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If you sell or transfer or have sold or transferred all of your Ordinary Shares, please send this document (together with the accompanying documents, but not the personalised 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 delivery to the purchaser or transferee.



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**ELECTRA PRIVATE EQUITY PLC**

*(Incorporated in England and Wales with registered number 00303062)*

**Proposed Reduction of Capital**

**and**

**Notice of General Meeting**

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A notice convening the General Meeting to be held at 11.00 am on 19 June 2020 at the offices of the Company at 17 Old Park Lane, London, W1K 1QT is set out in Part II of this document. You should read the whole of this document.

Your attention is drawn to the letter from the Chairman which is set out in Part I of this document and which includes a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting. A Form of Proxy for use at the General Meeting is enclosed with the Notice of General Meeting and instructions for its completion and return by post are set out in the Form of Proxy.

Please read the information concerning attendance at the General Meeting set out in the letter from the Chairman in the paragraph headed "**General Meeting and Resolution**".

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	21 May 2020
Latest time and date for receipt of Forms of Proxy	11.00 am on 17 June 2020
General Meeting	19 June 2020
Court hearing of application to confirm the Reduction of Capital	21 July 2020
Effective Date	22 July 2020

### *General notes:*

- (1) *The date of the Court hearing is subject to change by the Court and, in certain circumstances, the Company.*
- (2) *The Effective Date is dependent upon, amongst other things, the date upon which the Court confirms the Reduction of Capital.*
- (3) *Each of the times and dates set out above is based on current expectations and is subject to change. If any of the above times and/or dates is changed, the revised times and/or dates will be notified to Shareholders by announcement through a regulatory information service.*
- (4) *All above references to times are to London (BST) times.*

## PART I

### LETTER FROM THE CHAIRMAN OF ELECTRA PRIVATE EQUITY PLC (Incorporated in England and Wales with registered number 00303062)

17 Old Park Lane  
London  
W1K 1QT

21 May 2020

#### Directors

Neil Johnson (Chairman)  
Paul Goodson  
David Lis  
Gavin Manson  
Stephen Welker  
Linda Wilding

Dear Shareholder,

#### Proposed Reduction of Capital and Notice of General Meeting of Electra Private Equity PLC

##### 1. Introduction

I am writing in connection with the proposed cancellation of the entire share premium account and capital redemption reserve of Electra Private Equity PLC (the "**Company**"). This letter also provides details of a General Meeting that will be held at the offices of the Company at 17 Old Park Lane, London, W1K 1QT on 19 June 2020 at 11.00 am to consider the Resolution that will be put to Shareholders to approve the proposed Reduction of Capital.

This letter is being sent to you (i) to explain the background to, and reasons for, the Reduction of Capital and why the Board considers that it is in the best interests of the Company and its Shareholders that you vote in favour of the Resolution, (ii) to give notice of the General Meeting, formal notice of which is set out in Part II of this document and (iii) to explain the actions you should now take.

**The contents of this letter are important and I would urge you to read it carefully and to sign and return the enclosed Form of Proxy in accordance with the instructions given thereon and in paragraph 6 ("Action to be taken") below as soon as possible.**

##### 2. Background to and reasons for Reduction of Capital

The Company's investment objective (which was approved by the Shareholders at the general meeting in October 2018) is to follow a realisation strategy which aims to crystallise value for Shareholders, through balancing the timing of returning cash to Shareholders with maximisation of value. The Board is accordingly conducting a managed wind-down of the Group's portfolio over a period of time with a view to returning cash to Shareholders and ultimately effecting the winding-up of the Company. The Reduction of Capital is being sought to create distributable reserves that will give the Company the

flexibility to pursue its stated investment objective and continue its managed wind-down by enabling it to make future distributions of profits in cash or in specie to Shareholders and/or make future purchases of its own shares.

You should note that the Reduction of Capital is conditional upon the approval of Shareholders at the General Meeting and also the confirmation of the Court, as further detailed in paragraph 4 ("**Necessary approvals**") below.

In seeking approval of the Reduction of Capital, the Directors are not indicating any commitment, and, at the date of this letter do not have any immediate intention, to make any distributions or to buy back any Ordinary Shares.

The proposed Reduction of Capital itself will not involve any distribution or repayment of capital or share premium or capital redemption reserve by the Company and will not reduce the underlying net assets of the Company. Following the implementation of the Reduction of Capital there will be no change to the number of Ordinary Shares in issue (or their nominal value), and no new share certificates will be issued.

### 3. **Proposed Reduction of Capital and effect of Reduction of Capital**

The Company currently has a balance on its share premium account of £122,913,951 which has arisen as a result of various prior issues of shares by the Company at prices in excess of their nominal value. The Company currently also has a balance on its capital redemption reserve of £34,936,903 which has arisen as a result of prior purchases by the Company of its own shares out of distributable profits. Under the Companies Act 2006, the share premium account and the capital redemption reserve constitute non-distributable reserves and the sums credited to those reserves are therefore not distributable to shareholders. Consequently, the Board is recommending and seeking the approval of Shareholders that the entire share premium account and capital redemption reserve of the Company should be cancelled.

Subject to any direction given by the Court in confirming the proposed cancellations and subject to the terms of any undertaking given by the Company to the Court in relation to the reserve which arises, the effect of the proposal, if approved by Shareholders, will be to enable the Company to increase its distributable reserves by the aggregate of the relevant balances on the Company's share premium account and capital redemption reserve in existence at the time when the proposed cancellations take effect. The current aggregate balance of those reserves is £157,850,854 and the Board does not anticipate that there will be any material change to such balance prior to the proposed cancellations taking effect. Accordingly, it is expected that the Reduction of Capital will create additional distributable reserves to the value of £157,850,854.

### 4. **Necessary approvals**

In addition to the approval by the Shareholders that is being sought from you pursuant to the Resolution set out in the Notice of General Meeting, the proposed Reduction of Capital requires the confirmation of the Court.

Accordingly, if the Shareholders approve the Resolution at the General Meeting, an application will be made to the Court for the Court to approve the proposed Reduction of Capital. In anticipation of this, a provisional date of 21 July 2020 has been obtained for the hearing by the Court to confirm the proposed Reduction of Capital. This date is subject to change depending on the Court's timetable. It is anticipated that the Reduction of Capital will then become effective on the day after the Court hearing, following the necessary registration of, amongst other things, the order of the Court confirming the proposed Reduction of Capital at Companies House.

Before it confirms the Reduction of Capital, the Court will need to be satisfied that the creditors of the Company at the Effective Date are not prejudiced by it. The Court may require protection for such creditors (including contingent creditors), except in the case of any creditors that have consented to the proposed Reduction of Capital. Any such creditor protection may include seeking the consent of certain of the Company's creditors to the proposed Reduction of Capital or by the Company giving an undertaking to the Court to deposit a sum of money into a blocked account created for the purpose of discharging, in due course, any amounts owing to the non-consenting creditors of the Company. The precise form of creditor protection is a question for the Court.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court in the event that the Board considers that the terms on which the proposed Reduction of Capital would be (or would be likely to be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole. The Board has undertaken a detailed review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that, as at the Effective Date, the Company's creditors will be sufficiently protected.

## 5. **General Meeting and Resolution**

The General Meeting will be held at the offices of the Company at 17 Old Park Lane, London, W1K 1QT on 19 June 2020 at 11.00 am. The Notice of General Meeting is set out in Part II of this document on pages 8 to 11.

The Resolution to approve the Reduction of Capital will be proposed as a special resolution requiring a majority of not less than 75 per cent. of the votes cast.

**The Board is monitoring closely the evolving Covid-19 situation and the related guidelines from Governmental authorities, including with regard to the potential impact on attendance at the General Meeting. In the light of the current government restrictions on public gatherings we are proposing that three Directors of the Company should be the sole persons permitted to have physical access to the General Meeting and that no-one else will be permitted to attend the General Meeting in person. If you wish to participate in the General Meeting remotely, please notify the Company in writing, either by way of a letter sent by post to the offices of the Company at 17 Old Park Lane, London, W1K 1QT (marked for the attention of the Company Secretary) or by email to [info@electrapeplc.com](mailto:info@electrapeplc.com). If the Company receives your letter or email before 5.00pm on 12 June 2020 and you are eligible to participate in the meeting, then the Company will notify you by email, or by letter if you fail to provide an email address, of the means by which you can participate remotely in the General Meeting through an appropriate electronic platform. If your letter or email is received after 5.00pm on 12 June 2020, and you are eligible to participate in the meeting, then the Company will arrange for you to be able to participate remotely if it can reasonably do so. The Government has stated that it will review the restrictions related to Covid-19 in due course and we shall notify Shareholders of any resulting change to these plans on our website, [www.electraequity.com](http://www.electraequity.com). Given the current restrictions on attendance at the General Meeting, we would strongly urge Shareholders to submit proxy votes as described in the notes to the Notice of General Meeting on pages 9 to 11 of this document. Delivery of a proxy vote will not preclude Shareholders from attending and voting in person at the General Meeting, should the restrictions be lifted so that Shareholders are able to attend the General Meeting in person.**

## 6. **Action to be taken**

As noted above, you are encouraged to complete and return a Form of Proxy as soon as possible. You may appoint the Chairman of the General Meeting as proxy to exercise your rights to attend, speak and vote at the General Meeting by completing and returning the enclosed Form of Proxy. CREST members may appoint proxies by using the CREST electronic proxy appointment service. You are also entitled to appoint a person other than the Chairman of the General Meeting as your proxy but please note that, if

the current restrictions on public gatherings continue, any such person will not be able to attend the General Meeting other than remotely.

Full details on how to appoint a proxy are set out on pages 9 to 11 of this document and in the enclosed Form of Proxy.

## 7. **Recommendation**

The Directors consider that the proposed Reduction of Capital is in the best interests of the Company and its Shareholders as a whole and unanimously recommend that you vote in favour of the Resolution, as they intend to do in respect of their own beneficial holdings, representing as at 19 May 2020 (being the latest practicable date prior to the printing of this letter) 11,514,163 Ordinary Shares, representing approximately 30.08 per cent. of the Company's issued ordinary share capital.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Neil Johnson', with a long horizontal flourish extending to the right.

Neil Johnson  
**Chairman**  
**Electra Private Equity PLC**

## PART II

### NOTICE OF GENERAL MEETING

The Board is monitoring closely the evolving Covid-19 situation and the related guidelines from Governmental authorities, including with regard to the potential impact on attendance at the General Meeting. In the light of the current government restrictions on public gatherings we are proposing that three Directors of the Company should be the sole persons permitted to have physical access to the General Meeting and that no-one else will be permitted to attend the General Meeting in person. If you wish to participate in the General Meeting remotely, please notify the Company in writing, either by way of a letter sent by post to the offices of the Company at 17 Old Park Lane, London, W1K 1QT (marked for the attention of the Company Secretary) or by email to [info@electrapeplc.com](mailto:info@electrapeplc.com). If the Company receives your letter or email before 5.00 pm on 12 June 2020, and you are eligible to participate in the General Meeting, then the Company will notify you by email, or by letter if you fail to provide an email address, of the means by which you can participate remotely in the General Meeting through an appropriate electronic platform. If your letter or email is received after 5.00pm on 12 June 2020, and you are eligible to participate in the meeting, then the Company will arrange for you to be able to participate remotely if it can reasonably do so. The Government has stated that it will review the restrictions in due course and the Company shall therefore notify Shareholders of any resulting change to these plans on the Company's website, [www.electraequity.com](http://www.electraequity.com). Given the current restrictions on attendance at the General Meeting, we would strongly urge Shareholders to submit proxy votes as described below. Delivery of a proxy vote will not preclude Shareholders from attending and voting in person at the General Meeting, should the restrictions be lifted so that Shareholders are able to attend the General Meeting in person.

#### **ELECTRA PRIVATE EQUITY PLC (THE "COMPANY")**

*(Incorporated in England and Wales with registered number 00303062)*

**Notice is hereby given** that a General Meeting of the Company will be held at the offices of the Company at 17 Old Park Lane, London, W1K 1QT on 19 June 2020 at 11.00 am for the purposes of considering and, if thought fit, passing the following Resolution as a special resolution.

#### **SPECIAL RESOLUTION**

That the share premium account and the capital redemption reserve of the Company be cancelled.

#### **BY ORDER OF THE BOARD**

Frostrow Capital LLP  
Company Secretary

21 May 2020

Registered Office:  
17 Old Park Lane  
London W1K 1QT

## Notes

Please note that, as stated above, pursuant to the current Government restrictions prohibiting public gatherings three Directors of the Company will attend the General Meeting to form a quorum thereat and that no other person will be permitted to physically attend the General Meeting. The Government has stated that it will review the prohibition in due course and we shall notify Shareholders of any resulting change to these plans on our website [www.electraequity.com](http://www.electraequity.com). The notes below are to be construed as subject to this restriction.

1. Members of the Company who are entitled to attend and vote at the General Meeting are entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote at the General Meeting but please note the restrictions referred to above concerning physical attendance at the General Meeting. A member may appoint more than one proxy in relation to the General 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. A member may vote at the General Meeting subject to being on the Register of Members of the Company as at 6.30 pm on 17 June 2020 (and subject to the restrictions referred to above).
2. A Form of Proxy is enclosed. To be effective, the Form of Proxy and any power of attorney under which it is executed (or a duly certified copy of any such power) must reach the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA, not less than 48 hours (excluding non-working days), before the time of the General Meeting (i.e. 11.00 am on 17 June 2020) or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the General Meeting or adjourned General Meeting) for the taking of the poll at which it is to be used. Completion and return of the Form of Proxy will not prevent a member from attending and voting at the General Meeting, if attendance is allowed. Replacement Forms of Proxy may be obtained from the Company's Registrar.
3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those holders of Ordinary Shares entered on the Register of Members of the Company as at 6.30 pm on 17 June 2020 (the "**Specified Time**") shall be entitled to attend and vote at the General Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the Register of Members after the Specified Time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting. If the General Meeting is adjourned to a time not more than 48 hours after the Specified Time applicable to the original meeting, that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned General Meeting. If, however, the General Meeting is adjourned for a longer period, then, to be so entitled, members must be entered on the Company's Register of Members as at 6.30 pm on the date two days prior to the adjourned General Meeting.
4. CREST Members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 19 June 2020 and any adjournment(s) thereof by using the procedures described in the CREST Manual. 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. For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Proxy Instruction, 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 the issuer's

agent (ID RA19) by the latest time for receipt of proxy appointments specified in the Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, 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 providers should note that Euroclear UK & Ireland Limited 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 his 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings ([www.euroclear.com](http://www.euroclear.com)). 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. The right to appoint a proxy does not apply to persons whose Ordinary Shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the Ordinary Shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the Ordinary Shares as to the exercise of voting rights.
6. Shareholders are entitled to attend and vote at general meetings of the Company. On a vote by a show of hands, every member and every duly appointed proxy who is present in person shall have one vote. On a poll vote, every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Ordinary Shares. A member that is a company may appoint either a proxy or a corporate representative. Members wishing to appoint a corporate representative should examine the Company's articles of association and the provisions of the Companies Act 2006.
8. Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the General Meeting put by a member at the General Meeting. However, the Company need not answer if (a) to do so would interfere unduly with the preparation for the General 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 is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
9. Given the current restrictions on physical attendance at the General Meeting as stated above, members are invited to send any questions which they may have on matters concerning the business of the General Meeting by post to the offices of the Company at 17 Old Park Lane, London, W1K 1QT (marked for the attention of the Company Secretary) or by email to [info@electrapeplc.com](mailto:info@electrapeplc.com). The Company will endeavour to respond to such requests but no answer need be given if: (a) to do so would 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 is undesirable in the interests of the Company that the question be answered.

10. The total number of issued Ordinary Shares/voting rights in the Company on 19 May 2020, which is the latest practicable date before the publication of this document, is 38,282,763.
11. You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
12. Information about the General Meeting is published on the Company's website [www.electraequity.com](http://www.electraequity.com). A copy of this Notice of General Meeting is also published on that website.

### PART III – DEFINITIONS

The following definitions and terms apply throughout this document unless otherwise stated or the context requires otherwise:

<b>"Company"</b>	means Electra Private Equity PLC, a company incorporated and registered in England and Wales with registered number 00303062
<b>"Court"</b>	the High Court of Justice of England and Wales
<b>"CREST"</b>	the system for paperless settlement of trades and the holding of uncertificated shares administered through Euroclear UK & Ireland Limited in accordance with the Crest Regulations
<b>"CREST Manual"</b>	the Manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof
<b>"CREST Member"</b>	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
<b>"CREST Participant"</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
<b>"CREST Sponsor"</b>	a CREST Participant admitted to CREST as a CREST Sponsor
<b>"CREST Sponsored Member"</b>	a CREST Member admitted to CREST as a Sponsored Member
<b>"Directors" or "Board"</b>	the board of directors of the Company as at the date of this document
<b>"Effective Date"</b>	the date on which the Reduction of Capital becomes effective, being the date on which the Court order relating to the proposed Reduction of Capital and the statement of capital in respect of the proposed Reduction of Capital have both been registered by the Registrar of Companies at Companies House
<b>"Equiniti Limited"</b>	a company incorporated in England and Wales with registered number 06226088, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registered number 02878738, whose registered office is at 33 Cannon Street, London EC4M 5SB, the operator of CREST
<b>"Form of Proxy" or "Form"</b>	the form of proxy accompanying this document to be used in connection with the General Meeting
<b>"General Meeting"</b>	the general meeting of the Company to be held at the offices of the Company at 17 Old Park Lane, London, W1K 1QT on 19 June 2020 at

	11.00 am, or any adjournment thereof, notice of which is set out in Part II of this document
<b>"Notice of General Meeting"</b>	the notice convening the General Meeting contained in this document
<b>"Ordinary Shares"</b>	the ordinary shares of £0.25 each in the capital of the Company
<b>"Reduction of Capital"</b>	the proposed cancellation of the share premium account and the capital redemption reserve of the Company as described in this document
<b>"Register of Members"</b>	the Company's register of members
<b>"Registrar"</b>	Equiniti Limited
<b>"Resolution"</b>	the special resolution to be proposed at the General Meeting as set out in the Notice of General Meeting in Part II of this document
<b>"Shareholders"</b>	the holders of Ordinary Shares
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland





