

CROFTMUIR LIMITED
(Registered No. SC211611)
(the "Company")

WRITTEN RESOLUTION OF THE DIRECTORS

We, the undersigned, being the directors of the Company who are entitled to act and resolve upon matters HEREBY RESOLVE, as follows.

1. PURPOSE OF THE RESOLUTION

- 1.1 We note that it is proposed that the Company undertakes a balance sheet reorganisation (the "Reorganisation"),
- 1.2 We note that, as part of the Reorganisation, it is proposed that:
 - 1.2.1 the Company's share capital be reduced by way of the solvency statement procedure set out in section 641 of the Companies Act 2006 (the "Act") by cancelling and extinguishing 191 of the ordinary shares of £1.00 each in the capital of the Company (the "Capital Reduction") and that the amount by which the issued share capital is so reduced be credited to a distributable reserve; and
 - 1.2.2 the Company's share premium of £18,153 is to be cancelled and extinguished to nil, and that the amount by which the share premium is so reduced be credited to a distributable reserve; and
 - 1.2.3 subject to the Capital Reduction having taken place the Company:
 - (a) declare and make a dividend distribution to HGT Finance A Limited of £97,500.
- 1.3 We hereby note that the purpose of the resolution is therefore, to consider and, if thought fit approve, authorise, acknowledge and take all the actions required to be taken by the Company in order to implement and facilitate the share capital and share premium reduction.
- 1.4 We note the need, as always, when considering whether or not to approve any proposals contained within this resolution to be mindful of our general duties to the Company (including required by the Act). In particular, the directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, have regard to the factors set out in section 172 of the Act (and any other relevant matters).

2. DECLARATIONS OF INTEREST

- 2.1 We note that in accordance with our obligations under the Act (in particular under sections 177 and 182) and under the articles of association for the Company, We have declared the nature and extent of our interests (direct or indirect) in the matters to which this resolution relates. In particular, we note that we are directors of Croftmuir Limited.
- 2.2 We note that, having declared our interests, we are entitled to vote on the matters to which this resolution relates.

3. DOCUMENTS PRODUCED

We have received and reviewed the following documents:

- 3.1 a draft of the written resolution;
- 3.2 a draft of the solvency statement in the prescribed form and containing the information set out in section 643 of the Act (the "**Solvency Statement**");
- 3.3 a draft statement of compliance of the directors confirming that the Solvency Statement was not made more than 15 days before the date on which the Written Resolution was passed and was provided to the shareholders in accordance with section 642 (2) of the Act (the "**Statement of Compliance**");
- 3.4 a draft statement of capital proposed to be delivered to the Register of Companies (in the form of a Companies House form SH19) (the "**SH19**");
- 3.5 the annual accounts of the Company to 31 March 2023 (the "**Accounts**");
- 3.6 the management accounts of the Company showing the assets, liabilities, capital and reserves of the Company as at 28 February 2024 (the "**Management Accounts**" and together with the Accounts the "**Financial Materials**");

4. WRITTEN RESOLUTION

We hereby note our consideration of the terms of the Written Resolution and, after due and careful consideration, particularly of the matters referred to in section 172 of the Act. **WE HEREBY RESOLVE THAT** the Written Resolution be approved.

5. FINANCIAL MATERIALS

We note that the Financial Materials have each been prepared on the accounting basis normally adopted by the Company and confirm that they have been prepared with due and careful consideration. In respect to the Management Accounts, we confirm that, since the preparation of the Management Accounts, we have not become aware of any factor or event which would have a material impact on the contents of the Management Accounts

6. CAPITAL REDUCTION

- 6.1 We note that the Capital Reduction is proposed to be carried out by way of the solvency statement procedure under section 641 (1)(a) of the Act. We note that this procedure requires us, as directors of the Company, to make a solvency statement under section 643 of the Act, and HGT Finance A limited as Company's sole shareholder, to approve the Capital Reduction.
- 6.2 We note that, as there is no present intention to commence the winding up of the Company within the next 12 months, the solvency statement requires us, as directors of the Company, to confirm that we have formed the opinion that:
 - 6.21 at the date of the solvency statement there is no ground on which the Company could be found to be unable to pay (or otherwise discharge) its debts; and
 - 6.22 the Company will be able to pay (or otherwise discharge) its debts as they fall due in the 12 months immediately following the date of the solvency statement.

- 6.3 We note that if a director makes a solvency statement without having reasonable grounds for the opinions expressed in it and the statement is subsequently delivered to the register, an offence is committed by the directors and the directors guilty of such an offence if liable to imprisonment or a fine (or both).
- 6.4 Further, we note that the solvency statement must be signed no more than 15 days before the Written Resolution is passed.
- 6.5 In light of the above, we have carefully considered the financial position of the Company and the effect of the Capital Reduction on the Company taking account of the Financial Materials. In particular, we have considered the Company's ability to pay its debts as they fall due, having regard to entirety of the Company's business and the actual and contingent liabilities (present and future) of the business, and have concluded that, notwithstanding the Capital Reduction, the Company will be able to pay its debts as they fall due and, in any event within the 12 months immediately following the date of the solvency statement.
- 6.6 After due and careful consideration, particularly of the matters referred to in section 172 of the Act, **WE HEREBY RESOLVE THAT;**
- 6.61 the Capital Reduction will promote the success of the Company for the benefit of its shareholder;
- 6.62 subject to being able to validly make the Solvency Statement, we as the directors make the Solvency Statement;
- 6.63 subject to the passing of the Written Resolution, to;
- a) carry out the Capital Reduction and to take all steps necessary to cancel and extinguish the relevant ordinary shares (including, for the avoidance of doubt, the signing of the statement of the Statement of Compliance and SH19);
 - b) file with the Register of Companies, within 15 days of the Written Resolution being passed, notice of the passing of the Written Resolution (if not already filed), the Signed Solvency Statement, the SH19 and the Statement of Compliance;
 - c) arrange for the amount of capital and premium so reduced to be credited to a distributable reserve (it being noted that the Capital reduction will take effect on registration only); and
 - d) carry out all such further acts of things we shall deem necessary or appropriate in order to complete the Capital Reduction.

7. DETERMINATION OF DISTRIBUTABLE PROFITS

- 7.1 We note that under the provisions of the Act, a company is not permitted to make a distribution except out of profits available for the purpose (being its accumulated realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made).

- 7.2 We note that the Distribution is a distribution by the Company and, as a result, we are required to determine the amount of distributable profits available to the Company before approving the Distribution.
- 7.3 We note that, in determining the amount of the Company's distributable profits. We are required, in the first place, to have regard to the Company's most recent audited annual accounts sent to the Company's shareholders. If these accounts do not show sufficient distributable profits to justify the dividends, we are under a duty to satisfy ourselves that the Distributions could be supported by management accounts which are sufficient to enable a reasonable judgement to be made as to the amount of certain specified items relied on to calculate distributable profits. Those items are:
- 7.3.1 profits, losses, assets and liabilities;
 - 7.3.2 provisions of any of the kinds mentioned in Schedule 7 to The Small Companies and Groups (Accounts and Directors' Report) Regulation 2008 (SI 2008/409) (depreciation, diminution in value of assets, retentions to meet liabilities, etc); and
 - 7.3.3 share capital and reserves (including undistributable reserves).
- 7.4 We note that, if a distribution cannot be supported in this way, that distribution will be unlawful, with the result that any shareholder receiving such distribution who knows, or has reasonable grounds to believe, that the distribution contravenes the statutory rules is liable to repay it (or that part of it which is unlawful) (under section 847 of the Act). We also note that any directors of a company who are party to a distribution which breaches the statutory requirements may be exposing themselves to potential liability to the company.
- 7.5 We note that even if the statutory tests are satisfied, the payment of the distribution will be unlawful if it was paid out of capital or it was reasonably foreseeable, having regard to the whole of the Company's business, and the actual and contingent liabilities inherent in that business, that the distribution would cause the Company to be unable to pay its debts as they fell due. Again, any directors who are party to a decision to make an unlawful distribution may be exposing themselves to potential personal liability for breach of duty in respect of that unlawful distribution.

8. APPROVAL OF THE DISTRIBUTION

- 8.1 We note that the Accounts show the Company has a profit reserve of £78,112.95 as at 31 March 2023.
- 8.2 We note that the Management Accounts show the Company as having a Profit of £1,128.78. We further note that the Capital Reduction will result in the distributable profits of the Company being increased by £18,344 giving profits available for distribution of £97,585.73.
- 8.3 Having considered the Financial Material prior to the making of this resolution, we note that we have concluded that the Financial Materials enable us to form a reasonable judgement as to the amount of distributable profits of the Company and the amount of each item to which it is our duty to have regard in determining the profits available for distribution. We note that it is proposed that the Distribution be effected shortly after the Capital Reduction and as such, we have considered the future profitability of the Company in reaching our conclusions including the extent to which we are aware of any matters which might result in the Company making a loss. We consider there to be no such matters.

8.4 After due and careful consideration, including consideration of the matters set out in section 172(1) of the Act, we are satisfied that the Management Accounts would justify the payment of the Dividend and **WE HEREBY RESOLVE THAT**, subject to the Capital Reduction taking place:

8.41 the Distribution be approved.

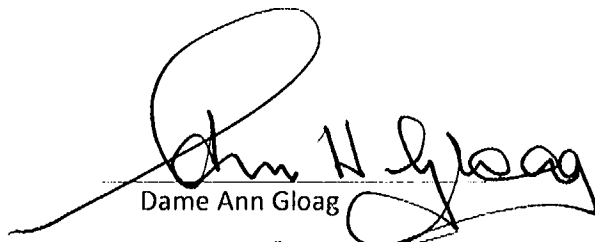
9. STATUTORY BOOKS AND COMPANIES HOUSE FILINGS

9.1 We note that a number of the matters resolved upon require the Company's statutory books to be updated and/or filings to be made at Companies House.

9.2 we are hereby authorised to arrange:

9.2.1 for the appropriate entries to be made in the statutory books of the Company reflecting the matters resolved upon; and

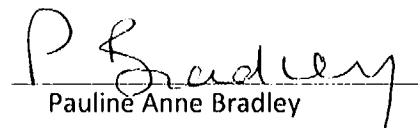
9.2.2 for the appropriate filings to be made at Companies House in relation to the matters resolved upon.



Dame Ann Gloag

Date: 26 March 2024

Time: 11am



Pauline Anne Bradley

Date: 26 March 2024

Time: 11am