

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. 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 personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), Ordinary Shares or an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for), the Placing Shares. This document does not contain an offer of transferable securities within the meaning of section 102B of FSMA and does not constitute a prospectus within the meaning of section 85 of FSMA. This document has not been examined or approved by the Financial Conduct Authority or the London Stock Exchange or any other regulatory authority.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares will become effective and that dealings will commence on 17 December 2013. The Placing Shares will, when issued, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares and otherwise rank *pari passu* in all respects with the Existing Ordinary Shares.

Michelmersh Brick Holdings plc

*(Incorporated in England and Wales under the Companies Act 2006 (as amended)
with registered no. 03462378)*

Placing of 22,222,222 Ordinary Shares at 45 pence per share and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 8 (inclusive) of this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice of General Meeting to be held at 131 Finsbury Pavement, London EC2A 1NT at 10.00 a.m. on 16 December 2013, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 10.00 a.m. on 14 December 2013 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Cenkos Securities plc, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing. Persons receiving this document should note that Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for advising any other person on the arrangements described in this document. Cenkos Securities plc has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any information. Cenkos Securities plc, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland, or Japan. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Shareholders who are residents or citizens of any country other than the United Kingdom and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Michelmersh Brick Holdings plc at Freshfield Lane, Danehill, Haywards Heath, West Sussex RH17 7HH for a period of one month from the date of this document.

FORWARD LOOKING STATEMENTS

This document includes “forward-looking statements” which include all statements other than statements of historical facts, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “similar” expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

DIRECTORS AND ADVISERS

Directors	Eric Gadsden Martin Warner Frank Hanna Stephen Morgan Peter Sharp Bob Carlton-Porter Alan Hardy	<i>(Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Group Commercial Director)</i> <i>(Finance Director)</i> <i>(Group Operations Director)</i> <i>(Non-Executive Director)</i> <i>(Non-Executive Director)</i>
Company Secretary	Stephen Morgan	
Registered Office	Freshfield Lane Danehill Haywards Heath West Sussex RH17 7HH	
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Solicitors to the Company	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX	
Solicitors to the Nominated Adviser and Broker	Reed Smith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS	
Registrars	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA	

PLACING STATISTICS

Placing Price	45p
Number of Placing Shares	22,222,222
Number of Existing Ordinary Shares	58,247,654
Number of Ordinary Shares in issue following Admission	80,469,876
Percentage of the Enlarged Share Capital represented by the Placing Shares	27.6%
Gross Proceeds of the Placing	Approximately £10.0 million
Estimated net proceeds of the Placing	Approximately £9.4 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

This document posted to Shareholders (by first class post)	19 November 2013
Latest time and date for receipt of Form of Proxy	10.00 a.m. on 14 December 2013
General Meeting	10.00 a.m. on 16 December 2013
Admission and dealings in the Placing Shares expected to commence on AIM	17 December 2013
Despatch of definitive share certificates in respect of the Placing Shares to be held in certificated form, if applicable	By 24 December 2013

Notes:

1. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.

LETTER FROM THE CHAIRMAN OF MICHELMERSH BRICK HOLDINGS PLC

(Incorporated in England and Wales under the Companies Act 2006 (as amended) with registered no. 03462378)

Directors:

Eric Gadsden (Chairman)
Martin Warner (Chief Executive Officer)
Frank Hanna (Group Commercial Director)
Stephen Morgan (Finance Director)
Peter Sharp (Group Operations Director)
Bob Carlton-Porter (Non-Executive Director)
Alan Hardy (Non-Executive Director)

Registered office:

Freshfield Lane
Danehill
Haywards Heath
West Sussex RH17 7HH

19 November 2013

To Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder

Placing of 22,222,222 Ordinary Shares at 45 pence per share and Notice of General Meeting

Introduction

Michelmersh Brick Holdings plc has today announced the terms of a placing by Cenkos, acting as the Company's Nominated Adviser and Broker to the Placing, to raise £10.0 million by the issue and allotment by the Company of 22,222,222 Ordinary Shares at the Placing Price of 45 pence per share.

The Placing is conditional, *inter alia*, upon Shareholders approving the Resolutions at the General Meeting that will grant to the Directors the authority to allot the Placing Shares and the power to disapply statutory pre-emption rights in respect of the Placing Shares. In addition, the Resolutions, if passed, will grant the Directors certain share authorities in respect of the Enlarged Share Capital, which the Company routinely seeks at its annual general meeting each year. The Resolutions are contained in the Notice of General Meeting at the end of this document.

The purpose of this document is to explain the background to and reasons for the Placing, why the Directors are seeking authority from Shareholders to issue the Placing Shares for cash on a non pre-emptive basis and to recommend that you vote in favour of the Resolutions.

Summary of Michelmersh Brick Holdings plc

MBH is a business with five leading market brands: Blockleys, Charnwood, Freshfield Lane, Michelmersh and Hathern Terra Cotta. These divisions operate within a fully integrated business combining the manufacture of clay bricks, tiles and pavers. The Group also includes a landfill operator, New Acres Limited, and seeks to develop future landfill and development opportunities on ancillary land assets.

Established in 1997 the Group has grown through acquisition and organic growth, producing approximately 70 million clay bricks, tiles and pavers per annum. The Group currently manufactures from the following sites:

- Blockleys – based in Telford, Shropshire
- Charnwood – based in Shepshed, Leicestershire
- Freshfield Lane – based in Danehill, West Sussex
- Michelmersh – based in Romsey, Hampshire

Recently, MBH's products have won praise and been successfully used in projects such as the RIBA award winning new theatre; 400 Hall Repton School; the London Evening Standard New Home Award winning Lime Grove Mews London; Cambridge University Cranmer Road site; and the contemporary Drapers

Academy, Romford. The Group also achieved the accolade of Supreme Winner at this year's BDA Awards with the contemporary Ortus building at Maudsley Learning Centre, London SE5.

The Group are also suppliers to high value housing developers such as Berkeley and St. James, delivering to key city regeneration projects such as Royal Arsenal, Woolwich and the Kidbrooke regeneration project.

Background to, and reasons for, the Placing

Freshfield Lane currently produces a range of traditional clamp fired machine stock bricks at a maximum saleable output of approximately 30 million units per annum. The Directors believe that through targeted capital investment of up to £2.5 million they can increase the saleable output of Freshfield Lane by up to a further 6 million units per annum. The increase in output will involve purchasing new equipment, maximising the existing building space and redundant plant and equipment, currently within Freshfield Lane, as well as acquiring and reconditioning used plant and equipment from within the European brick industry.

The Directors believe the overproduction within brick manufacturing, which has been a feature of the Group's competitive market for the last few years, has ceased and surplus stocks held by competitors and customers have been eradicated. In conjunction with increased activity in the housing market, the Directors believe it is therefore logical to expect that average brick selling prices will start to increase. When this happens, the Directors expect a normalised return on capital will be achieved. The proposed investment in Freshfield Lane and the increase in saleable output is therefore timed to coincide with the positive brick market background and to help the Company benefit from the improved market environment.

The Directors intend to use the remainder of the net proceeds of the Placing to reduce the overall gearing of the Group and for general working capital purposes. The Board will also assess acquisition opportunities as and when they arise.

Current Trading and Outlook

Demand for the Group's products during 2013 has been strong with like for like despatches 14 per cent. ahead of 2012 for the nine months to September 2013. Production continues to run at capacity at all of the four operating brickworks within the Group. As a result, stock levels have reduced to the benefit of Group operating cash flow. Prices have remained flat in the industry as a whole and this has meant that prices achieved by the Group are only marginally ahead of 2012.

Input costs have risen largely in response to energy related services and the Group has suffered margin pressure, but has responded with reductions in central sales and administration costs. The Group has reported that, as a consequence, it expects to report a break even result on continuing activities. The results for the year will include a £2.0 million provision for the closure of the Dunton brickworks, as previously announced, where assets have been written down to expected realisable value. This write down has been balanced by uplift in value of the land at the site as it is released as a landfill site.

In 2013, the Group has completed the sale of a 15 acre plot of land at the Telford site for £4.6 million which will contribute an exceptional profit on sale in the year's results. The initial cash proceeds from the sale, being £1.6 million, will meet the costs of reconstruction at the site of the continuing brickworks.

The Board expects that industry prices are to increase through 2014 as a result of the end of overstocking and increased demand which will restore the margins achieved. The Board continues to explore possibilities to increase contribution through production capabilities both organically and through acquisition.

Placing

Subject to Admission and the Shareholders approving the Resolutions at the General Meeting, the Company will issue 22,222,222 new Ordinary Shares which will raise approximately £10.0 million, before expenses, and £9.4 million, after the expenses of the Placing (which are estimated to be £0.6 million (excluding VAT) in total). The Placing Shares have been conditionally placed by Cenkos, as agent for the Company, with institutional and other investors in accordance with the terms of the Placing Agreement.

Application has been made for the Placing Shares to be admitted to trading on AIM and dealings are expected to commence on 17 December 2013.

The Placing Shares issued pursuant to the Placing will represent approximately 27.6 per cent. of the Enlarged Share Capital. The Placing Shares will, following Admission, rank in full for all dividends and distributions declared, made or paid in respect of the issued Ordinary Share capital of the Company and otherwise rank *pari passu* in all other respects with the Existing Ordinary Shares. The Placing Price represents a discount of 15.5 per cent. to the closing mid-market price of 53.25 pence per Ordinary Share as at 18 November 2013 (being the latest practicable date prior to the date of this document).

In addition to the Placing, 500,000 Ordinary Shares in which Alan Hardy, a Non-Executive Director of the Company, is interested in are being sold at the Placing Price. Following this transaction, Mr Hardy's beneficial and non-beneficial interest will be 4,796,474 Ordinary Shares which represents approximately 6.0 per cent. of the Company's Enlarged Share Capital.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Cenkos, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional upon, *inter alia*:

- the Resolutions being duly passed at the General Meeting;
- none of the warranties or undertakings given to Cenkos prior to Admission being or becoming untrue, inaccurate or misleading in any material respect; and
- Admission becoming effective on or before 8.00 a.m. on 17 December 2013 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 30 December 2013).

The Placing Agreement contains customary warranties given by the Company in favour of Cenkos in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Cenkos in relation to certain liabilities which it may incur in respect of the Placing.

Cenkos has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties or a material adverse change.

General Meeting

A notice is set out at the end of this document convening the General Meeting to be held at 131 Finsbury Pavement, London EC2A 1NT on 16 December 2013 at 10.00 a.m. at which the following resolutions will be proposed:

- (A) Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot relevant securities up to an aggregate nominal value of (i) £4,444,444.40 in connection with the Placing; and (ii) £5,364,658.40 otherwise than in connection with the Placing;
- (B) Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, is to disapply statutory pre-emption rights, provided that such authority shall be limited to, *inter alia*, the allotment of equity securities in connection with the Placing, and otherwise the allotment of equity securities up to an aggregate nominal amount of £1,609,397; and
- (C) Resolution 3, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, is to authorise the Company to repurchase up to 8,046,987 Ordinary Shares in the market at or between the maximum and minimum prices specified in the resolution.

Resolution 1 authorises the allotment of such number of new Ordinary Shares as are necessary for the Placing, as well as providing the Directors with a standing authority to allot equity securities up to an aggregate nominal value of £5,364,658.40 (representing one-third of the Enlarged Share Capital). Similarly, Resolution 2 authorises the disapplication of statutory pre-emption rights in respect of such number of new

Ordinary Shares as are necessary for the Placing as well as providing the Directors with a standing authority to allot equity securities otherwise than in accordance with statutory pre-emption rights up to an aggregate nominal value of £1,609,397 (representing ten per cent. of the Enlarged Share Capital). Resolution 3 renews the Company's general authority to repurchase up to 8,046,987 Ordinary Shares in the market being ten per cent. of the Enlarged Share Capital, at or between the maximum and minimum prices specified in the resolution. Current legislation allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The Directors may use the authority to purchase Ordinary Shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with legislation) rather than cancel them, subject to institutional guidelines applicable at the time.

Action to be taken

Please check that you have received a Form of Proxy for use in relation to the General Meeting

Whether or not you intend to be present in person at the General Meeting, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon so as to be received by post or, during normal business hours only, by hand, at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible but in any event so as to arrive by not later than 10.00 a.m. on 14 December 2013 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

Recommendation

The Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings amounting, in aggregate, to 35,848,106 Existing Ordinary Shares, representing approximately 61.5 per cent. of the Existing Ordinary Shares.

Yours faithfully

Eric Gadsden
Chairman

DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

“Admission”	the admission to trading on AIM of the Placing Shares becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies as published by the London Stock Exchange from time to time
“the Articles”	the articles of association of the Company
“Board” or “Directors”	the directors of the Company
“Cenkos”	Cenkos Securities plc (company number: 05210733) whose registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST)
“Company” or “MBH”	Michelmersh Brick Holdings plc, a company registered in England and Wales with a registered number 03462378
“CREST”	the computerised settlement system to facilitate transfer of title to or interests in securities in uncertificated form operated by Euroclear UK & Ireland Limited
“Enlarged Share Capital”	the entire issued ordinary share capital of the Company immediately following Admission
“Existing Ordinary Shares”	58,247,654 Ordinary Shares currently in issue at the date of this document
“General Meeting”	the general meeting of the Company, notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy for use at the General Meeting which accompanies this document
“Group”	the Company and its subsidiary undertakings prior to Admission
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of the General Meeting, which is set out at the end of this document
“Ordinary Shares”	ordinary shares of 20 pence each in the share capital of the Company
“Placing”	the conditional placing of the Placing Shares by Cenkos pursuant to the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and Cenkos on 18 November 2013
“Placing Price”	45 pence per Placing Share

“Placing Shares”	22,222,222 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Registrars”	Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Shareholder(s)”	holder(s) of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or security recorded in the Company’s register of members as being held in uncertificated form, title to which may be transferred by means of CREST
“US” or “United States”	the United States of America

NOTICE OF GENERAL MEETING

MICHELMERSH BRICK HOLDINGS PLC

(Incorporated in England and Wales under the Companies Act 2006 (as amended) with registered no. 03462378)

NOTICE IS HEREBY GIVEN that a General Meeting of Michelmersh Brick Holdings plc (the “**Company**”) will be held at 131 Finsbury Pavement, London EC2A 1NT at 10.00 a.m. on 16 December 2013 for the purpose of considering and, if thought fit, passing the following Resolutions, which will be proposed in the case of Resolution 1 as an ordinary resolution and in the case of Resolutions 2 and 3 as special resolutions.

For the purposes of these Resolutions capitalised terms shall (unless the context requires otherwise) have the meaning ascribed to them in a circular from the Company to its Shareholders dated 19 November 2013 (the “**Circular**”).

ORDINARY RESOLUTION

1. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:
 - (a) up to an aggregate nominal amount of £4,444,444.40 in connection with the Placing; and
 - (b) otherwise than pursuant to resolution 1(a) above, up to an aggregate nominal amount of £5,364,658.40.

These authorities shall be in substitution for and shall replace any existing authorities to the extent not utilised at the date this resolution is passed and shall expire at the conclusion of the next AGM save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry and the directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of any such offer or agreement as if the authorities conferred hereby had not expired.

SPECIAL RESOLUTIONS

2. That, subject to the passing of resolution 1, the directors of the Company be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authorities conferred by resolution 1 as if section 561 of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities for cash in connection with or pursuant to an offer or invitation in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or, if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or any other matter whatsoever;
 - (b) the allotment of equity securities for cash in the case of the authority granted under resolution 1(a) above in connection with the Placing up to an aggregate nominal amount of £4,444,444.40; and
 - (c) the allotment of equity securities for cash in the case of the authority granted under resolution 1(b) above, and otherwise than pursuant to paragraph (a) of this resolution, up to an aggregate nominal amount of £1,609,397.

This power shall expire at the conclusion of the next AGM save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

3. That, subject to the passing of Resolution 1, the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of fully paid ordinary shares of 20p each in the capital of the Company provided that:
- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 8,046,987 (representing 10 per cent. of the Company's enlarged issued ordinary share capital following the Placing);
 - (b) the minimum price which may be paid for such ordinary shares is 20p per share (exclusive of expenses);
 - (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not be more than 5 per cent. above the average of the market values for an ordinary share as derived from the AIM section of the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased;
 - (d) unless previously renewed varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next AGM or 12 months from the date of passing this resolution, if earlier; and
 - (e) the Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By order of the Board

Stephen Morgan
Company Secretary

Registered office:
Freshfield Lane
Danehill
Haywards Heath
West Sussex RH17 7HH

Date: 19 November 2013

Notes

- (1) Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a member of the Company.
- (2) A Form of Proxy is enclosed for your use if desired. Please carefully read the instructions on how to complete the Form of Proxy. For a proxy to be effective, the instrument appointing a proxy together with the power of attorney or such other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority must reach the Company's Registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by fax to 01903 833168 or by scan and email to proxy.votes@equiniti.com not less than 48 hours before the time of holding of the General Meeting. The Forms of Proxy should therefore be completed and deposited with the Company's Registrars by 10.00 a.m. on 14 December 2013. Completion of a proxy does not preclude a member from subsequently attending and voting at the General Meeting in person if he or she so wishes.
- (3) Pursuant to Regulation 41 of Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders on the register of members 6.00 p.m. on the date two days before the time of the General Meeting or Adjourned General Meeting, shall be entitled to attend or vote at the General Meeting in respect of the number of Existing Ordinary Shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- (4) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Existing Ordinary Shares. You may not appoint more than one proxy to exercise rights attached to any one Existing Ordinary Share. If you wish to appoint more than one proxy, please contact the Company's Registrars, Equiniti on 0871 384 2681 (calls to this number cost 8p per minute plus network extras) or +44 121 415 7047 from outside the UK. Lines are open from 8.30 a.m. to

5.30 p.m. Monday to Friday, excluding public holidays. Alternatively you may write to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA for additional proxy forms and for assistance.

- (5) Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same Existing Ordinary Share.
- (6) As at the date of this document, the Company's issued share capital comprised 58,247,654 ordinary shares of 20 pence each. Each Ordinary Share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this document is 58,247,654.
- (7) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- (8) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars, in the case of a member which is a company, the revocation notice must be executed in accordance with note 9 below. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice must be received by the Registrars not less than 48 hours before the time fixed for the holding of the Meeting or any adjourned Meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
- (9) A corporation's form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duty authorised officer or attorney.
- (10) Any power of attorney or any other authority under which the proxy form is signed (or duly certified copy of such power of authority) must be included with the proxy form.

