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*Remote Monitored Systems PLC*

*Shareholder Questions & Answers*

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- 1) How can I access a proxy vote:
  - a. These are available on the Company's website:  
<https://wp-rms-2020.s3.eu-west-2.amazonaws.com/media/2021/01/27081416/Proxy-from-GM-12-2-21.pdf>
- 2) What are the votes required to stop the issue of warrants?
  - a. The issue of the warrants is conditional, in part, on the passing of a special resolution. Special resolutions require a majority of 75% of those voting to vote in favour. Therefore, if more than 25% of those voting, vote against Resolution 2, the warrants cannot be issued.
- 3) What will you do with the proceeds raised from the £5million?
  - a. The detailed use of the proceeds is currently under consideration and more information on this will be made available to the public in due course
- 4) What has happened to the 400m shares issued in December? Why have there been no Holdings Notices announced?
  - a. Holding Notices are only required to be issued where an investor holds at least 3% of a company's issued share capital. That the Company has not received any such notices suggests that no investors with a notifiable holding participated in the placing before Christmas.
- 5) Why is there no sign of forecasts in the market?
  - a. Currently, there are no analysts following the Company, nor has the Company commissioned any third-party research to be produced as it would not be appropriate at this early stage in the development of the Company's subsidiaries.
- 6) What is the purpose of raising further funds?
  - a. RMS do not have any reason to raise further funds at this time
- 7) What are the email details of the two new board members?
  - a. All questions can be sent to [rms@investor-focus.co.uk](mailto:rms@investor-focus.co.uk). This mailbox has been established to improve dialogue with shareholder queries and improve Investor Relations
- 8) Why are two resolutions needed to issue shares?



- a. The issue of shares is subject to the passing of an ordinary resolution by a simple majority of shareholders. However, the ability to issue those shares for cash, other than to existing shareholders in proportion to their holding in the Company (known as pre-emption rights), requires the passing of a special resolution to disapply those pre-emption rights.
- 9) What happens if resolutions 1 and 3 pass but 2 and 4 fail?
- a. The Warrants connected with the recent placing cannot be issued as both Resolutions 1 and 2 are needed for that purpose. The Company can issue shares, for example under options schemes to reward employees, but cannot issue shares for cash except to existing shareholders
- 10) Why do companies not issue shares to existing shareholders first?
- a. This approach is time consuming and the costs are prohibitive with no certainty that companies will secure the required funding if shareholders do not take up their rights or entitlements (for example through an Open Offer or Rights Issue);
- 11) What will happen if all these resolutions fail?
- a. The Company currently has the authority to issue up to a further 172 million shares under the resolutions passed at the last AGM. This is not sufficient to issue the 420 million warrants, and these are conditional upon resolutions 1 and 2 being passed anyway, but in the event that all the resolutions fail, the existing authorities will remain in place.

#### Explanatory notes to the notice of General Meeting

The following notes give an explanation of the proposed Resolutions. Resolutions 1 and 3 are proposed as ordinary resolutions. This means for these resolutions to be passed, more than half of the votes cast must be in favour of each resolution. Resolutions 2 and 4 are proposed as special resolutions. This means that for these resolutions to be passed, at least three quarters of the votes cast must be in favour each resolution.

#### *Resolution 1 - Directors' authority to allot shares in respect of the Warrants*

This is an ordinary resolution to grant the Directors the authority to allot and issue shares and grant rights to subscribe for shares in the Company for the purposes of Section 551 of the Act up to the maximum aggregate nominal amount of £42,000 being the maximum required for the purposes of issuing the Warrants unconditionally.

#### *Resolution 2 - Disapplication of pre-emption rights in respect of the Warrants*

Resolution 2 proposes to disapply the statutory rights of pre-emption in respect of the allotment of equity securities for cash under Section 561(1) of the Act. This is a special



resolution authorising the Directors to issue equity securities as continuing authority up to an aggregate nominal amount of £42,000 being the maximum required for the purposes of issuing the Warrants unconditionally for cash on a non pre-emptive basis pursuant to the authority conferred by Resolution 1 above. The authority granted by this Resolution will expire at the conclusion of next annual general meeting of the Company.

*Resolution 3 - Directors' general authority to allot shares*

This is an ordinary resolution to grant the Directors the authority to allot and issue shares and grant rights to subscribe for shares in the Company for the purposes of Section 551 of the Act, other than for the Warrants, up to the maximum aggregate nominal amount of £20,275.56 being 10% of the Company's issued share capital.

Resolutions 1 and 3 replace any existing authorities to issue shares in the Company and the authority under these resolutions will expire at the conclusion of the next annual general meeting of the Company.

*Resolution 4 - General disapplication of pre-emption rights*

Resolution 4 proposes to disapply the statutory rights of pre-emption in respect of the allotment of equity securities for cash, other than for the Warrants, under Section 561(1) of the Act. This is a special resolution authorising the Directors to issue equity securities as continuing authority up to an aggregate nominal amount of £20,275.56, being 10% of the Company's issued share capital, unconditionally for cash on a non pre-emptive basis pursuant to the authority conferred by Resolution 3 above. The authority granted by this Resolution will expire at the conclusion of next annual general meeting of the Company.

Action to be taken by Shareholders

Shareholders will find enclosed with the Circular a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at Share Registrars Limited, The Courtyard 17 West St, Farnham GU9 7DR or [voting@shareregistrars.uk.com](mailto:voting@shareregistrars.uk.com) as soon as possible and in any event not later than at 1.00 p.m. on 10 February 2021.

**ONLY THE CHAIRMAN CAN BE APPOINTED AS YOUR PROXY FOR THIS PARTICULAR MEETING AND IN ADDITION SHAREHOLDERS CANNOT ATTEND THIS MEETING IN PERSON.**