

11 March 2019

CRYSTAL AMBER FUND LIMITED

(“Crystal Amber Fund” or the “Fund”)

**Crystal Amber Fund requisitions General Meeting of Northgate plc:
Proposes to remove chairman and appoint a new independent director**

Crystal Amber Fund, the activist investment fund, announces that it has today delivered to the board of Northgate plc (“Northgate”) a requisition notice requiring the company to convene a General Meeting at which resolutions will be proposed to remove Northgate’s chairman, Andrew Page, and appoint Steve Smith to the board as a non-executive director.

The Fund believes that Mr Page has been the principal driver of Northgate Group’s lacklustre performance, both operationally and in generating value for shareholders, since he became chairman in September 2015.

During Page’s tenure as chairman, between the first half of FY16 and the first half of FY19, Northgate’s operating profit fell by 29% and its return on capital employed dropped from 12.0% to 6.7%. Despite enjoying the tailwind of a growth market, Northgate’s number of vehicles on hire in the UK and Ireland is lower in organic terms than in October 2015. Since Page’s appointment as Chairman, Northgate has achieved a total shareholder return of -16%, during a period when the Numis UK Mid Cap Index (excluding Investment Companies) has delivered +24%.

Richard Bernstein, investment adviser to Crystal Amber Fund, said: *“In the 11 years since the Fund was established, this is only the second time that we have felt compelled to requisition a General Meeting of an investee company to change its board. We have attempted to engage repeatedly and constructively with the Northgate board as a major shareholder since 2016. We have finally lost patience with Mr Page’s refusal to listen to positive proposals to enhance shareholder value.*

“He has presided over multiple profit warnings, a culture of inept communications with the market and, in our view, has failed to ensure there is the right mix of skills and experience on the board. As chairman, he inherited a business with a strong market share in a healthily-growing sector, yet his tenure has left the company totally lacking in strategic direction and languishing in the doldrums. We believe that Northgate is a fundamentally good business with enviable positions in each of its markets, but it suffers from the inadequate stewardship provided by the board led by Mr Page, which is preventing it from achieving its true potential.”

Crystal Amber’s second resolution at the General Meeting – which Northgate is obliged to hold during April, under the provisions of the Companies Act – seeks to appoint Steve Smith to the Northgate board.

Mr Smith is a former Chief Executive Officer of Northgate. He worked for the group for two decades and during his time as Managing Director of vehicle operations and subsequently Group CEO, Northgate expanded from a base of 2,500 vehicles, located mostly in the north east of England, to a fleet of 109,000 vehicles across the UK, Ireland and Spain. He was due to retire as CEO in 2009 but stayed a further year at the request of the Board to help the group navigate the downturn caused by the financial crisis. Mr Smith has maintained a private shareholding in Northgate.

He is currently a non-executive director of Ramsdens Holdings plc and three private companies.

Richard Bernstein commented: *"Steve Smith led the team that grew Northgate successfully to the scale and market power it has today, a legacy that is being squandered by the current board led by Andrew Page. We believe that his track record as a very successful former CEO of the group and his unrivalled understanding of the commercial vehicle hire sector mean that his election to the board would be a huge boon for all shareholders. We could all have more confidence that Northgate would properly exploit its strong base and return more value to shareholders with his wisdom and experience in the boardroom."*

Additional information regarding Crystal Amber's reasons for requisitioning the General Meeting is available via the Fund's website here: <https://crystalamber.com/>

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