**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains resolutions to be voted on at an Extraordinary General Meeting of the Company to be held at 11 a.m. on 16 September 2015. If you are in any doubt about the contents of this document or the action you should take you are recommended to seek your own independent financial advice from a person authorised under the Financial Services and Markets Act 2000 (“FSMA”) who specialises in advising on the acquisition of shares and other securities in the UK or otherwise duly qualified in your jurisdiction before taking any action. You should read the entire document.**

**If you have sold, disposed of or transferred all of your Shares, please pass this document together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold, disposed of or transferred only part of your holding of Shares you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.**

**The London Stock Exchange are not required to nor have examined or approved the contents of this document.**

**The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document should not be forwarded or transmitted in or into the United States, Canada, Australia, South Africa, Japan or any other jurisdiction where it would be illegal to do so.**

**The Directors, whose names appear on page 6 of this document, and the Company accept responsibility, collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**The Hotel Corporation plc**

(Incorporated in Isle of Man with registered number 111066C)

**Proposed adoption of Investing Policy**

**and**

**Notice of Extraordinary General Meeting**

Your attention is drawn to the letter from the Chairman of The Hotel Corporation plc (“Hotel Corporation” or the “Company”) which is set out in this document and which contains the unanimous recommendations of your Directors that you vote in favour of the Proposal and that you vote against the Requisitioners’ Resolutions at the Extraordinary General Meeting to be held at 11.00 a.m. on 16 September 2015.

A notice convening an Extraordinary General Meeting of the Company to be held at Burleigh Manor, Peel Road, Douglas, Isle of Man, IM1 5EP on 16 September 2015 at 11.00 a.m. is set out at the end of this document. A Form of Proxy for use at the meeting accompanies this document. To be valid, Forms of Proxy must be completed and returned so as to be received at the offices of the Company’s Transfer Agent Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not later than 11.00 a.m. on 14 September 2015. The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so. Please refer to the detailed notes contained in the Notice of Extraordinary General Meeting and Form of Proxy.

Sanlam Securities UK Limited (“Sanlam”), which is regulated in the United Kingdom by the Financial Conduct Authority, is acting as Nominated Adviser and Broker exclusively for the Company in connection with the Proposal and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Sanlam, or for advising any other person in connection with the Proposal. The responsibilities of Sanlam, as Nominated Adviser, are owed solely to the London Stock Exchange plc.

If you hold Shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Neville Registrars (CREST Participant ID 7RA11) so that it is received no later than 11.00 a.m. on 14 September 2015. The completion and return of a CREST Proxy Instruction will not preclude Shareholders who hold their Shares in CREST from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding public holidays) from the date hereof until the date one month following the Extraordinary General Meeting from the Company’s registered office. This document is not a prospectus and does not contain an offer to the public to purchase or subscribe for securities within the meaning of the relevant prospectus regulations. This document has not been approved by the UK Listing Authority.

This document includes forward-looking statements. By their nature, forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the control of the Company, which could cause the results of the Company to differ materially from those included in such statements. Shareholders should not place undue reliance on forward-looking statements because they may involve known and unknown risks, uncertainties and other factors which are in many cases beyond the control of the Company.

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**EXPECTED TIMETABLE OF EVENTS**

|  |  |
| --- | --- |
| Despatch of this document | Friday 28 August 2015 |
| Latest time for receipt of Forms of Proxy for the General Meeting | 11.00 a.m. on Monday 14 September 2015 |
| Extraordinary General Meeting | 11.00 a.m. on Wednesday 16 September 2015 |

1. The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in consultation with Sanlam, in which event details of the new times and dates will be notified to the London Stock Exchange, and where appropriate, Shareholders.
2. All references in this document to times are to British Summer Time unless otherwise stated.

**DEFINITIONS**

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

|  |  |
| --- | --- |
| “**AIM**” | the AIM market operated by the London Stock Exchange |
| “**AIM Rules**” | the AIM Rules for Companies published by the London Stock Exchange governing admission to, and the operation of, AIM, as amended from time to time |
| “**Business Day**” | a day on which dealings in securities may take place on AIM |
| **“Company”** or **“Hotel Corporation”** | The Hotel Corporation plc, an Isle of Man registered company, with number 111066C |
| “**CREST**” | the computerised settlement system to facilitate the transfer of title of shares in uncertificated form, operated by Euroclear UK & Ireland Limited |
| “**Directors**” or “**Board**” | the directors of the Company as set out on page 6 of this document |
| **“EGM”** or **“Extraordinary General Meeting”** | the Extraordinary General Meeting of the Company convened for Wednesday 16 September 2015, notice of which is set out at the end of this document, and any adjournment thereof |
| **“FCA”** | the Financial Conduct Authority of the UK |
| **“FSMA”** | the Financial Services and Markets Act 2000, as amended |
| “**Form of Proxy**” or “**Proxy Form**” | the form of proxy accompanying this document for use in connection with the EGM |
| **“Investing Company”** | as defined in the AIM Rules |
| **“Investing Policy”** | the Company’s proposed investing policy described in this document |
| **“London Stock Exchange”** | London Stock Exchange plc |
| **“Property Investment Adviser”** or **“Puma Investments”** | Puma Investment Management Limited, the proposed new property investment adviser, authorised and regulated by the FCA |
| **“Proposal”** | the proposal that Hotel Corporation proposes at the Extraordinary General Meeting being, pursuant to the AIM Rules, to adopt the Investing Policy |
| **“Requisition”** or **“ Requisitioners’ Resolutions”** | the resolutions proposed by Mr Mark Jackson and Mr Marcus Yeoman as set out in their requisition letter and which are produced as resolutions 2 and 3 |
| **“Requisitioners”** | Dartington Portfolio Nominees Limited (on behalf of Springtime Consultants in which Mr Marcus Yeoman is beneficially interested), Quetzal Securities Limited and Ventura Finance Limited (in which Mr Mark Jackson is beneficially interested) |
| “**Resolution**” or **“the Board’s Resolution”** | resolution 1 of the Extraordinary General Meeting at the end of this document to implement the Proposal |
| “**Shareholders**” | holders of Shares |
| **“Shares”** | ordinary shares of 5p each in the capital of the Company |
| “**Sanlam Securities**” | Sanlam Securities UK Limited |
| **“UK Listing Authority”** | the FCA, acting in its capacity as the competent authority for the purposes of part VI of FSMA |

**LETTER FROM THE CHAIRMAN**

**The Hotel Corporation plc**

(Incorporated in Isle of Man with registered number 111066C)

|  |  |
| --- | --- |
| **Directors** | **Registered Office** |
| Derek William Short (Non-executive)  David Peter Craine (Non-executive) | Burleigh Manor  Peel Road  Douglas  Isle of Man IM1 5EP |

28 August 2015

*To Shareholders (and, for information only, option holders)*

Dear Shareholder,

**Proposed new Investing Policy**

**and**

**Notice of Extraordinary General Meeting**

**Introduction**

As Shareholders are aware, your Board has for more than a year been actively seeking an opportunity to deploy its public company status and remaining cash to enhance shareholder value. The Board has entered into discussions with several parties who were looking to introduce investment opportunities, but following further detailed diligence it became apparent that these opportunities were not appropriate for your Company.

Your Board has now been approached separately by two groups of Shareholders, one of which has requisitioned an EGM and the other which has put forward concrete proposals to adopt a new Investing Policy and deploy your Company’s cash in what the Directors believe to be an exciting new investment activity. Under the AIM Rules the adoption of a change in the Investing Policy requires the approval of the Shareholders at an EGM.

Your Board has considered both the requisition by the first group and the proposal of the second group and has decided unequivocally to recommend the Proposal of the second group to Shareholders. This Proposal will therefore be adopted upon Shareholders approving the Investing Policy at the Extraordinary General Meeting. The enabling Resolution is contained in the notice of Extraordinary General Meeting, which is set out at the end of this document. The purpose of this document is to give you further information regarding the matters described above and to seek your approval of the Resolution at the forthcoming Extraordinary General Meeting.

**Background to the Proposal**

The Company was admitted to trading on AIM in 2004 with an investment policy of investing in businesses within the hotels sector in the United Kingdom and served as a feeder fund into a particular company. Unfortunately a combination of the financial collapse of 2008/9 and the severe economic downturn in the hospitality industry eventually led to the insolvency of its main investment.

For close to a year your Board has been seeking an opportunity to deploy its public company status and remaining cash in new investments or businesses which would generate shareholder value. We are also aware that one of the Company’s valuable assets is its status as an investment company outside the net of UK taxation. This status makes the Company particularly attractive to proposals where it is important to avoid double-taxation, first on the Company from returns from its investments and additionally on the Shareholders.

The Company was originally established to be an income producing investment company and many of the original shareholders who remain on the register invested on this basis. It is therefore particularly appropriate that the Proposal discussed below seeks to maintain this objective and use the Company’s offshore investment company structure to make income producing investments.

Your Board, following the winding up of the UK Group of Hotels in October 2014, has consulted the two largest shareholder groups, representing together in excess of 30 per cent. of the issued share capital, to see if they wished for an orderly winding up or that we should look for new investment opportunities for the Company. The new investment opportunities were considered the preferred route and your Board has since entered into discussions with several parties who were looking to introduce investment opportunities. The Board has had discussions and negotiations with companies in Argentina, Florida and Ireland. Despite the best efforts of the Board, until the receipt of the Proposal no suitable investment opportunity had been identified, although discussions had been held with several parties in this regard.

**Mr Yeoman and Mr Jackson’s Requisition**

Mr Marcus Yeoman, together with another shareholder Mr Mark Jackson, represents the first shareholder group mentioned above. This shareholder group has requisitioned an Extraordinary General Meeting and put forward three resolutions:

1. That Marcus Yeoman be appointed as a director of the Company.
2. That Derek Short be removed as a director of the Company.
3. That subject to the passing of resolution 1, Marcus Yeoman be appointed Chairman.

Together the Requisitioners, were, at the point of receipt of the Requisition, the registered holders of 6,385,000 Shares in the Company representing 12.82 per cent. of the current issued share capital of the Company. The Requisition was received from Dartington Portfolio Nominees Limited (on behalf of Springtime Consultants), Quetzal Securities Limited and Ventura Finance Limited (together the "Requisitioners") pursuant to section 113 of the Companies Act 1931.

Mr Marcus Yeoman first contacted the Board approximately 12 months ago to say that he would be able to bring certain expertise to the Board and that he would look to bring propositions for the Board to consider. At that time he wished to become a Board member but your Board asked him to come back with more concrete proposals before due consideration could be given to granting him a board position. We have not received any proposal from Mr Yeoman that we can consider, nor had we had any correspondence until we received the Requisition Letter of which he has the support of Mr Mark Jackson.

Mr Yeoman has still not presented any material proposition to the Company with the Requisitioners for our consideration and therefore we question what benefit there is to changing Board structure without a transaction. We are also aware that Mr Yeoman has been a director for some time of other quoted cash shell companies yet to undertake transactions and has a number of other business interests.

Even in circumstances where your Board did not currently have a concrete alternative proposal for the Company’s future, the Board would have serious reservations about Mr Yeoman’s resolutions:

* Our first issue is that Mr Yeoman’s other quoted shell companies might receive (and might be entitled to receive) preferential treatment in being offered any deal which might come Mr Yeoman’s way or which he might introduce.
* Our second issue is more technical but also important to shareholder value. If these resolutions were passed then your Board would consist only of one UK resident director and one Isle of Man resident director. We have received advice that such a situation would potentially give rise to United Kingdom Tax Authorities considering the Company to be under United Kingdom control thus jeopardising the offshore status of the Company. The only way to remedy this would be to appoint a third non-UK resident Director, who would of course need to be remunerated from the Company’s limited cash resources.

We believe that if the Company were to lose its offshore status, it would become a less attractive investment proposition, potentially decreasing its value. Historically the Company has stringently and fastidiously adhered to the parameters required by the regulatory authorities in the Isle of Man and the UK in order to maintain this status, and the Board believes that it is not in the interests of the majority of Shareholders for this status to be surrendered so easily.

Finally, the holding of such an EGM inevitably involves Company expenditure, therefore reducing our already limited cash resources. As such, the Company may become less attractive to any potential reverse takeover candidate and is therefore potentially self-defeating as well as a distraction. We therefore question the business rationale behind the Requisition.

**Your Board recommends you to vote against the Requisition Resolutions** and we would encourage you to complete proxy forms and return them to Neville Registrars with your vote against those resolutions.

The Board has received irrevocable undertakings from 22.11 per cent. of Shareholders, representing 11,011,744 Shares, to vote against the Requisitioners’ Resolutions.

You will note that only the first two resolutions proposed by the Requisitioners are included in the Notice of Extraordinary General Meeting. Having taken advice from our legal counsel, and advised the Requisitioners, we have not included the proposed third resolution to appoint Mr Yeoman as Chairman of the Company, as there is no power under the Company’s articles of association for the Chairman of the Board to be appointed by ordinary resolution of the Shareholders. We are not therefore required to propose this resolution to Shareholders as this would be inconsistent with the Company’s articles and ineffective if passed.

We also note that, in the event that Resolution 2, proposing Mr Yeoman be appointed to the Board, was not passed, but Resolution 3 (removing Derek Short) was passed, the Company would be left with fewer than the statutory minimum of two directors. Therefore, the passing of Resolution 3 will be conditional upon the passing of Resolution 2.

**Investing Policy**

If the new Investing Policy is approved by Shareholders at the Extraordinary General Meeting, the Company will be required under the AIM Rules to implement its Investing Policy within 12 months of the Extraordinary General Meeting, failing which, the Shares would then be suspended from trading on AIM. If the Investing Policy has not been implemented within 18 months of the General Meeting, the admission to trading on AIM of the Shares would be cancelled and the Directors will convene a general meeting of the Shareholders to consider whether to continue seeking investment opportunities or to wind up the Company and distribute any surplus cash back to Shareholders.

The proposed Investing Policy is to become an investment property company acquiring and holding freehold properties (and, in rare cases, long lease-hold properties) in specialised sectors of the property market. The initial and primary focus would be investing in purpose-built homes for adults with learning difficulties requiring support from carers (for example adults with autism), purpose-built care homes for the elderly and infirm and converted dwellings accommodating young adults/late teens requiring extensive support from social services. The new Investing Policy for the Company would also allow it to invest in other specialist areas such as wedding and conference centres, other leisure facilities and, if sufficiently non-mainstream, residential or commercial property.

**Specialised Investment Property Sectors**

The areas listed above are outside of the classic investment property mainstream of commercial buildings let to businesses of good covenant on full repairing and insuring leases with five yearly upward only rent reviews. However, in many cases they can offer strong long-term security of income streams and, because they are more complex and specialised, offer higher initial yields. In many cases they also offer inflation indexed rents. If acquired on prudent debt/equity gearing ratios, they can offer attractive returns on equity and the prospect of medium term capital growth as the chosen specific property category grows and becomes better appreciated by mainstream property investors.

**Initial Programme**

The Company is an ideal vehicle for such investments as it is an offshore investment company, avoiding double-taxation for the underlying shareholder. It already has some cash which can be used to make two or three small acquisitions before needing to raise additional funds.

The plan would then be to identify further acquisitions and raise more equity, initially in tranches to fund the purchases and then, when the model is proven, in a larger fund-raising or raisings.

**Property Investment and Management**

The Proposal envisages that the Company would adopt a conventional offshore real estate investment trust REIT-type structure. The Board would be responsible for approving the investment strategy, making investments, monitoring performance, determining dividends, organising accounting, company administration and reporting to Shareholders. The sourcing, evaluating, structuring and negotiation of the investments would be delegated to a property investment adviser. The property investment adviser would also be responsible for monitoring of the investments, organising property administration and rent collection.

**Property Investment Adviser**

Subject to the passing of Resolution 1, the Company will enter into a property investment advisory agreement with Puma Investment Management Limited. Puma Investments is a subsidiary of the Shore Capital group of companies.

Puma Investments has a long and successful track record of investing in property and property-related schemes, dating to the launch of Puma Property in 2002 which achieved an IRR of close to 40 per cent. per annum. The track record of Puma Investments in smaller companies is now nearly 20 years. Puma Investments currently manages six Venture Capital Trusts (“VCTs”) which specialise in property and construction related deals. Each VCT is a five year life vehicle and the first five Puma VCTs launched, the last of which liquidated in 2014 were each rated the top performer in their peer group by the independent research house Martin Churchill’s Tax Efficient Review (September 2014). The VCTs have raised close to £200 million to date.

Puma Investments also manages a discretionary portfolio service invested in four specialised EIS companies, two focused on construction, two on pubs and advises Puma Heritage, a specialist property lender. An affiliate within the group is the property adviser to two investment property funds in Germany, Puma Brandenburg and Brandenburg Realty. In total the fund management group has around £800 million under management and has a large dedicated group of around 50 investment and property professionals.

Puma Investments has strong fund-raising capability. The latest VCT, VCT 11, listed in May 2015 having raised over £30 million, making it the largest limited life VCT raising in that tax year(2014/5). Brandenburg Realty also closed in 2015, raising €150 million in equity. The EIS companies have raised £24 million since inception in 2014.

**Puma Investments’ Track Record in the Care Sector**

Puma Investments has substantial experience in the care sector having been involved in the construction and development of 12 homes for adults with learning difficulties, nine of which have been completed. It has been similarly involved in five care homes for the elderly, two of which have been completed and three of which are in construction.

**Deal Flow**

Puma Investments has strong deal flow in the relevant sectors, including supported living properties, care homes for the elderly and wedding and conference centres.

Puma Investments has the platform to execute the investment strategy, working with experienced developers who have a strong experience of developing quality assets in these sectors of the property market.

**Financial Returns**

The returns from the investment strategy are likely initially to be in the form of net income available for distribution. In due course, it is expected that there will also be the potential for capital growth as the specialised sectors become more acceptable for institutional investment and the portfolio which can be offered to third parties grows in size.

Initial assessments indicate a strong potential for income generation, most of which could be distributed in dividends after covering the Company’s overheads.

**Investment Advisory Arrangements**

The Property Investment Adviser will be entitled to a fee for the duration of its appointment equal to 0.5per cent. per annum of the gross property asset value held by the Company and managed by the Property Investment Adviser, i.e. a percentage of the property assets which will exclude any uninvested cash. The properties held will be independently professionally valued each year. These fees will be payable in four quarterly instalments, on the last day of each quarterly period, at the rate of 0.125 per cent. of the gross property asset value.

The property investment adviser will also be entitled to receive a performance related fee of 20 per cent. of the increase in the net asset value per share (adjusted for dividends distributed) over each five year performance fee period, subject to a high water mark, a simple 8 per cent. p.a hurdle and a catch-up.

**Related Party Transaction**

The adoption of the Investing Policy and the consequent entering into of the property investment advisory agreement represent a related party transaction under the AIM Rules as Puma Investments is an affiliate of Shore Capital Group Investments Limited, a holder of a beneficial interest in 10,953,744 Shares, representing 21.99 per cent. of the issued share capital of the Company. The Directors consider, having consulted with its nominated adviser Sanlam Securities, that the terms of the transaction are fair and reasonable insofar as its Shareholders are concerned.

**Financial position and Corporate expenditure**

As at 31 July 2015 the Company had a cash balance of £415,000 with negligible current liabilities at that time. During the course of 2014 and 2015 the Company has undergone a comprehensive review of general and administration costs and has reduced overheads. The Board proposes to reduce these costs even further and, (subject to Shareholder approval of the Investing Policy), the Directors intend to reduce their remuneration until the Company has acquired £3 million in property to £12,500 per annum each.

The Company’s net cash, after a contingency for short term expenditure requirements and the costs of this circular, will be available to make initial property investments.

**Dividend Policy**

The Directors do not expect to be able to declare a dividend in the short term. However, the intention is to acquire freehold properties on an accelerated programme which should generate substantial net income. It is therefore your Board’s intention to institute a progressive dividend policy, paying substantially all of its future net income after all expenses to Shareholders, subject to the financial position of the Company and the availability of distributable profits.

**Extraordinary General Meeting**

The Extraordinary General Meeting has been convened for 11.00 am on Wednesday, 16 September 2015 to be held at the Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP for the purpose of considering the following Resolution proposed by your Board:

*To be proposed as an ordinary resolution*

1. That the Investing Policy be and is hereby adopted.

The EGM will also consider resolutions 2 and 3, as proposed by the Requisitioners and discussed above.

**Action to be taken by Shareholders**

Shareholders will find enclosed with this document a Form of Proxy for use at the EGM. The Form of Proxy should be completed and returned in accordance with the instructions printed on it so as to arrive at the Company’s Transfer Agent, Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and, in any event not later than 11.00 a.m. on Monday, 14 September 2015. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the notice of EGM and the Form of Proxy. Completion and return of the Form of Proxy or appointment of a proxy via CREST will not prevent Shareholders from attending and voting at the EGM, or any adjournment thereof should they so wish.

**Recommendation**

**The Directors believe that the Proposal is in the best interest of the Company and its Shareholders as a whole. Accordingly they unanimously recommend that Shareholders vote in favour of the Resolution (1) as they intend to do in respect of their aggregate beneficial shareholdings of 58,000 Shares, equivalent to 0.12 per cent. of the issued ordinary share capital of the Company.**

**Your Board also recommends you to vote against the Requisitioners’ Resolutions, 2 and 3.**

Yours faithfully

**Derek Short**

Non-Executive Director

**THE HOTEL CORPORATION PLC**

*(Incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 with number 111066C)*

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an Extraordinary General Meeting of the shareholders of The Hotel Corporation plc (the “Company”) will be held at Burleigh Manor, Peel Road, Douglas, Isle of Man IM1 5EP, British Isles on the Wednesday, 16 September 2015 at 11.00 a.m., for the following purpose:

**Resolution recommended by the Board**

To consider and, if thought fit, to pass the Board’s Resolution which will be proposed as an ordinary resolution:

1. That the Investing Policy be and is hereby approved.

**Resolutions requisitioned by the Requisitioners and not supported by the Board**

To consider and, if thought fit, to pass the Requsitioners’ Resolutions which will be proposed as ordinary resolutions:

1. That, subject to receipt by the Company of the documents required under article 92(b) of the Company’s articles of association within the time period set out in such article, Marcus Yeoman be appointed as a director of the Company.
2. That, conditional on the passing of Resolution 2, Derek Short be removed as a director of the Company.

On behalf of the Board

David P Craine FCA

Company Secretary 28 August 2015

**VOTING INSTRUCTIONS:**

**Entitlement to attend and vote**

1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him/her; a proxy need not be a member of the Company. In the case of joint-holders, if more than one of such joint-holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint-holding will be entitled to vote, whether in person or by proxy.

2 A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude a member from attending and voting at the Meeting, if he/she so wishes. In the event that a member who has lodged a form of proxy attends the Meeting, his/her form of proxy will be deemed to have been revoked.

3 In accordance with Regulation 22 of the Uncertificated Securities Regulations 2005, the Company gives notice that only those Shareholders entered on the register of members (the “Register”) of the Company at 11.00 a.m. on 14 September (the “Specified Time”) will be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.

**Appointment of proxy using hard copy Proxy Form**

4 In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such power of attorney or authority certified notarially or otherwise approved by the Board, should be deposited with the Company’s Transfer Agent, Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by no later than 48 hours before the time appointed for holding the meeting.

**Appointment of proxy via CREST**

5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed voting 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.

6 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (formerly CRESTCo’s) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Neville Registrars Limited (7RA11) by no later than 11:00am on 14 September 2015. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Transfer 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.

7 CREST members and, where applicable, their CREST sponsors or voting service provider(s) 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 18(4)(a) of the Uncertificated Securities Regulations 2005.

**Attendance in person**

9 Please advise if you are attending the meeting in person by contacting David Craine, on the telephone number +44 (0)1624 626586.