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If you have sold or otherwise transferred all of your shares in Manx Financial Group PLC (the “**Company**”), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

The distribution of this document in jurisdictions other than the Isle of Man and the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy shares in the Company.

This document does not constitute any offer to issue or sell or a solicitation of any offer to subscribe for or buy ordinary shares in the Company.

MANX FINANCIAL GROUP PLC

(incorporated and registered in the Isle of Man under number 004908V)

Proposed Amendments to the Memorandum and Articles of Association

and

Notice of Annual General Meeting

Notice of Annual General Meeting of the Company to be held at 11:00 a.m. on 25 May 2022 at The Claremont Hotel, Sanderson Suite, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX is enclosed with this document.

A form of proxy (“**Form of Proxy**”) for use at the Annual General Meeting accompanies this document and, to be valid, must be completed and returned to the Company’s registrars, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY as soon as possible but in any event to be received not later than 11:00 a.m. on 23 May 2022 or 48 hours before any adjourned meeting, excluding non-business days.

Your attention is drawn to the letter from the Executive Chairman of the Company which recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below. The Annual General Meeting has been convened by the Directors for the purpose of considering the Proposals set out in this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Expected time / date</u>
	<u>2022</u>
Publication of this document and Forms of Proxy to Shareholders	29 April
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 23 May
Annual General Meeting	11:00 a.m. on 25 May
Announcement of results of Annual General Meeting	25 May

Notes:

- (1) All times shown in this document are London times unless otherwise stated. The dates and times given are indicative only and are based on the Company's current expectations and may be subject to change. If any of the times and/or dates above change the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange Plc.
- (2) If the Annual General Meeting is adjourned, the latest time and date for receipt of Forms of Proxy for the adjourned meeting will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange Plc.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“Act”	the Isle of Man Companies Act, 2006 (as amended)
“AIM”	AIM, the market of that name operated by the London Stock Exchange plc
“Annual General Meeting”	the Annual General Meeting of the Company to be held at 11:00 a.m. on 25 May 2022 and any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company in force at the date of this Notice
“Company” or “Manx Financial Group PLC”	Manx Financial Group PLC, a company incorporated in the Isle of Man under number 004908V
“Controller”	a person or persons who either alone or with any associate or associates (a) holds ten per cent or more of the shares of the Company or in a parent undertaking of the Company; or (b) is entitled to exercise or control the exercise of ten per cent. or more of the voting power at any general meeting of the Company or in a parent undertaking of the Company; or (c) holds shares or voting power in the Company or in a parent undertaking of the Company as a result of which the party is able to exercise significant influence over the management of the Company. For the purpose of calculations relating to this definition, the holding of shares or voting power by a member includes any shares or voting power held by another party if they are acting in concert (as such term is defined in the The City Code on Takeovers and Mergers published from time-to-time by the UK Panel on Takeovers and Mergers, and the term ‘voting power’ is defined in s.422(5)(a) of the FSMA), and the term ‘control’ shall be construed accordingly
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in those regulations)
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders at the Annual General Meeting
“FSMA”	means the UK Financial Services and Markets Act 2000 (as amended)
“Scrip Dividend Scheme”	means the MFG Scrip Dividend scheme as comprised under and subject to the terms and conditions contained in the circular issued by the Company dated 9 July 2021 as amended from time-to-time
“Memorandum”	the memorandum of association of the Company in force at the date of this Notice
“New M&A”	means the proposed new Memorandum and Articles of Association of the Company to be adopted by the Shareholders subject to approval of the Resolutions at the Annual General Meeting, in the form attached at Appendix 1 of the Notice
“Notice”	the notice convening the Annual General Meeting set out in the Appendix to this document
“Record Date”	6:00 p.m. on 6 June 2022

“Resolutions”	the resolutions to be proposed at the Annual General Meeting as set out in the Notice
“RSU Plan”	the proposed Manx Financial Group PLC Restricted Stock Units Plan 2022
“Shareholders”	a holder of ordinary shares in the Company from time-to-time
“Share Option Plan”	the Manx Financial Group PLC Employee Share Option Scheme adopted on 24 May 2018

LETTER FROM THE CHAIRMAN

MANX FINANCIAL GROUP PLC

(incorporated and registered in the Isle of Man under number 004908V)

Directors:

Jim Mellon (Executive Chairman)
Denham Eke (Executive Vice Chairman)
Douglas Grant (Chief Executive Officer)
James Smeed (Group Finance Director)
Gregory Bailey (Non-Executive Director)
Alan Clarke (Independent Non-Executive Director)
David Gibson (Independent Non-Executive Director)
John Spellman (Independent Non-Executive Director)

Registered Office:

Manx Financial Group PLC
Clarendon House
Victoria Street
Douglas
Isle of Man
IM1 2LN

29 April 2022

Dear Shareholder

Notice of Annual General Meeting

1. Introduction

I am writing to you with details of this year's Annual General Meeting of the Company to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX at 11:00 a.m. on 25 May 2022. The formal notice of the Annual General Meeting is set out at the end of this document.

In addition to the business customarily undertaken at an annual general meeting of the Company, the Company intends to seek Shareholder approval for a number of proposed amendments (the "**Proposed Amendments**") to the Company's Memorandum and Articles of Association. The Directors believe that it is in the best interests of the Company and its Shareholders for the Company to adopt the New M&A.

This letter explains why the Directors recommend that Shareholders of the Company vote in favour of the resolutions being proposed at the Annual General Meeting (the "**Resolutions**").

2. Proposed amendments to the Company's Memorandum and Articles of Association

The Company has subsidiaries based in the Isle of Man and the United Kingdom offering financial services to both retail and commercial customers. The Company's principal subsidiary, Conister Bank Limited, is an Isle of Man based bank licensed by the Isle of Man Financial Services Authority for its deposit taking activities. In the United Kingdom, it is authorised and regulated by the Financial Conduct Authority for its consumer credit activities and mortgage lending administration.

As explained in the Company's annual report for the financial year ended 31 December 2021, as the Company continues with its expansion, it has become apparent to the Board that the Company will have to modify its Articles if it is to satisfy regulatory requirements for additional jurisdictions. Thus, at this meeting, Shareholders are invited to consider a number of proposed amendments (the "**Proposed Amendments**") to the Company's Memorandum and Articles of Association. Whilst initially these changes may appear complex, their sole intention is to provide an enhanced layer of protection to ensure that parties acquiring significant shareholdings by whatever means do not compromise regulatory requirements pertaining to our current banking licence, to other regulatory approvals the Group holds, and to any additional licences the Company and its subsidiaries may seek to secure in the future.

The Proposed Amendments serve to ensure that the Company will be able to take appropriate actions to prevent a Shareholder from becoming or remaining a Controller or increasing their control in the event any regulators do not approve of such Shareholder's controlling stake in the Company (or indicate

that a future application by the Company will be prejudiced by such Shareholder's controlling stake). These actions include potential restrictions regarding the registration of transfers of shares to them or their associates (where to do so would breach applicable laws or regulations in any jurisdiction), suspending their voting or dividend rights, and compulsorily requiring them to transfer their shares at market price to a third party acceptable to the regulators (including but not limited to the Company).

Certain other changes set out in the New M&A are also proposed but are considered by the Board to be administrative in nature so are not specifically set out in this document. Shareholders are, however, advised to review the proposed New M&A in full (attached as Appendix 1 to the Notice enclosed with this document for ease of reference) so the proposed changes can be considered in their entirety.

The Board considers that the Proposed Amendments are essential for the Company and its subsidiaries to secure additional regulatory licences, as well as retain current licences and approvals.

The Resolution to approve the Proposed Amendments are set out in Resolution 10 in the Notice.

3. RSU Plan

In line with good corporate governance standards, the Board seeks Shareholders' approval for a proposed new RSU Plan it wishes to adopt. It is an employee incentive scheme established to assist in recruiting, retaining and incentivising key employees through awarding them with potential equity in the Company. Having taken advice, the Board now considers that the proposed RSU Plan is the most suitable structure to incentivise key members of our staff and to directly align them to Shareholder returns and interests. A summary of the key terms of the RSU Plan is available on the Company's website www.mfg.im.

Stock granted under the RSU Plan will be granted subject to vesting conditions determined by the Remuneration Committee of the Company, with a focus on individual and Company related Key Performance Indicators and individual performance against defined targets, as well as recruitment or continuation of employment, as the case may be. Upon satisfaction of the vesting conditions, the stock granted will become exercisable at nil-cost.

As background, in May 2018, the Company adopted a Share Option Plan. Under the rules of the Share Option Plan, the Company may grant options to Directors and employees at an exercise price which is not less than the market value of a new ordinary share at the date of grant. The number of new ordinary shares under option pursuant to the Share Option Plan may not exceed 15 per cent. of the Company ordinary share capital in issue immediately (the "**15 Per cent. Limit**"). No options have been issued under this plan since it was adopted. As at the date of this document the Company has prior options over 1,050,000 shares outstanding.

If adopted, under the terms of the proposed RSU Plan, up to 5 per cent. out of the 15 Per cent. Limit may be allocated by way of nil-cost stock under the RSU Plan. In other words, the existing headroom limit will not be increased by the adoption of the RSU Plan. In addition, the Board believes that it is unlikely that any new options will be issued under the existing Share Option Plan for the foreseeable future.

4. Retirement of Mr David Gibson and Resolutions at the Annual General Meeting

In accordance with the Company's Articles of Association one-third of Directors, plus Directors appointed after the date of the Company's last annual general meeting, should retire (and stand for re-election if so desired) at the Annual General Meeting. Mr David Gibson is one of the Directors retiring but has confirmed he will not stand for re-election. The Board would like to thank Mr Gibson for his many years of service as a non-executive director and wish him well in his retirement.

The Resolutions to be considered at the Annual General Meeting are as set out below:

Resolution 1 – Receiving and adoption of the Accounts – Ordinary Resolution

The Board recommends the receiving and adopting of the audited accounts for the financial year ended 31 December 2021 together with the report of the Directors' and the auditor's report.

Resolution 2 – Re-appointment of Auditor – Ordinary Resolution

The Company is required to appoint its auditor at each general meeting at which its annual accounts and reports are presented to Shareholders. Therefore, resolution 2 proposes the re-appointment of KPMG Audit LLC as auditor of the Company (to hold office from the conclusion of the Annual General Meeting until the next annual general meeting of the Company), and to authorise the Directors to determine the auditor's remuneration.

Resolution 3 – Re-appointment of Director – Ordinary Resolution

The Board recommends the re-appointment of Douglas Grant, who is retiring by rotation pursuant to article 86 of the Articles of Association, as a Director. Mr Grant, being eligible, offers himself for re-appointment.

Resolution 4 – Re-appointment of Director – Ordinary Resolution

The Board recommends the re-appointment of James Smeed as a Director. Since being appointed to the Board following the Company's last Annual General Meeting, Mr Smeed offers himself for re-appointment.

Resolution 5 – Re-appointment of Director – Ordinary Resolution

The Board recommends the re-appointment of Gregory Jones as a Director. Since being appointed to the Board following the Company's last Annual General Meeting, Mr Jones offers himself for re-appointment.

Resolution 6 – Final dividend – Ordinary Resolution

The Board recommends a final dividend of 0.2443 pence per ordinary share in respect of the financial year ended 31 December 2021. Shareholders will be asked to approve this payment and, if approved, the dividend will be payable on 23 June 2022 to those Shareholders on the register of members at the close of business on 6 June 2022.

Resolution 7 – RSU Plan – Ordinary Resolution

The Board recommends approving the RSU Plan and authorising the Directors to take all such actions considered necessary or expedient to establish the RSU Plan.

Resolution 8– Scrip dividend – Special Resolution

The Board recommends authorising the Directors to offer ordinary Shareholders the right (subject to the terms of the Company's Scrip Dividend Scheme) to elect to receive ordinary shares instead of cash in respect of the whole or some part of all and any dividend declared for such period expiring at the end of the third annual general meeting of the Company after the date on which the resolution is passed.

Resolution 9 – Purchase of own shares – Special Resolution

The Board recommends authorising the Company to purchase or otherwise acquire its own shares for any consideration, provided that such purchase does not contravene section 60 of the Isle of Man Companies Act 2006 or the solvency test as set out in section 49 of the Act, as per Article 13 of the Articles of Association.

Resolution 10 – Proposed Amendments to the Memorandum and the Articles of Association – Special Resolution

This is a special resolution to amend the Company's existing Memorandum and Articles of Association with the purpose of, in summary, empowering the Company to suspend existing or potential Controller's voting and dividend rights and to include provisions for the compulsory transfer of relevant shares that

give a party control (or make them a future potential Controller based on regulatory requirements in different jurisdictions) to an eligible third party (including but not limited to the Company).

5. Action to be taken by Shareholders

A notice convening the Annual General Meeting to be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX at 11:00 a.m. on 25 May 2022 is set out at the end of this document. A Form of Proxy for use by Shareholders in connection with the Annual General Meeting is enclosed with this document. Shareholders are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's registrars, by post or by hand (during normal business hours only) to Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.

6. Recommendation

The Directors unanimously believe that the Resolutions are in the best interests of the Company and its Shareholders and unanimously recommend you to vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings.

Yours faithfully

Jim Mellon
Executive Chairman

MANX FINANCIAL GROUP PLC
(incorporated and registered in the Isle of Man under number 004908V)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of **Manx Financial Group PLC** (the “**Company**”) will be held at The Claremont Hotel, 18-22 Loch Promenade, Douglas, Isle of Man, IM1 2LX at 11:00 a.m. on 25 May 2022 for the following purposes:

Ordinary Business

To consider and if thought fit, to pass the following Resolutions which will be proposed as Ordinary resolutions:

Resolution 1

To receive and adopt the Report of the Directors and the Financial Statements for the year ended 31 December 2021, together with the Report of the Independent Auditor on such statements.

Resolution 2

To re-appoint KPMG Audit LLC as Auditor to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the Financial Statements are laid before the Company at a remuneration to be determined by the Directors.

Resolution 3

To re-appoint Mr. Douglas Grant, a Director retiring by rotation in accordance with the Company's Articles of Association.

Resolution 4

To re-appoint Mr. James Smeed, a Director appointed to the Board following the Company's last annual general meeting.

Resolution 5

To re-appoint Mr. Gregory Jones, a Director appointed to the Board following the Company's last annual general meeting.

Resolution 6

To approve the Directors' recommendation that the payment of a dividend on the ordinary shares of 0.2443 pence per ordinary share be made for the financial year ended 31 December 2021 on 23 June 2022 to Shareholders on the register at the close of business on 6 June 2022.

Resolution 7

That:

- (a) the rules of the RSU Plan, the principal terms of which are summarised on the Company's website www.mfg.im, and produced in draft to the Annual General Meeting and for the purposes of identification initialled by the Chairman, be approved, and the Directors be authorised to do all such acts and things necessary to establish the RSU Plan, including making such modifications to the RSU Plan as they may consider appropriate for its implementation and to adopt the RSU Plan as so modified; and
- (b) the Directors be authorised to establish any schedules or sub-plans to the RSU Plan for the benefit of employees outside the Isle of Man containing such modifications as may be

necessary or desirable to take account of securities laws, exchange control and tax legislation, provided that any shares made available under such schedules or sub-plans are treated as counting against any limits on individual participation or overall participation in the RSU Plan.

Special Business

To consider and, if thought fit, to pass the following resolutions which will be proposed as Special resolutions:

Resolution 8

That the Directors be and are hereby authorised to offer to ordinary Shareholders the right (subject to the terms of the Company's Scrip Dividend Scheme) to elect to receive ordinary shares instead of cash in respect of the whole or some part of all and any dividend declared for such period expiring at the end of the third annual general meeting of the Company after the date on which this resolution is passed.

Resolution 9

That shares may be purchased or otherwise acquired by the Company for any consideration, provided that such purchase does not contravene section 60 of the Isle of Man Companies Act 2006 or the solvency test as set out in section 49 of the Isle of Man Companies Act 2006, as per Article 13 of the Memorandum and Articles of Association of the Company.

Resolution 10

That, with effect from the conclusion of the Annual General Meeting, the draft memorandum and articles of association of the Company (attached as Appendix 1 to this Notice and produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification) be adopted as the memorandum and articles of association of the Company in substitution for, and to the exclusion of, the Company's existing Memorandum and Articles of Association.

BY ORDER OF THE BOARD

29 April 2022

Jim Mellon
Executive Chairman

NOTES

1. Any member entitled to vote at the meeting convened by the above Notice is entitled to appoint the Chairman as his or her proxy to vote in his or her place.
2. To be valid the enclosed Form of Proxy for the Annual General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 11:00 a.m. on 23 May 2022 to Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EU). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent Computershare in Investor Services (Jersey) Limited by 11:00 a.m. on 23 May 2022. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application 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 message. 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.

4. The Company specifies that only those Shareholders registered in the register of members of the Company as at 11:00 a.m. on 23 May 2022 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the register of members after 6:00 p.m. on 22 May 2022 or, in the event that the meeting is adjourned, in the register of members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to vote at the meeting.
5. In the case of joint holders, the vote of the senior who tenders a vote by proxy will be accepted to the exclusion of the votes of the joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.