



Shareholdings in The Exeter Golf & Country Club Limited (Company)

Following our letter dated 28/08/2019 to all former members of Exeter Golf and Country Club (**Club**) who continue to hold shares in the Company (referred to as **Non-Member Shareholders** in this letter), it has come to our attention that there is some confusion about the way in which the Club and Company interact and the rights and duties of each Company shareholder, particularly on the cessation of their Club membership.

In order to try and resolve that confusion (and to prevent it in the future), we have prepared the enclosed summary of the current transfer provisions contained in the Company's Articles of Association, which we are planning to change at the AGM later this year.

To give our letter of 28/05/2019 a bit more context (and to highlight the scale of the problem), we sent 3,776 letters to Non-Member Shareholders. This equates to a total of 349,964 shares held by Non-Member Shareholders. The letter set out a process and timescale for Non-Member Shareholders to indicate how they would prefer to deal with their shares before the rules change.

A small number of Non-Member Shareholders have asked us to try to sell their shares. However, the sheer number of transfers required exceeds our administrative capacity to deal with them prior to the AGM so, where we have been given instructions to sell by Non-Member Shareholders, we will continue to do so until the later of: (a) the five year period from when you ceased to be a member specified in the Articles; and (b) the first anniversary of the AGM.

Furthermore, a number of Non-Member Shareholders have not provided contact details so it is not possible to communicate with them; a large proportion of the 3,776 letters sent have been returned to sender, or there has been no response to the letter sent.

We would like to be in a position where shares held by Non-Member Shareholders are transferred to new members when they join the Club. The numbers of departing and joining members should, broadly, match up. Due to our inability to contact a large number of Non-Member Shareholders, we are currently in the position where we do not have enough shares to support the issue of 'subscriber' shares to new members. We do not want to continually issue new shares and exacerbate the problem.

In light of the above, our legal advisors recommended the course of action described in our original letter and these proposals will be put to the current shareholders at the next AGM of the Company in order to implement those proposals.

In practice, this does not mean any significant change in the rights attached to your shares; you are, as a Non-Member Shareholder, deemed to have served a Transfer Notice to the Company in respect of all of the Company shares that you hold, you do not have any right to attend and

vote at general meetings of the Company and, as you are no longer a member of the Club, you do not benefit from the subscription discount that is attached to the shares.

We do intend to propose the adoption of new Articles at the AGM that will remove the right to sell shares to any person at the end of five years six months. We do not want non-members to be able to buy shares in the Company.

If you have any questions, please do not hesitate to contact me.

Yours Sincerely

Cliff Nightingale
for and on behalf of the Board of Directors of
The Exeter Golf and Country Club Limited