

Company No: 09223445

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS OF

MERCIA ASSET MANAGEMENT PLC

(the "Company")

PASSED ON 20 DECEMBER 2019

At a General Meeting of the Company duly convened and held at 10.00 a.m. on 20 December 2019 at Forward House, 17 High Street, Henley-in-Arden, Warwickshire B95 5AA, the following resolutions were duly passed in the case of resolutions 1 and 3 as ordinary resolutions and, in the case of resolutions 2 and 4, as special resolutions:

ORDINARY RESOLUTION

- 1 **THAT** the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "**Act**") to exercise all powers of the Company to allot Ordinary shares of £0.00001 each in the capital of the Company ("**Ordinary Shares**") up to an aggregate maximum nominal amount of £1,452.00 pursuant to the Placing and the Acquisition (as defined in the circular of the Company dated 4 December 2019) provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2020.

SPECIAL RESOLUTION

- 2 **THAT**, subject to the passing of resolution 1, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 above as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment up to an aggregate nominal amount of £1,452.00 and provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2020.

ORDINARY RESOLUTION

- 3 **THAT**, subject to the passing of resolution 2, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate maximum nominal amount of £440.11 provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2020 save that the Company shall be entitled to make, prior to the expiry of such authority, any offer or agreement which would or might require shares to be

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allotted or rights to subscribe for or convert any security into shares to be granted after the expiry of such authority and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired. The authority granted by this resolution shall replace the *existing authority to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company previously granted to the Directors at the annual general meeting of the Company held on 24 September 2019 pursuant to section 551 of the Act.*

SPECIAL RESOLUTION

- 4 **THAT**, subject to the passing of resolution 3, the Directors be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560 of the Act) for cash either pursuant to the authority conferred by resolution 3 above or by way of sale of treasury shares as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment and/or sale of equity securities up to an aggregate nominal amount of £440.11 and provided that this authority shall expire (unless renewed, varied or revoked by the Company in general meeting) on the earlier of the conclusion of the next annual general meeting of the Company and 30 September 2020 save that the Company shall be entitled to make, prior the expiry of such authority, offers or arrangements which would or might require equity securities to be allotted and/or sold after such expiry, and the Directors may allot and/or sell equity securities in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired. The authority granted by this resolution shall replace the existing authority previously granted to the Directors at the annual general meeting of the Company held on 24 September 2019 to allot equity securities for cash or by way of a sale of treasury shares as if section 561(1) of the Act did not apply.

Ja. R. Hecox
CHAIR

**INDEPENDENT VALUATION REPORT TO MERCIA ASSET MANAGEMENT PLC FOR THE PURPOSES
OF SECTION 593(1) OF THE COMPANIES ACT 2006**

The Directors
Mercia Asset Management PLC (the "**Company**")
Forward House
17 High Street
Henley In Arden
B95 5AA

Dear Sirs and Mesdames

Report of the independent valuer for the purpose of Section 593 of the Companies Act 2006

We report on the value of the consideration for the allotment to NVM Private Equity LLP of 16,800,000 ordinary shares of £0.00001 each in the capital of the Company ("**Ordinary Shares**") to be allotted and issued at a £24.99999 premium per Ordinary Share, with an aggregate value of £4,200,000. The Ordinary Shares (including related share premium) are to be treated as fully paid up.

The issue of the Ordinary Shares is in relation to the acquisition by Mercia Fund Management Limited ("**MFM**"), a wholly owned subsidiary of the Company, of the trade and certain assets of NVM Private Equity LLP's VCT management business (the "**Business**") for up to £25,000,000, to be satisfied by a combination of cash and Ordinary Shares.

The Ordinary Shares are to be treated as fully paid up by the consideration ("**Consideration**") for the allotment, being the issue of 4,200,000 ordinary shares of MFM to the Company.

Basis of valuation

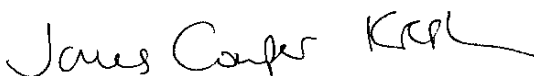
The Business has been valued based on "market value" (i.e., the price that would be paid in a transaction between a willing vendor to a willing purchaser, each of whom is acting for self-interest and gain, and both of whom are equally well informed about the Business and the market in which it operates) adopting a "multiple of profits" approach.

Opinion

In our opinion:

- the method of valuation of the business was reasonable in the circumstances; and
- there appears to have been no material change in the value of the consideration since the valuation date of 2 December 2019.

On the basis of the valuation, in our opinion, the value of the total consideration is not less than the aggregate of the nominal value and share premium to be treated as paid up by the consideration.



James Cowper Kreston, Statutory Auditor and Chartered Accountants,
Reading
20 December 2019