directors to determine the Auditor's remuneration.
4. To re-elect Maria Bentley as a Director of the Company.
5. To re-elect Mark Batten as a Director of the Company.
6. To re-elect Andrew Dewhirst as a Director of the Company.
7. To elect Richard Jones as a Director of the Company.
8. To re-elect Nicholas Thompson as a Director of the Company.
9. To re-elect Michael Morris as a Director of the Company.
10. To receive and adopt the Directors' Remuneration Report for the year ended 31 March 2020.

**Special Business**

11. To renew the authority of the Company, in accordance with Section 315 of The Companies (Guernsey) Law, 2008 (as amended) ("the Law"), to make market acquisitions (within the meaning of Section 316 of the Law) of the Ordinary Shares of No Par Value in the share capital of the Company ("the Ordinary Shares") provided that: -

- a) the maximum number of Ordinary Shares hereby authorised to be acquired shall be 14.99 per cent of the issued Ordinary Shares on the date on which this resolution is passed;
- b) the minimum price which may be paid for an Ordinary Share shall be 1p;
- c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be an amount equal to the higher of 105 per cent of the average of the middle market quotations (as derived from the Daily Official List) for the Ordinary Shares for the five business days immediately preceding the date of purchase or the higher of such price of the last independent trade and the highest current independent bid at the time of purchase; and
- d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021, save that the Company may prior to such expiry, enter into a contract to purchase Ordinary Shares under such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

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To empower the Directors of the Company to dis-apply the right of shareholders to receive a pre-emptive offer of new Ordinary Shares pursuant to Article 5.11 of the Articles of Incorporation provided that this power shall be limited to the issue of up to 27,380,279 Ordinary Shares (being equal to 5 per cent of the Ordinary Shares in issue as at the date of this Notice) and shall expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the Annual General Meeting of the Company held in 2021, or, if earlier, the date falling 15 months after the date of this Resolution, but during this period the Company may make offers, and enter into agreements, which would, or might, require Ordinary Shares to be issued (and treasury shares to be sold) after the power given to the Board pursuant to this Resolution ends and the Board may issue Ordinary Shares (and sell treasury shares) under any such offer or agreement as if the power had not ended.

That conditional and in addition to extraordinary resolution 12 above having been passed, to empower the Directors of the Company to dis-apply the right of shareholders to receive a pre-emptive offer of new Ordinary Shares pursuant to Article 5.11 of the Articles of Incorporation provided that this power shall be: (i) limited to the issue of up to 27,380,279 Ordinary Shares (being equal to 5 per cent of the Ordinary Shares in issue as at the date of this Notice); and (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, and shall expire (unless previously renewed, varied or revoked by the Company in a general meeting) at the end of the Annual General Meeting of the Company held in 2021, or, if earlier, the date falling 15 months after the date of this Resolution, but during this period the Company may make offers, and enter into agreements, which would, or might, require Ordinary Shares to be issued (and treasury shares to be sold) after the power given to the Board pursuant to this Resolution ends and the Board may issue Ordinary Shares (and sell treasury shares) under any such offer or agreement as if the power had not ended.

Any Other Business.

By Order of the Board

For and on behalf of  
**Northern Trust International Fund Administration  
Services (Guernsey) Limited**  
As Secretary

14 October 2020

**Notes**

A member of a company is entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the company. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by them. A proxy need not also be a member of the company. Details of how to appoint the Chairman of the Meeting or another person as proxy using the Proxy Form are set out in the notes to the Proxy Form. The requisite form is attached hereto and must be lodged with the Company's Registrars at: The Pavilions, Bridgewater Road, Bristol, BS99 6ZY at least 48 hours before the time of the Meeting.

## **Explanatory Notes to the Annual General Meeting**

### **Resolution 1 – Annual Report and Consolidated Financial Statements**

The Companies (Guernsey) Law requires the Directors to lay before the Annual General Meeting copies of the Company's annual accounts and Directors' Report in respect of each financial year.

### **Resolutions 2 and 3 – Reappointment of Auditor and Remuneration**

At each Annual General Meeting the Company is required to appoint an Auditor to serve until the next meeting. Following a full tender process in 2020 KPMG Channel Islands Limited were re-selected and have indicated that they are willing to continue as the Company's Auditor, and the Directors recommend their reappointment. Resolution 3 gives the Board the discretion to determine the remuneration of the Auditor.

### **Resolutions 4, 5, 6, 7, 8, 9 – Election and re-election of Directors**

In accordance with the UK Corporate Governance Code 2018, each Director will put themselves up for election or re-election annually.

Pages 56– 57 of the 2020 Annual Report provide background information on board composition, length of tenure and division of notes and responsibilities.

As announced on 13 August 2020, Richard Jones was appointed as a Director of the Company with effect from 1 September 2020. He has succeeded Roger Lewis as Chairman of the Property Valuation Committee, who retired on 30 September 2020.

Richard is a highly experienced real estate professional with over 30 years' experience and was UK Managing Director on the Aviva Investors' Global Real Estate Board where he sat on their Global Real Estate Investment Committee until 2014. He has served as a non-executive director on a number of boards and is currently on the Investment Committee of Henley Secure Income Property Unit Trust, and Transport for London's Commercial Property Advisory Group.

Nicholas Thompson has served on the Board since the Company was launched in 2005. Having considered his independence, the Board remains satisfied that no other relationships or circumstances exist which may affect his ability to exercise independent judgement. As announced on 12 October 2020, he will step down from the Board on 31 January 2021. His successor, Lena Wilson CBE, will join the Board on 1 January 2021 and will take over as Chair on 1 February 2021.

### **Resolution 10 – Approve the Annual Report on Remuneration**

You can find the full Directors' Annual Remuneration Report on pages 77 to 83 of the 2020 Annual Report. It details payments made to Directors during the year, in accordance with the current remuneration policy approved by shareholders at the 2018 Annual General Meeting.

As a non-UK incorporated company there is no legal requirement for the Company to seek shareholder approval. Shareholder approval is being sought as the Board of Directors is committed to the highest standard of corporate governance and, as such, the Company is submitting the Directors' Annual Remuneration Report to shareholders for approval on an advisory non-binding basis.

### **Resolution 11 – Authority to purchase own shares**

This resolution renews the share buy-back authority that was given by the Company's shareholders on 14 November 2019. Resolution 11 gives the Company authority to make market acquisitions of the Company's own Ordinary Shares, up to a maximum of 14.99 per cent. per annum of the Company's Ordinary Shares in issue (as at the time immediately following the passing of the resolution) and subject to minimum and maximum purchase prices as set out in parts b) and c) of Resolution 11. This authority will only be invoked if, after taking proper advice, the Directors consider that benefits will accrue to shareholders generally. In normal market circumstances the Directors intend to favour pro rata capital distributions ahead of Ordinary Share repurchases in the market, however, if the Ordinary Shares have traded at a significant discount to Net Asset Value for a prolonged period the Board will seek to prioritise the use of net income after the payment of dividends on market repurchases over other uses of capital. If the Board does decide that the Company should repurchase Ordinary Shares, purchases will only be made through the market for cash at prices below the prevailing Net Asset Value per Ordinary Share where the Directors believe such purchases will result in an increase in the Net Asset Value per Ordinary Share. The Directors intend that any such Ordinary Shares repurchased will subsequently be cancelled.

### **Resolutions 12 and 13 – Dis-application of pre-emption rights**

Resolutions 12 and 13 are resolutions which, if passed, will allow the Board to allot new ordinary shares without first offering those shares to existing shareholders.

The Directors require specific authority from shareholders before allotting new ordinary shares for cash (or selling shares out of treasury for cash) without first offering them to existing shareholders in proportion to their holdings. If Resolution 12 is passed the authority will expire on the earlier of the conclusion of the Annual General Meeting of the Company in 2021 or 15 months from the passing of this Resolution. The number of shares allotted under this power shall be limited as outlined in Resolution 12 and can be up to 5 per cent. of the number of Ordinary Shares in issue as at the date of this Notice.

Resolution 13 is conditional on resolution 12 being passed and applies in addition to Resolution 12, if passed and addition to the power given by Resolution 12 it will give the Board the authority to allot new ordinary shares on a non-pre-emptive basis and for cash only in connection with an acquisition of an asset or specified capital investment. The maximum number of shares that can be allotted under this authority can be up to 5 per cent of the number of Ordinary Shares in issue at the date of this Notice. The Board confirms that it intends to use this authority only in connection with an acquisition or a specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue.

The Board confirms that it intends to follow the 2015 Statement of Principles issued by the Pre-Emption Group regarding cumulative usage of authorities within a rolling three-year period.