**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or any other appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom.**

If you have sold or transferred all of your Existing MathEngine Ordinary Shares you should hand this document, together with the accompanying Form of Proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Existing Ordinary Shares, you should retain these documents and contact the stockbroker or other agent through whom the sale or transfer was effected.

The Directors of the Company accept responsibility for the information contained in this document and to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**MathEngine Limited**

*(Incorporated in England and Wales under the Companies Act 2006 with Registered No.* 333*4206)*

**Proposal for**

**Reduction of share capital**

**and**

**Notice of General Meeting**

**Your attention is drawn to the letter from the Chairman of MathEngine Limited set out on pages 5 to 7 of this Document, which recommends that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.**

Notice of a General Meeting of MathEngine PLC to be held at Sterling House, 19 / 23 High Street, Kidlington, Oxfordshire OX5 2DH at 10.00 a.m. (10.00) on Tuesday 22nd December 2020 is set out at the end of this document. The enclosed Form of Proxy should, to be valid, be completed and returned in accordance with the printed instructions to Lower Holt Farm, Melbury Osmond, Dorchester, Dorset DT2 0LX so as to be received no later than 6.00 p.m. (18.00) on Friday 18th December 2020 or 48 hours before any adjourned meeting. Completion and return of the Form of Proxy will not preclude a Shareholder from attending in person and voting at the General Meeting.

Copies of this document will be available free of charge from the Company’s registered office at, Sterling House, 19 / 23 High Street, Kidlington, Oxfordshire OX5 2DH and from the offices of MathEngine Limited, Lower Holt Farm, Melbury Osmond, Dorchester, Dorset DT2 0LX by prior arrangement and a copy will be available on the MathEngine website at [www.mathenginelimited.com](http://www.mathenginelimited.com).

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**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

|  |  |
| --- | --- |
| Publication of this Document | Friday 20th November 2020 |
|  |  |
| Latest time and date for receipt of Forms of Proxy in respect of the General Meeting | 6.00 p.m. - Friday 18th December 2020 |
|  |  |
| General meeting | 10.00 a.m. – Tuesday 22nd December 2020 |
|  |  |
| Submission of documentation to Companies House | Thursday 24th December 2020 |

**Notes**

1. References to time in this Document are to London, UK time unless otherwise stated.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on the Company’s web-site ([www.mathenginelimited.com](http://www.mathenginelimited.com)) and in accordance with the Company’s Articles of Association.

**SHARE CAPITAL STATISTICS**

Existing Ordinary Shares of 1 pence par value in issue as at the date of this Document 21,989,309

Deferred Shares of 1 pence par value 216,224,820

**Rights of the Deferred Shares**

As regards income, the Deferred Shares shall carry no right to receive any dividend or other distribution.

As regards capital, on a return of capital in a liquidation, but not otherwise, the holders of the Deferred Shares shall be entitled to receive the nominal amount of their respective holdings of Deferred Shares but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such Ordinary Share together with a payment of £1,000,000 per Ordinary Share and the holders of the Deferred Shares shall not be entitled to any further participation in the assets or profits of the Company.

As regards voting, the holders of the Deferred Shares shall have no right to receive share certificates in respect of their holdings of Deferred Shares or to receive notice of, or to attend, speak or vote at, any general meeting of the Company by virtue of their holdings of Deferred Shares.

**DEFINITIONS**

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

|  |  |
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|  |  |
| “Act” | the Companies Act 2006 (as amended) |
| “Articles” | the Articles of Association of the Company (as adopted on 7th September 2020) |
| “MathEngine” or the “Company” | MathEngine Limited, a company registered in England and Wales with the registered number 3334206 |
| “Board” or “Directors” | the Directors of the Company, whose names are set out on page 5 of this Document |
| “Document” | this Document dated 20th November 2020 |
| “Ordinary Shares” | the 21,989,309 Ordinary Shares of 1 penny each in the issued ordinary share capital of the Company |
| “Proposal” | the reduction in the Company’s share capital |
| “Resolution”  “Shareholders” | the resolution as set out in the Notice of General Meeting contained within this Document  holders of Ordinary Shares in the Company |

**LETTER FROM THE CHAIRMAN**

**MathEngine Limited**

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 3334206)*

|  |  |
| --- | --- |
| **Directors:** | **Registered Office:** |
| Mr. David Nabarro (Chairman) | Sterling House |
| Mr. C. Robin Woodbine Parish (Non-Executive Director) | 19 / 23 High Street |
|  | Kidlington |
|  | Oxfordshire OX5 2DH |
|  | United Kingdom |
|  |  |
|  | Day 0 |
|  |  |
| To the holders of MathEngine Limited Ordinary Shares  **Proposal for:**  **Reduction in share capital**  **and**  **Notice of General Meeting** | |

Dear Shareholder,

**Introduction**

When we wrote to you on 31st July we set out our intention to permit, if possible, the future payment of dividends by writing off the Company’s historic capital losses. The way to do this was to cancel both the Company’s Deferred Shares (releasing £2,162.248) and the Company’s share premium account (£12,274.479), and transfer both amounts to retained earnings.

While the Company remained a PLC, this procedure would have required application to the courts and have been very expensive. As the capital reduction procedure for a private company in the UK is much easier and cheaper, it was proposed to re-register the Company as a private company. The motion to do so was passed at the Extraordinary General Meeting held on 7th September 2020, and the Company was duly re-registered as a UK private limited company by Companies House on 23rd September 2020.

We now wish to embark on the second stage of the tidying up process (“the Proposal”).

**Reduction in share capital**

The procedure to reduce a UK private company’s share capital is set out in sections 641 to 644 of the Companies Act 2006. It is as follows:

* The capital reduction needs to be carried out by means of a special resolution (the text of which is set out below).
* The directors need to sign a Solvency Statement, saying they believe the Company is currently able to pay its debts when they fall due, and will be able to do so throughout the twelve (12) months from the date of that statement. This must be done no more than fifteen (15) days before the date when the Special Resolution is to be passed.
* If the Special Resolution is passed, the Company is required to complete a statement saying that the formalities have been complied with. The Company is then required to send the Compliance Statement, the Special Resolution, the Solvency Statement and the Statement of Capital after the capital reduction to Companies House within fifteen (15) days of the date of the Special Resolution.

**General Meeting**

At the end of this Document is a notice convening a General Meeting to be held at 10.00 a.m. on Tuesday 22nd December 2020 at the Company’s registered office at Sterling House, 19 / 23 High Street, Kidlington, Oxfordshire OX5 2DH at which the following Special Resolution will be proposed to authorise and implement the Proposal:

To reduce the Company’s share capital by:

- Cancelling the 216,224,820 Deferred 1p Shares in issue (total nominal value £2,162,248.20), and

- Cancelling the share premium account of £12,274,479

using the procedure in s641-644 of the Companies Act 2006.

The amount of the capital reduction will be transferred to retained earnings.

The Special Resolution (“Resolution”) is explained in detail above.

For the Resolution to pass, seventy-five per cent (75%) of the votes cast at the General Meeting will need to vote in favour of the Resolution.

A copy of the draft Solvency Statement is enclosed. The Signed Solvency statement will be available for inspection at the General Meeting.

**Action to be taken**

You will find enclosed with this Document a Form of Proxy for use by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed therein.

To be valid, completed Forms of Proxy must be received by the Company at Lower Holt Farm, Melbury Osmond, Dorchester, Dorset DT2 0LX, as soon as possible and in any event not later than close of business (6.00 p.m.) on Friday 18th December 2020, being 48 hours (not including any part of a day which is not a working day) before the time appointed for holding the General Meeting.

Completion of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so choose.

**Recommendation**

The Directors consider the Proposal to be in the best interests of the Company and its Shareholders as a whole, and accordingly recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as they intend to in respect of their own beneficial interests amounting to in aggregate 5,963,000 Existing Ordinary Shares, representing 27.12 per cent of the Company’s issued share capital.

Yours faithfully,



David Nabarro

Chairman

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting (“**Meeting”**) of MathEngine Limited (“**Company**”) will be held at Sterling House, 19 / 23 High Street, Kidlington, Oxfordshire OX5 2DH at 10.00 a.m. on Tuesday 22nd December 2020 at which the following Special Resolution will be proposed:

To reduce the Company’s share capital by:

- Cancelling the 216,224,820 deferred 1p shares in issue (total nominal value £2,162,248.20), and

- Cancelling the share premium account of £12,274.479

using the procedure in s641-644 Companies Act 2006.

The amount of the reduction will be transferred to retained earnings

|  |  |
| --- | --- |
| By Order of the Board  **Gillian Hedger**  *Secretary*  Day 0 | **Registered Office**  Sterling House  19 / 23 High Street  Kidlington  Oxfordshire OX5 2DH |

**NOTES**

1. A member entitled to attend and vote at the General Meeting (“GM”) may appoint a proxy (who need not be a member of the Company) to attend, to speak and, on a poll, to vote on his or her behalf. In order to be valid, an appointment of proxy must be returned by one of the following methods:

* in hard copy in the form enclosed together with the power of attorney or other authority, if any, under which it is signed, or a copy of such power or authority certified by a notary, by post, by courier or by hand to the Company Secretary, MathEngine Limited, Lower Holt Farm, Melbury Osmond, Dorchester, Dorset DT2 0LX. The Form of Proxy must be signed by the shareholder appointing the proxy or by his/her attorney authorised in writing. If the shareholder is a corporation, the Form of Proxy should be sealed with its common seal or signed by an officer or an attorney of the corporation or other person authorised to sign it.

And in each case to be valid, the Form of Proxy must be received by the Company not less than 48 hours (excluding any part of a day that is not a working day) before the time of the meeting or the adjourned meeting.

2. 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 him.

3. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact the Company Secretary, Mrs. Gillian Hedger, MathEngine Limited, Lower Holt Farm, Melbury Osmond, Dorchester, Dorset DT2 0LX.

4. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment of the Chairman of MathEngine PLC, to Lower Holt Farm, Melbury Osmond, Dorchester, Dorset DT2 0LX. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

5 The completion of a proxy does not preclude a member from attending the General Meeting and voting in person.

6 As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders who are registered on the Company’s register of members held by Link Asset Services at 6.00 p.m. on Friday 18th December 2020 shall be entitled to attend the General Meeting and to vote in respect of the number of Ordinary Shares registered in their names at that time. Changes to entries on the register of members after 6.00 p.m. on Friday 18th December 2020 shall be disregarded in determining the rights of any person to attend and/or vote at the General Meeting.

7 In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

**DRAFT SOLVENCY STATEMENT**

**MathEngine Limited**

**Company No. 03334206**

**Solvency Statement for the purposes of s642 Companies Act 2006**

**made on Friday 11th December 2020**

We the directors of MathEngine Limited (“the Company”) have individually formed the opinion that:

a. as regards the Company’s situation at the date of this statement, there is no ground on which the Company could then be found to be unable to pay (or otherwise discharge) its debts; and

b. the Company will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following the date of this Solvency Statement.

Signed by all the Directors

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| --- | --- | --- |
| D. J. N. Nabarro |  |  |
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|  |  |  |
|  |  |  |
|  |  |  |
| C. R. W. Parish |  |  |
|  |  |  |

# MathEngine Limited

# Registered in England No. 03334206

**FORM OF PROXY**

**EXTRAORDINARY GENERAL MEETING**

For use at the Extraordinary General Meeting of the Company to be held at the offices of Haines Watts, Sterling House, 19-23 High Street, Kidlington, Oxford OX5 2DH on Tuesday 22nd December 2020 at 10:00 a.m.

I/We (names in full) …..………………………………………………………………………

**PLEASE USE BLOCK CAPITALS**

of …..…………………….……………………………………………………………………..

being (a) member(s) of the Company hereby appoint the Chairman of the Meeting or (see note 1) …..………………………………………………………………………… (insert name of proxy)

as my/our proxy to attend and vote on my/our behalf at the Extraordinary General Meeting of the Company to be held on Tuesday 22nd December 2020 at 10:00 a.m. and at any adjournment thereof. In respect of the Resolutions referred to in the Notice of Meeting.

If you want your proxy to vote in a certain way on the Resolution specified, please place an "X" in the relevant boxes. If you select "Discretionary" or fail to select any of the given options your proxy can vote as he/she chooses or can decide not to vote at all. The proxy can also do this on any other resolution that is put to the meeting.

\*The "Vote Withheld" option below is provided to enable you to abstain on any particular Resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a Resolution.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Resolution (Please refer to Notice of Meeting for full text)** | **FOR** | **AGAINST** | **VOTE WITHHELD\*** | **DISCRETIONARY** |
| That the share capital of MathEngine Limited be reduced by cancelling the Deferred Shares and the share premium account, and transferring these amounts to retained earnings |  |  |  |  |

|  |  |
| --- | --- |
| Signature:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**Notes**

**1.** If you wish to appoint a proxy other than the Chairman of the Meeting, please delete the words "the Chairman of the Meeting or" and substitute the name of some other person.

**2.** A proxy need not be a member of the Company.

**3.** Appointment of a proxy will not preclude you from attending and voting in person should you subsequently decide to do so.

**4.** In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority is determined by the order in which the names stand in the Register of members in respect of the joint holding.

**5.** In the case of a corporation, this proxy must be given under its Common Seal or be signed on its behalf by an officer or other duly authorised attorney or representative.

**6.** To be effective this proxy must be delivered to Haines Watts, Sterling House, 19-23 High Street, Kidlington, Oxfordshire OX5 2DH not later than 48 hours before the time appointed for the Meeting or any adjournment thereof, together with any power of attorney or other authority (or a notarially certified copy thereof) under which it is signed.

**7.** Any alteration made in this form should be initialled.