BLUEBELL RAILWAY PRESERVATION SOCIETY
A Company Limited by Guarantee. Registered in England No 13745313

EXTRAORDINARY GENERAL MEETING
commencing at 3pm Sheffield Park Station

AGENDA

1. Welcome and apologies for Absence
2. Introduction to the proposed Special Resolutions set out below
3. Special Resolution 1: New Article 34 – Conversion to a Charitable Benefit Society
4. Special Resolution 2: Amendment to Article 7 to abolish NEW Life Memberships from 1st October 2026
5. Special Resolution 3: Amendment to Article 8 to abolished new partner of Life Member category.
6. Special Resolution 4: Amendment to Articles 14 and 17
7. Close of Extraordinary General Meeting

In the EGM Notice, we promised to provide more information about the proposal to convert to a Community Benefit Society. This is set out below in some detail so please take time to read it. There were no amendments proposed to the Special Resolutions set out in the EGM Notice, though there was some confusion with one or two people thinking that we were abolishing Life Membership completely. This was not the case and is explained below.

Key Information re Special Resolution 1
The Trustees are seeking, by this resolution, to be granted authority to develop plans for a revised governance structure for our railway that would see both the Society (a company limited by guarantee) and the Plc convert to become Community Benefit Societies (CBS). The former Plc entity would then seek recognition from HMRC as being charitable in nature and the former Society entity would then combine with the former Plc entity in what is termed a Transfer of Engagements. The end result would be that the railway was owned and run by a charitable CBS, provisionally to be named Bluebell Railway Ltd, of which all the members of BRPS and all the shareholders of the Plc would be members. The purpose of this restructuring is to provide a stronger financial base for our railway and to give more efficient management going forwards.

The resolution being put on June 13th is not the substantive vote to convert the Society to a CBS; that will come when the new Rules of the Society CBS are put to members at a further EGM in a resolution to convert. At that future EGM, a second resolution will be put to authorise the Trustees to vote for Plc conversion and adoption of its new Rules. At the moment we are working towards this meeting being held in October 2026 however there is a lot to be accomplished before that can happen, so the timing may change. Provided that the October 2026 target is met and Society members and Plc shareholders support the conversion resolutions that are put to them, then we will be able to apply to be recognised as charitable before the end of 2026 and so should begin to see the benefits of that status during 2027. The final Transfer of Engagements would occur at some point in spring 2027 subject to further votes of Society members.

The following paragraphs provide you with detailed information about the planned conversion process and how we envisage Bluebell Railway Ltd will be constituted and governed. It is important to note though that the Rules for the new CBSs (which serve the same function as the Articles of Association of a Company) are still being drafted and it is these that will form the definitive statement on these matters. Once we have draft rules for both new entities, we intend to consult on these with members and shareholders prior to the substantive votes to convert and to adopt these new rules being put as resolutions at future EGMs of the Society and Plc.

What is proposed is a big structural change for our railway. The Trustees believe that this change is necessary for us to be able to continue the work done by so many over the past 66 years and that it will give Bluebell Railway the opportunity to flourish in the future; we recommend to members that they vote for the Resolution.

Rules for the new BRPS CBS

These will largely derive from the Articles of the Society, adapted to meet the general requirements of CBS rules and incorporating other detailed changes that will likely be required to reflect the anticipated change in structure of the Plc and the Society's relationship with it. It is anticipated that these Rules will have a lifetime of less than 12 months before a resolution to transfer the Society's engagements to Bluebell Railway Ltd (CCBS) is put to members, which will dissolve the Society if passed.

Rules for Bluebell Railway Ltd (CCBS)

Charitable Objects

The Objects set out what the organisation's purpose and scope of activities is. For it to be granted charitable status, these objects and activities need to be wholly charitable. To give you an idea of the form these will take, an initial draft of our proposed Objects (which is subject to change) is:

> "The objects shall be for the public benefit to encourage interest in and to advance education in the history and development of railway transportation systems in southern England, by providing opportunities to learn about and experience how railways provided transport for people and goods in the 19th and 20th centuries, in particular (but not exclusively) by:
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> > a) the preservation and operation of a heritage railway between Sheffield Park, East Sussex and East Grinstead, West Sussex, plus any contiguous extensions to that railway that might in future be made;

b) the preservation, conservation, repair and maintenance of:

i) heritage locomotives and rolling stock;

ii) heritage railway buildings, bridges, track, signalling systems and other historic railway structures and associated infrastructure; and

iii) railway archives, historic records and artefacts;

c) the establishment and maintenance of a railway museum; and

d) the provision of education and skills training in relation to the restoration, repair and operation of heritage railways, heritage railway vehicles, structures and associated infrastructure."

Formal Procedures, Board Structure and Appointment of Directors
The charitable CBS will keep its registered office at Sheffield Park. It will have a Board of Directors (we may decide to describe these roles as Trustees – this is still to be determined) and will hold annual general meetings, as the Society and Plc do now. All CBSs are regulated by the Financial Conduct Authority (FCA); given our size and charitable status, we will be obliged to produce audited accounts and to file these with the FCA annually.

At the point that the Plc votes to convert, several of the existing BRPS Trustees will join the Board as Directors of the new entity, working alongside the members of the former Plc Board. Thereafter we intend that, at each AGM of the new entity, one third of its directors will retire by rotation and that those Director posts will be filled by election, with all members (former BRPS members and former Plc shareholders) having a vote. This will restore the direct role that Society members used to have in selecting people to run the railway.

The Directors of Bluebell Railway Ltd will have the responsibility not only to operate the railway safely and on a sound financial footing but also to act always in furtherance of the charitable objects laid down in the Rules. We intend to create safeguards to ensure that people with the right skills and who have the best interests of the railway at heart are elected to the Board whilst embracing the right of anyone to seek nomination for election. These safeguards will include increasing the number of members needed to support a nomination before a name can go forward and creating an independent Appointments Committee to provide commentary for members' consideration on the fit of nominees' skills and attributes to the needs of the vacancies to be filled. The Board will have the right to co-opt up to a quarter of its members, both to fill casual vacancies that arise between AGMs and to fill any skills gaps that arise on the Board. Any co-opted Directors will have to submit to election at the following AGM if they wish to continue in office.

Assets of the Railway
There will be a provision in the Rules, termed an Asset Lock. In summary, such a lock protects assets from disposal for private gain or for reasons other than community benefit. If Bluebell Railway Ltd were to be wound-up in the future, under the terms of such a provision its assets would need to be transferred, after settlement of debts, to another organisation with similar charitable purposes and constraints written into its rules. The current Plc Article 121 contains a similar asset lock preventing its members from benefiting from them on a winding up.

Membership
At its conversion, the existing shareholders in the Plc will automatically become members of Bluebell Railway Ltd. We intend that there will be a provision in the Rules that Society members will also become members of Bluebell Railway Ltd at that date. Society members will continue to be members of the Society CBS until it transfers its engagements to Bluebell Railway Ltd and ceases to exist. At any General Meeting following conversion, all members of Bluebell Railway Ltd will have one vote. This means that the Society – even before it disappears – will no longer have a controlling majority vote; that voting power will instead be held individually by the Society members, who will outnumber the former shareholders of the Plc. New members will be able to join Bluebell Railway Ltd as Annual Members, in the same categories as they do now for the Society, on payment of an annual subscription.

Providing that Special Resolutions 2 and 3 are passed, there will not be provision to purchase new Life Memberships in the Rules of Bluebell Railway Ltd. However, existing Life Members of the Society will continue as Life Members of Bluebell Railway Ltd. Members of Bluebell Railway Ltd will have limited liability as they do now. We expect that Bluebell Railway Ltd will offer a package of privileges, broadly equivalent to that offered now to Society Annual members, to members paying an annual subscription going forward. As the current Society Articles already provide, the new Rules will allow the Board to propose to vary that package of privileges over time. Existing Society Life Members will continue to receive from Bluebell Railway Ltd their current travel privileges, plus all other benefits of membership as are agreed for Annual Members, as a protected right for their lifetime. In simple terms, the intention is to maintain the rights and entitlement to privileges of existing Life Members as they are now.

Shareholdings
Existing individual shareholdings in the Plc will be retained in the new charitable CBS and the share capital will remain identified in the accounts going forward. At the time the shares were bought, some purchasers were granted time-limited privileges dependent on the size of shareholding purchased. Most of these privileges have now expired, but any that remain current will continue to be honoured under the new structure.

There will be provision in the Rules for close family members of shareholders to apply to the Board, upon death of the share owner, for the shares to be transferred into the name of a designated person. In all other respects, shares will not be transferrable nor will share capital be withdrawable. This will maintain the position set by the prospectuses of the three share issues made by the Plc. There has never been a market in Plc shares.

Heritage

The existing Articles of the Society include a requirement to produce and to review every five years a Long-Term Plan, and a provision to allow it to establish Committees to focus on specific aspects of the railway; at present these include Locomotive, Rolling Stock and Infrastructure Committees. Similar provisions will be included in the new Rules. The Rules will also provide for existing Society heritage policy documents, including the Preservation Standards Manual and others, to be transferred to become policy documents of the new entity and thereafter kept under regular review.

Benefits and Constraints of being a Charitable Entity

If, as we hope, this resolution is passed and the subsequent required steps are taken to convert the Plc and Society into a single charitable entity, a lot of important things will stay the same. The legal identity of the railway's operating entity will be maintained so that all of our Light Railway Orders and operating licences will remain in force. All the activities currently undertaken around the railway, both in its day-to-day operation and behind the scenes, will be able to continue. The railway will still be able to operate the current mix of regular passenger services and various special pre-booked services. Volunteer restoration projects will still be able to happen with permission, as is required already, from the operating entity of the railway. The Bluebell Railway Trust will continue to operate as it does now.

Layered on top of that continuity, we will gain several crucial benefits of being a charitable entity. Financially, we will be entitled to reduced rates bills & charges for software; we will also gain the ability to seek grants to do crucial work from organizations that will only consider giving funds to charities that own the assets in question. We will also be able to collect Gift Aid on certain parts of our existing income; the precise scope of the receipts that are eligible for Gift Aid is still being worked out. Organisationally, we will once again have a unified management team leading our railway that is closely connected to the membership via an election process.

There are also some constraints that come with being a charitable entity. You may be aware that in the current BRPS Articles, there is a provision for the members to vote by a Special Resolution (which requires a 75% majority to pass) to direct the Trustees to take, or to refrain from taking, a specified action. Such a provision is incompatible with being a charitable entity, as the Directors/Trustees have to follow the higher purpose of furthering the objects of the charity and cannot be directed otherwise, so this provision cannot be carried across into the new Rules. Whilst some might see this as a disadvantage of the plan, the reality of our current structure is that this existing right of Society members gives very little practical power to control the running of the railway, as this is in the hands of the Plc Directors not the Society Trustees. This small loss of theoretical control needs to be weighed against all the benefits that will come from the planned restructuring.

Another constraint of being charitable to be aware of is that certain of our regular income-generating activities are not in themselves charitable activities. Which of our current activities should be deemed non-charitable is currently being worked out by our financial advisor. However, the list is likely to include shop sales, sale of food and any contract engineering work. All these activities would still be able to continue under the new structure but will need to be transferred into wholly owned commercial subsidiaries that our advisors will set up: these will have a very lean management structure and will pass their profits back to the parent charitable CBS in a tax-efficient manner.

SPECIAL RESOLUTION 1:

Article 34: Conversion to a Community Benefit Society

This Society resolves to adopt new Article 34 as set out below:

34.1 The Society may by resolution passed at a General Meeting authorise the Trustees to transfer its assets obligations and liabilities to a Community Benefit Society having objects similar to those of the Society and formed or to be formed for that purpose, subject to:

a) The Rules of the Community Benefit Society having been approved and adopted by the Members of the Society at a General Meeting;

b) the Directors of the Community Benefit Society being those Trustees who were in post at the preceding Annual General Meeting or were elected at that meeting;

c) the Community Benefit Society agreeing

    i. to accept as members all paid up members of the Society as at the date of transfer in the classes specified in Article 7 on the basis of its approved Rules;

    ii. to honour all obligations of the Society in relation to membership contained in these Articles;

d) the transfer being effected within 30 weeks of the resolution, following which the Society shall be dissolved."

Proposed by the Trustees

SPECIAL RESOLUTION 2

Article 7 – Classes of Membership
This Society resolves to replace Articles 7.4.6 to 7.4.9 as follows:

"7.4.6 Life Members:
Shall be persons who are Life members of the Society before 1st October 2026 and who have paid the relevant Life Membership subscription.

7.4.7 Joint Life Members:
Shall be any two co-habiting persons who are Joint Life members of the Society before 1st October 2026 and who have paid the relevant Joint Life Membership subscription.

7.4.8 Senior Life Members:
Shall be persons who are Senior Life members of the Society before 1st October 2026 and who have paid the relevant Senior Life Membership subscription.

7.4.9 Joint Senior Life Members:
Shall be any two co-habiting persons who are Joint Senior Life members of the Society before 1st October 2026 and who have paid the relevant Joint Senior Life Membership subscription."
Proposed by the Trustees

Note: The current wording of each of the above articles refers to "Vesting Date" (rather than 1st October 2026): the Vesting Date (1st January 2022) was the date of transfer from the old Society to the present Company

Special Resolution 3

Article 8 – Membership Subscription and Renewals
This Society resolves to amend Article 8.4 to read:

"8.4 Before 1st October 2026, a spouse, partner or co-habiting person of a Life Member may pay a lower rate of subscription as set by the Trustees and assume a full Life Membership of their own".
Proposed by the Trustees

Special Resolution 4

Articles 14 and 17 (Voting of Members)
This Society resolves to delete Article 14.12; and

Amend Article 17.4 to read:
"17.4 Save as the 2006 Act or these Articles otherwise provides, a simple majority of those voting is required to pass any ordinary resolution and a majority of 75% of those voting is required to pass any Special Resolution"; and

Amend Article 17.6 to read:
"17.6 The Chairman's casting vote shall not apply to any tied election of Trustees. Tied elections shall be determined as defined in Article 19.9".
Proposed by the Trustees