

SPRINGFIELD PROPERTIES PLC

(Registered in Scotland with No. SC031286)

NOTICE OF 2019 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2019 annual general meeting of Springfield Properties plc (the “Company”) will be held at The Mansefield Hotel, Mayne Road, Elgin IV30 1NY on Wednesday 23 October 2019 at 1.30pm for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 7 (inclusive) will be proposed as ordinary resolutions and resolutions 8 to 10 (inclusive) will be proposed as special resolutions:-

- 1 To receive and adopt the financial statements of the Company and the directors' and auditors' reports thereon for the year ended 31 May 2019.
- 2 To reappoint Innes Smith (who retires by rotation and, being eligible, offers himself for re-election) as a director of the Company.
- 3 To reappoint Roger Eddie (who retires by rotation and, being eligible, offers himself for re-election) as a director of the Company.
- 4 To reappoint Colin Rae (who having been appointed since the last annual general meeting of the Company, retires and, being eligible, offers himself for re-election) as a director of the Company.
- 5 To declare a final dividend for the year ended 31 May 2019 of 3.2p per share payable on 18 November 2019 to shareholders on the register of members at the close of business on 1 November 2019.
- 6 To reappoint Johnston Carmichael LLP, Chartered Accountants, as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before shareholders and to authorise the directors to fix the auditors' remuneration.
- 7 THAT the directors of the Company are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all powers to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:
 - (a) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to an aggregate nominal amount of £80,291.30 (including within such limit any shares issued or rights granted under paragraph (c) below) in connection with an offer by way of rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to the holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,and subject to such exclusions or other arrangements as the directors consider expedient in relation to fractional entitlements, legal, regulatory or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory, or any other matter; and
 - (b) comprising equity securities up to an aggregate nominal amount of £12,043.70 in connection with the grant or exercise of options under any share option scheme of the Company; and
 - (c) in any other case up to an aggregate nominal amount of £40,145.65 (such amount to be reduced by the nominal amount of any equity securities

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allotted pursuant to the authority in paragraph (a) above in excess of £40,145.65),

provided that such authority, unless renewed, varied or revoked by the Company, shall expire on 30 November 2020 or, if earlier, the date of the next annual general meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company but is without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

8 THAT, subject to the passing of resolution 7, the directors of the Company are authorised pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by resolution 7 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority be limited:

- (a) to the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under resolution 7(c), by way of a rights issue only) to:
 - (i) the ordinary shareholders made in proportion (as nearly as may be practicable) to their existing respective holdings; and
 - (ii) to the holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) to the allotment of equity securities pursuant to paragraph 7(b) above; and
- (c) to the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £6,021.85,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 30 November 2020) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the board of directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

9 THAT, subject to the passing of resolution 7, the directors of the Company are authorised in addition to any authority granted under resolution 8 to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash under the authority given by resolution 7 and/or to sell ordinary shares held by the Company as

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treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (a) limited to the allotment of equity securities up to a nominal amount of £6,021.85; and
- (b) 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 board of directors of the Company determines 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,

such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 30 November 2020) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the board of directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

10 THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of that Act) of ordinary shares of 0.125 pence each in the Company provided that:

- (a) the maximum number of ordinary shares hereby authorised to be purchased is 9,634,956 (representing 10% of the Company's issued ordinary share capital at the date of the notice of this annual general meeting);
- (b) the minimum price (exclusive of any expenses) which may be paid for each ordinary share is 1 pence;
- (c) the maximum price (exclusive of any expenses) which may be paid for each ordinary share shall be not more than 5% above the average of the middle market quotations for an ordinary share on the relevant investment exchange on which the ordinary shares are traded for the five business days immediately preceding the date on which such ordinary share is contracted to be purchased;
- (d) unless previously revoked or varied, the authority hereby conferred shall expire on the conclusion of the next annual general meeting of the Company; and
- (e) the Company may make a contract or contracts for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract or contracts, as if such authority had not expired.

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By order of the board

Andrew Todd
Company Secretary
26 September 2019

c/o Alexander Fleming House
8 Southfield Drive
Elgin
Morayshire IV30 6GR

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NOTES:

Entitlement to attend and vote

- 1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered in the Company's register of members at:
 - close of business on 21 October 2019; or
 - if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the meeting.
- 2 Alternatively, you can vote in the following ways:
 - by logging on to www.signalshares.com and following the instructions; or
 - You may request a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita), on Tel: 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Appointment of Proxy

- 3 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a meeting of the Company. You can only appoint a proxy by completing a proxy form (which you can request from the registrars as explained above) and depositing it with the Company's registrars in accordance with note 4 below. A proxy need not be a member of the Company.
- 4 To be effective, you must either have voted electronically as described in note 2 above or have deposited the proxy form, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), at the office of the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not less than 48 hours (excluding weekends and bank holidays) before the time for holding the meeting (i.e. by 1.30pm on Monday 21 October 2019) and if not so deposited shall be invalid.

Documents on Display

- 5 Copies of the service contracts and letters of appointment of the directors of the Company will be available:
 - for at least 15 minutes prior to the meeting; and
 - during the meeting.

Communication

- 6 Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so by post to the Company's registered office, details of which are below. No other methods of communication will be accepted.

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Address: The Company Secretary
Alexander Fleming House
8 Southfield Drive
Elgin
Morayshire
IV30 6GR

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EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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Ordinary Resolutions

Resolutions 1 to 7 are all to be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 1 – To receive and adopt the financial statements for the year ended 31 May 2019 and the directors' and auditors' reports thereon

For each financial year the directors of the Company must present the audited financial statements, the directors' report and the auditors' report on the financial statements to the shareholders at an annual general meeting.

Resolution 2, 3 and 4 – Re-election of directors

Under article 85 of the Company's articles of association one third of the directors are required to retire by rotation at each annual general meeting (excluding any director who is required to retire pursuant to article 90 of the Company's articles and provided that if the number of directors who are the subject of the article 85 retirement by rotation provisions is not a multiple of three then the number nearest to, but not exceeding, one third shall retire by rotation). Pursuant to that article, Mr Innes Smith and Roger Eddie will retire by rotation at this annual general meeting and, being eligible, offer themselves for reappointment. The board of directors is satisfied that the performance of Mr Innes Smith and Mr Roger Eddie continues to be effective and demonstrates commitment to their roles with the Company including commitment of time for board meetings and other duties required of them. Accordingly, resolutions 2 and 3 propose the reappointment of Mr Innes Smith and Roger Eddie.

Brief biographical details of Mr Innes Smith and Mr Roger Eddie are given below.

Mr Innes Smith, aged 49, graduated from Heriot Watt University in 1991 and qualified as a chartered accountant with KPMG before moving into industry as a financial controller at SGL Technic, a subsidiary of RK Carbon Fibres (now called SGL Carbon Fibres Limited), a NASDAQ and Deutsche Börse listed company. Subsequently, Innes was promoted to Finance Director at SGL Technic and after five years moved to Gael Force. Innes joined the Company in 2005 as Finance Director and was appointed as Chief Executive Officer in October 2012 after seven years with the Company. In his role as Chief Executive Officer, Innes has grown the scale of the Company with annual revenue increasing from £53.5 million in 2011/2012 to £191 million in 2018/2019 and completions increasing from approximately 300 to over 950 per year. Innes is currently a Director of Homes for Scotland after being appointed to the board in 2016.

Mr Roger Eddie, aged 64, worked for the Bank of Scotland for 32 years, most recently as Director of the North of Scotland Real Estate Team. Roger sits on the Board of the Port of Cromarty Firth and of their Cruise Highland subsidiary. Roger joined Springfield as a non-executive Director on 13 November 2008.

Under article 90 of the Company's articles of association, any additional directors appointed by the board hold office only until the next annual general meeting of the Company when they must retire. Pursuant to that article, Mr Colin Rae, who was appointed by the board on 16 September 2019 will retire at this annual general meeting and, being eligible, offer himself for reappointment. The board is satisfied that the performance of Mr Rae continues to be effective and demonstrates commitment to his role with the Company including commitment of time for

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board meetings and other duties required of him. Accordingly, resolution 4 proposes the reappointment of Mr Colin Rae.

Brief biographical details of Mr Colin Rae are given below.

Mr Colin Rae, aged 54, is a Chartered Quantity Surveyor with nearly 40 years' experience in the construction and housebuilding industries, specialising in project and development management. From 2002 to 2019, Mr Rae held leadership positions at Places for People ("PfP"), one of the largest development, regeneration, property management and leisure companies in the UK with an asset base of £4.5 billion. PfP designs, builds, and manages large-scale regeneration projects from start to finish, creating sustainable places where communities want to live. Most recently, as Group Executive Development Director at PfP, he managed a UK-wide mixed tenure development programme of c. £200 million, delivering core housing assets for affordable and market rent and sale. This included the development of the 376-home Engine Yard site in Edinburgh, the largest single National Housing Trust development in Scotland. Prior to this, he was Project Director for Scotland, with responsibility for establishing and delivering PfP's strategic development programme in Scotland. In this role, he liaised with private sector partners, the Scottish Government and local authorities and, with a team of 25, achieved annual development turnover of £60 million within five years. Previous experience includes project management roles at The EDI Group, a property development company wholly-owned by the City of Edinburgh Council, and Woolwich Homes Ltd, as well as surveyor positions at Millar Brown Associates and Gibson & Simpson. Mr Rae is a long-term director of Homes for Scotland, the representative trade body for the housebuilding sector in Scotland, and is a former chair of Turning Point Scotland, a social care charity that provides residential rehabilitation services.

Resolution 5 – To declare a dividend 3.2p per ordinary share

Subject to the provisions of the Companies Acts, the Company may by ordinary resolution declare dividends, but no dividend shall exceed the amount recommended by the board of directors. The board of directors recommends the payment of a final dividend of 3.2p per ordinary share, to be payable to shareholders registered at close of business on 1 November 2019 bringing the final dividend for the year to 4.4p per share.

Resolution 6 – Re-appointment and remuneration of auditors

The Company is required at each general meeting at which financial statements are presented to shareholders to appoint auditors who will remain in office until the next such meeting. Johnston Carmichael LLP have expressed their willingness to continue in office for a further year. In accordance with company law and corporate governance best practice, shareholders are also asked to authorise the directors to determine the auditors' remuneration.

Resolution 7 – Authority to allot shares

Under section 551 of the Companies Act 2006, the directors of a company may only allot shares or grant rights to subscribe for, or to convert any security, into shares in the Company if authorised to do so.

In line with guidance issued by the Investment Management Association (now the Investment Association), the authority contained in paragraph (a) of this resolution will (if passed) give the directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £80,291.30 (representing 64,223,041 ordinary shares) as reduced by the nominal amount of any shares issued under paragraph (c) of this resolution. This amount (before any reduction) represents approximately two-thirds of the

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issued ordinary share capital (excluding treasury shares) of the Company as at the latest practicable date prior to publication of the notice of the meeting.

The authority contained in paragraph (b) of this resolution will (if passed) give the directors the authority to allot ordinary shares up to an aggregate nominal value of £12,043.70 (representing 9,634,956 ordinary shares of 0.125p each) in connection with the issue of shares pursuant to any share option scheme of the Company. This amount represents approximately 10% of the issued ordinary share capital (excluding treasury shares) of the Company as at the latest practicable date prior to the publication of the notice of the meeting. This authority will expire on 30 November 2020 or, if earlier, at the conclusion of the next annual general meeting.

The authority contained in paragraph (c) of this resolution will (if passed) give the directors the authority to allot ordinary shares up to an aggregate nominal value of £40,145.65 (representing 32,116,520 ordinary shares of 0.125p each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at the latest practicable date prior to the publication of the notice of the meeting. This authority will expire on 30 November 2020 or, if earlier, at the conclusion of the next annual general meeting.

Special Resolutions

Resolutions 8, 9 and 10 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolutions 8 and 9 – Disapplication of statutory pre-emption rights

The Companies Act 2006 gives holders of ordinary shares, with limited but important exceptions, certain rights of pre-emption on the issue for cash of new ordinary shares or on the sale of any shares which the Company may hold in treasury following a purchase of its own shares. The directors of the Company believe that it is in the best interests of the Company that the board of the Company should have limited authority to allot some shares for cash or sell treasury shares without first having to offer such shares to existing shareholders. The directors' current authority expires at the close of the forthcoming annual general meeting.

The authority sought by way of resolution 8 would expire at the earlier of the close of the next annual general meeting or 30 November 2020. The authority, if granted, will relate to the allotment of new ordinary shares or the sale of treasury shares in respect of (a) rights issues and similar offerings, where difficulties arise in offering shares to certain overseas shareholders, and in relation to fractional entitlements and certain other technical matters, (b) the allotment of ordinary shares pursuant to any share option scheme of the Company having an aggregate nominal value not exceeding £12,043.70 (being equal to 10% of the issued ordinary share capital (excluding treasury shares) of the Company as at the latest practicable date prior to the publication of the notice of the meeting), and (c) generally to allotments (other than in respect of pre-emptive offerings) of ordinary shares or the sale of treasury shares having an aggregate nominal value not exceeding £6,021.85 (being equal to 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at the latest practicable date prior to the publication of the notice of the meeting).

Resolution 9, if approved, would give the directors of the Company an additional authority to issue ordinary shares, or sell treasury shares, for cash in connection with an acquisition or capital investment of kind contemplated by the Pre-Emption Group's Statement of Principles up to an additional aggregate nominal amount of £6,021.85 (being equal to 5% of the issued ordinary share capital (excluding treasury shares) of the Company as at the latest practicable date prior to the publication of the notice of the meeting). The directors confirm that they will only allot shares pursuant to this authority where the allotment is in connection with an

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acquisition or specified capital investment (as defined in the Pre-Emption Group's Statement of Principles) which is announced contemporaneously with the allotment or sale, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment of sale.

The powers given by resolutions 8 and 9 will, unless sooner revoked or renewed by the Company in a general meeting, last until the earlier of the close of the next annual general meeting and 30 November 2020.

Resolution 10 – Authority to purchase the Company's own shares

This resolution grants authority to the Company to make purchases of up to a maximum of 10% of the issued ordinary share capital of the Company as at the date of the notice of this meeting.

In certain circumstances it may be advantageous for the Company to purchase its ordinary shares. The directors would use the share purchase authority with discretion and purchases would only be made from funds not required for other purposes and in light of market conditions prevailing at the time. In reaching a decision to purchase ordinary shares, your directors would take account of the Company's cash resources and capital, the effect of such purchases on the Company's business and on earnings per ordinary share.

The directors have no present intention of using the authority. However, the directors consider that it is in the best interests of the Company and its shareholders as a whole that the Company should have flexibility to buy back its own shares should the directors in the future consider that it is appropriate to do so.

In relation to any buyback, the maximum price per ordinary share at which the Company is authorised in terms of resolution 10 to effect that buyback is 5% above the average middle market price of an ordinary share for the five business days immediately preceding the date on which the buy back is effected.

The statutory provisions governing buybacks of own shares are currently contained in, *inter alios*, sections 693 and 701 of the Companies Act 2006.

