LONDON CITY EQUITIES

LIMITED

ABN 59 003 200 664

16 September 2026

Dear Shareholder

EXPLANATORY LETTER FROM THE CHAIR

In addition to the forthcoming Annual General Meeting we are going to have an Extraordinary General Meeting of Shareholders the same day to consider two items:

A – Increase the Maximum Total Directors Fee Pool by $150,000 to $275,000 per year from $125,000 approved in 2007.
B – Issue to each of the two Non-Executive Directors 120,000 Ordinary Shares.

INTRODUCTION

Can I explain the background to these two proposed resolutions? The total sums are not large. But they are important in principle and are part and parcel of the way we conduct our business. The ongoing role of the Directors of London City Equities Limited ("London City") over the years has been one of very close involvement in the Company's activities, especially from the year 2000. This was the time London City recognised and adopted the long term strategic investment policies of US parties such as Warren Buffett and Peter Lynch. As a result, our Directors have been engaged in a full range of corporate activities. These include turn-arounds, high level negotiations, quiet share acquisitions and, frustratingly at times, serious legal action in the Supreme Court of NSW and the Federal Court of Australia.

Also, it is worthwhile noting that since Directors David Butel and Louis Joseph joined London City in 2016 our net worth has risen from $9 to $28 million. This is an incredible record. None of us claim anything other than joint teamwork, homework, patience, long hours and thrifty attitudes in putting together such a performance. It is with this background that direct reward to the team has been somewhat lacking. Hence the proposed resolutions carry my support as a large shareholder. Please bear with me while I explain matters in more detail. The formal Notice of Extraordinary General Meeting is set out overleaf and the Proxy Form is attached.

EXPLANATORY INFORMATION – THE TWO ITEMS

Topic A – Resolution One - Increase the Maximum Total Directors Fees Payable by $150,000 from $125,000 to $275,000 per year.

This Resolution is submitted to shareholders for consideration as to whether London City can increase the maximum sum that can be payable in the future as Director Fees in accordance with Article 74 (1) of the Company's Constitution and to meet the requirements of the Australian Securities Exchange. The current maximum level of Non-Executive Directors Fees of $125,000 per annum was approved by shareholders nineteen years ago on 22 September 2007. The tasks and responsibilities of Directors have changed markedly since then. The latest report for 2026 shows that the total sum payable was $100,000, or $45,000 for each of the two directors, Mr David G Butel and Mr Louis J Joseph and the writer $10,000. The Compulsory Superannuation Levy is additional.

Directors stress that it is not intended to utilise all of the maximum aggregate amount of $275,000, if approved, in the current year. They also advise that no securities have been issued to a Non-Executive Directors in the last 3 years.

Topic B – Grant to the two Non-Executive Directors a total allotment of 240,000 London City shares for no cash consideration by way of two separate resolutions (Resolution Two - 120,000 shares to Mr David G Butel and Resolution Three - 120,000 shares to Mr Louis J Joseph.)

With the ongoing success achieved by London City over the past few years coupled with significant time input there has naturally been consideration given to the increasing the respective shareholding of the two Non-Executive

Directors, Mr David G Butel and Mr Louis Joseph. Especially in appreciation of their over-the-odds support and the ultimate success achieved by the Company. The holdings currently stand at modest levels. Interests of Mr Butel have 120,934 shares and interests of Mr Joseph have 90,897 shares.

The question of equity became much a more important issue from early 2024 when adverse decisions were made by a key investment, Excelsior Capital Limited, and serious time-consuming legal action in the Federal Court took place. As many now recognise, the outcome was very beneficial to all shareholders of Excelsior, including the London City group who were the second largest owners of that company. This is just one example of why the simple payment of modest Directors Fees lacks some equity. And the allotment of 240,000 shares out of an issued capital of 31.7 million is, to the writer, easy to justify. Hence the two resolutions carry my recommendation.

In summary, the following details apply to the proposed allotments:

Names of the Parties:	Mr David G Butel – Resolution to issue 120,000 shares; and Mr Louis J Jackson – Resolution to issue 120,000 shares.
Current Total Remuneration:	Directors Fees of $45,000 per annum each to Mr Butel and to Mr Joseph.
Shares proposed for Allotment:	240,000 fully paid Ordinary Shares
Allocation:	120,000 per Director as above.
Issue Price:	Deemed Issue price of 85.0 cents per share – no cash consideration.
Issue Date:	30 October 2026

The formal Notice of Meeting and the relevant Proxy Form are enclosed for your consideration.

Yours,

Peter EJ Murray
Chairman of Directors

LONDON CITY EQUITIES LIMITED

ABN 59 003 200 664

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Shareholders of London City Equities Limited will be held at Level 2, 111 Harrington Street, The Rocks NSW 2000 on Wednesday 21 October 2026 at 11.00 am.

Resolution One

To consider, and if thought fit, approve as an ordinary resolution the following:

"That for the purpose of ASX Listing Rule 10.17 and clause 74 of the Company's Constitution, the aggregate amount of remuneration that may be paid in any financial year commencing on or after 1 July 2026 to the Company's non-executive Directors for their services as Directors be increased from $125,000 to $275,000. "

VOTING EXCLUSION STATEMENT

The entity will disregard any votes cast in favour of the above resolutions by or on behalf of:

- Mr David Gerard Butel or Mr Louis Jackson Joseph; or
- an associate of Mr David Gerard Butel or Mr Louis Jackson Joseph.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or as attorney to vote on the resolution in that way, or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written conformation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution Two

To consider, and if thought fit, approve as an ordinary resolution the following:

"That for the purpose of ASX Listing Rule 10.11 and clause 5 of the Company's Constitution, the issue of 120,000 Ordinary Shares to Mr David Gerard Butel be approved on the terms and conditions set out in the accompanying Explanatory Letter from the Chair. "

VOTING EXCLUSION STATEMENT

The entity will disregard any votes cast in favour of the above resolutions by or on behalf of:

- Mr David Gerard Butel or
- an associate of Mr David Gerard Butel.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or as attorney to vote on the resolution in that way, or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the

resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written conformation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution Three

To consider, and if thought fit, approve as an ordinary resolution the following:

"That for the purpose of ASX Listing Rule 10.11 and clause 5 of the Company's Constitution, the issue of 120,000 Ordinary Shares to Mr Louis Jackson Joseph be approved on the terms and conditions set out in the accompanying Explanatory Letter from the Chair. "

VOTING EXCLUSION STATEMENT

The entity will disregard any votes cast in favour of the above resolutions by or on behalf of:
- Mr Louis Jackson Joseph; or
- an associate of Mr Louis J Joseph.

However this does not apply to a vote cast in favour of a resolution by:
- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or as attorney to vote on the resolution in that way, or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written conformation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By Order of the Board

Louis J Joseph
Company Secretary　　　　Sydney　　　　16 September 2026

PROXIES

A member entitled to attend and vote is entitled to appoint no more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the Company. Proxies must be deposited or sent electronically to the registered office of the Company not less than 48 hours before the time of the meeting. A proxy form is enclosed with this notice.

LONDON CITY EQUITIES
LIMITED

ABN 59 003 200 664

Proxy Form

To: **The Company Secretary**
London City Equities Limited
Level 2, 111 Harrington Street
THE ROCKS NSW 2000 or ***Email imperialpac@outlook.com***

I/We... of ………………..……………..……………………………………
…………………………... hereby appoint ....
.... of .... as
.... or in the event that no person is nominated above, the Chairman of the Meeting, as my/our proxy to vote for me/us at the Extraordinary General Meeting of the company to be held at Level 2, 111 Harrington Street, The Rocks, NSW 2000 on Wednesday 21 October 2026 at 11.00 am and at any adjournment thereof in accordance with the respective instructions.

This proxy is to represent (proportion) ....of my/our voting rights. (Please complete if more than one proxy is being appointed, otherwise only one proxy will be accepted).

This proxy is to be used to vote in respect of the resolutions and, unless instructed, the proxyholder may vote as the person thinks fit. [Please mark as required.]

	For	Against	Abstain
RESOLUTION ONE - To approve an increase in the maximum annual level of Non Executive Directors fees which may be provided to the Company's Directors from $125,000 approved in 2007 by $150,000 to $275,000.			
RESOLUTION TWO - To approve an issue of 120,000 Ordinary shares to Mr David G Butel on the terms described in the accompanying Explanatory Letter from the Chair.			
RESOLUTION THREE - To approve an issue of 120,000 Ordinary shares to Mr Louis J Joseph on the terms described in the accompanying Explanatory Letter from the Chair.			

NB. IF YOU HAVE NOT DIRECTED YOUR PROXY HOW TO VOTE. If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, the Chairman intends to vote "FOR" the Resolutions.

Signed by the said

....
(Name of Member) (Signature of Member)
Dated this ………...........................day of .... , 2026

Please Note:

1. If you mark "Abstain" you are directing your proxyholder not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority.
2. Where the member is a natural person this proxy must be signed by the member personally or by a duly appointed attorney. Where the member is a corporation this proxy must be executed under the common seal of the corporation or signed by an attorney duly appointed under the common seal of the corporation.