

UK Individual Shareholders Society Ltd (ShareSoc) Notice of Annual General Meeting

to be held at the offices of Link Asset Services, 65 Gresham Street, London EC2V 7NQ

on Wednesday 14th November 2018 commencing at 4.30 p.m.

The AGM is open to all Members (Full and Associate). The meeting will be followed by the November ShareSoc Seminar at 5.30pm. All Members may speak at the meeting but only Full Members may vote.

A proxy voting form has been sent to Full Members by email or post. The Report and Accounts for the year ending December 2017 are appended.

Agenda

1. The Chairman will report on the activities of the Society.
2. Directors Mike Dennis, Cliff Weight will provide brief update presentations covering events and policy activities.
3. The Chairman will present the role of Patron of ShareSoc.
4. The Chairman will report on cooperation and merger discussions with UKSA and with SIGnet.
5. The Chairman will announce the winner of the Stan Grierson Award
6. The Directors will answer any questions Members may care to put at the meeting. Questions may be submitted verbally at the meeting or in writing beforehand.

All current directors are standing for re-election. Their backgrounds are at: <https://www.sharesoc.org/about-us/directors/>

- | | |
|---------------|---|
| Resolution 1. | To receive the Report and Accounts of the Board of Directors for the year ended 31 st December 2017. |
| Resolution 2. | To re-elect as a member of the Board Mr. Mark Bentley. |
| Resolution 3. | To re-elect as a member of the Board Mr Michael Dennis. |
| Resolution 4. | To re-elect as a member of the Board Mr Mark Lauber. |
| Resolution 5. | To re-elect as a member of the Board Mr Mark Northway. |
| Resolution 6. | To re-elect as a member of the Board Mr Christopher Spencer-Phillips. |
| Resolution 7. | To re-elect as a member of the Board Mr. David Stredder. |
| Resolution 8. | To re-elect as a member of the Board Mr. Cliff Weight. |
| Resolution 9. | To approve the remuneration of the Directors for 2017 and the proposed remuneration for 2018 as specified in the Remuneration Report. |

Mark Northway
Chairman

Chairman's Report

I have the pleasure of reporting a successful and vibrant year in which your Society's membership, influence and financial position have all continued to improve.

Membership

Total membership increased to 3,999 during 2017 (+10.7%). Subscribing (full) membership increased to 771 (+23.0%) over the same period. This healthy growth has continued into 2018, with full membership standing at 897 at the end of the third quarter. We are very conscious that current membership levels represent only a very small proportion of the UK individual shareholder universe, and we continue to explore ways of delivering ShareSoc's value to a broader audience.

Finances

ShareSoc is a not-for-profit organisation, and we look to plough revenues back into improved Member services while maintaining a prudent cash buffer. Turnover reduced by 10% in 2017 to £76,641 due to lower levels of donations following completion of the web project. This was more than offset by a reduction in cost of sales, resulting in a 28% increase in gross profit to £30,231. Administrative costs were held constant, allowing the Society to report a £2,691 profit before tax (2016: £3,669 loss). The financial position has continued to improve during 2018 due to increased membership, donations and revenue from events.

The Society has one part-time employee, Kate Monda, who looks after membership and administration. We also use contract staff to expand our resources where necessary.

Directors

Your Board comprised eight Directors at the beginning of 2017. Roger Lawson ceased to be a Director in May 2017, although he remains an active member of, and contributor to, the Society.

ShareSoc's successes have placed an increasing workload on the Board, and this year we have decided to increase the number of directors from seven to a maximum of ten. Specifications have been prepared following last year's skills review, with a view to further improving the utility and effectiveness of the Board, and a recruitment campaign is underway.

The Directors bring an invaluable mix of professional investing and broader financial experience. They work tirelessly to promote the interests of individual investors and of ShareSoc. Much of the work undertaken is of a direct, executive nature and involves significant commitment of time and effort on a voluntary basis. I would like to thank my fellow Directors for their hard work and selfless dedication to the Society's interests throughout the year.

Patron

Your Board has decided to create the role of Patron of ShareSoc. A Patron will be a senior and influential figure from government or from the investment world, and will assist the board by raising ShareSoc's profile, by promoting the activities and aims of the society and by contributing positively to its public image. The appointment will be for an initial term of three years.

Member Services

Seminars: the monthly programme continues to be popular with Members, particularly in London. The format comprises three or four company presentations, accompanied by topical presentations by ShareSoc Directors, and networking over a buffet meal and wine. We now run regular seminars in London, Manchester and Birmingham.

Masterclasses: these larger events focus on education, networking and discussion. We did not run a Masterclass during 2017, but we did run one at Mello Derby in May 2018 which was very well attended.

Newsletters: we produced eleven newsletters in 2017, and one per month so far in 2018. We have seen increasing engagement from Members both in providing content and in responding to articles. We are very grateful to those Members who regularly supply articles, AGM reports and other content, and would encourage others to consider sharing their thoughts via this medium.

Website: the new website has substantially improved Member access to ShareSoc resources. We are now preparing for the second phase of development, which will improve our offering behind the paywall and further improve our Member networking offering.

Policy Campaigns

Shareholder Rights: this initiative focuses primarily on the erosion of shareholder rights as a result of the widespread use of nominee accounts by stockbrokers and financial intermediaries. These issues have recently been highlighted by the Unilever simplification proposals, which have underlined the issues of shareholder disenfranchisement.

Directors' Remuneration: this campaign targets excessive CEO pay levels within both FTSE and AIM companies. ShareSoc has issued its own best practice remuneration guidelines and is urging companies to formally adopt these.

AIM Reform: ShareSoc has on many occasions objected to the light touch regulation of the AIM market, the poor governance record and high failure rate of companies which have chosen to list there.

Company Campaigns

Current company campaigns include Redcentric (misstatement of accounts), RBS (shareholder engagement), Blancco (misstatement of accounts) and a VCT Subgroup which monitors the sector. We continuously review the behaviour of companies on behalf of individual investors and will establish further formal campaigns where such action is warranted.

The Alliance Trust campaign was closed during the year following the successful restructuring of the group.

Post year-end, a major focus has been the Beaufort Securities insolvency, which threatened the ring-fenced assets of several thousand UK individual investors. We were active in assisting investors, getting our preferred candidates onto the Creditors Committee, and bringing pressure on the government and the administrators to find a reasonable solution.

Europe

ShareSoc remains a member of Better Finance and of the Worldwide Federation of Investors. We actively participate in meetings in order to stay abreast of shareholder issues around the world. We are keen to ensure a level playing field for international investors to buy, sell and vote across national borders.

UK Shareholders' Association (UKSA) and SIGnet

ShareSoc and UKSA have been continued to cooperate closely on policy matters, and have broadened the scope of cooperation to include education and newsletters. This cooperation is undertaken with a view to eventual merger. Progress has been intentionally slow in order to allow both organisations the opportunity to test the benefits of a potential union before committing to a full union.

We have also been in discussion with SIGnet, an investor networking and education organisation. We are exploring the benefits of bringing SIGnet under the ShareSoc umbrella, providing them with an organisational and membership solution while enhancing ShareSoc's own networking and educational offering.

Stan Grierson Award

This year's award goes to Nandish Haria for his role in the Beaufort Securities campaign, with special mention again to Leon Boros and Roger Lawson.

Member Involvement

Your Society relies on Members to assist us in the following ways:

- Subscriptions: we ask Associate Members to become Full (subscribing) Members.
- Membership: we encourage you invite investors from your network to join us.
- Events: we value recommendations of quality investee companies as presenters.
- Newsletter: we greatly appreciate Member write-ups of AGMs, or articles on investment topics.
- Local meetings: we welcome offers of assistance in organising or promoting local meetings or events.

We look forward to hearing from you.

Mark Northway
Chairman

Remuneration Report

Under the Articles of the Society (which is a Company Limited by Guarantee with “not for profit” terms in the Articles), the Directors may be remunerated for their services and for expenses incurred in attending board meetings or otherwise in connection with the services they undertake.

During the year ending 31st December 2017, no remuneration was paid to any Director for their services as a Director and no expenses were paid for attending Board meetings.

For the current financial year, it is not proposed to pay any remuneration to the Directors for acting as a Director although there may be some payments to Directors for providing specific services. Out-of-pocket expenses will only be paid where the Directors consider it justifiable to do so.

Registered number

07503076

UK Individual Shareholders Society Limited