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If you have sold or otherwise transferred all of your Existing 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. However, this Document and the Form of Proxy should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of Existing Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This Document does not constitute an offer to purchase, acquire or subscribe for, or the solicitation of an offer to purchase, acquire or subscribe for, Subscription Shares or an invitation to purchase, acquire or subscribe for the Subscription Shares.

The release, publication or distribution of this Document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This Document has been prepared for the purposes of complying with English law and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England. This Document is a circular which contains information relating to the cancellation of admission of the Ordinary Shares to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange which has been prepared in accordance with the Listing Rules of the Financial Conduct Authority under section 73A of FSMA.

Subject to the passing of Resolution 2, application will be made to the UKLA to amend the Official List to reclassify the Existing Ordinary Shares as New Ordinary Shares and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the Main Market. Subject to the passing of Resolutions 1, 3 and 4 application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on the Main Market. Subject to the passing of Resolutions 2, 3 and 4 application will be made to the London Stock Exchange for the Cornhill Shares to be admitted to trading on the Main Market. It is expected that such trading will become effective and that dealings will commence in the New Ordinary Shares, the Subscription Shares and the Cornhill Shares on 20 December 2013. Subject, *inter alia*, to the passing of Resolutions 1 and 3 to 5 (inclusive) and Resolution 8, at the General Meeting, application will be made to cancel the listing of the Ordinary Shares on the Official List and to trading on the Main Market and further application will be made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that the last day of dealings in the Ordinary Shares on the Main Market will be 21 January 2014 and that admission of the Ordinary Shares will become effective and dealings in the Ordinary Shares will commence on AIM on or around 22 January 2014.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Your attention is drawn to the risk factors set out in Part II of this Document.

C.A. SPERATI (THE SPECIAL AGENCY) PLC

(Incorporated and registered in England & Wales under the Companies Act 1900 with registered number 00092343)

Proposed cancellation of admission to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange

Proposed Admission to trading on AIM

Proposed Disposal of the Greenwich Property

Capital Reorganisation

Adoption of New Articles

Change of Name

Subscription of the Subscription Shares at the Subscription Price

and

Notice of General Meeting

Sponsor

BEAUMONT
CORNISH
Limited

Beaumont Cornish Limited

The Company and the Directors, whose names appear on page 6 of this Document, accept responsibility for all the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (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.

Beaumont Cornish, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Sponsor to the Company and no one else in connection with the proposed Disposal, Delisting and Admission. Beaumont Cornish will not regard any person other than the Company (whether or not a recipient of this Document) as its client in relation to the proposed Disposal, Delisting or Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Beaumont Cornish or for providing advice in relation to the proposed Disposal, Delisting or Admission or any transaction, matter or arrangement referred to in this Document. Apart from the responsibilities and liabilities, if any, which may be imposed on Beaumont Cornish by FSMA or the regulatory regime established thereunder, Beaumont Cornish accepts no responsibility whatsoever nor makes any representation or warranty, express or implied, for or in respect of the contents of this Document (whether information or opinions), including its accuracy, completeness or verification or for the omission of any material information. Beaumont Cornish is not responsible for the commercial assessment of the proposed Disposal, Delisting or Admission, which remains the sole responsibility of the Board. Beaumont Cornish accordingly disclaims to the fullest extent permitted by applicable law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise be found to have in respect of this Document or any such statement.

This Document should be read as a whole. Your attention is drawn to the letter from the Non-Executive Chairman which is set out in Part I of this Document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of GM of the Company, such GM to be held at the registered office of the Company at 54 Westcombe Hill, Greenwich, London SE10 0LR, at 11.00 a.m. on 19 December 2013, at which, *inter alia*, the resolutions required to approve the Disposal, the Delisting and the Admission shall be proposed, is set out at the end of this Document. To be valid, Forms of Proxy for use at the meeting by Shareholders must be completed and returned to the Company Secretary at the registered office of the Company as soon as possible, and, in any event, so as to be received no later than 48 hours before the time of holding the meeting or any adjournment of such meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

No person has been authorised to give any information or make any representation other than those contained in this Document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this Document shall not, under any circumstance, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information in it is correct as of any subsequent time. Nothing contained in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company except where otherwise stated.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Date
Publication of this Document	26 November 2013
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 17 December 2013
General Meeting	11.00 a.m. on 19 December 2013
Record Date	5.00 p.m. on 19 December 2013
Expected date of Completion	19 December 2013
Admission effective and dealings in the new Ordinary Shares commence on the Main Market (being the Ordinary Shares reclassified as a result of the Capital Reorganisation (provided that Resolution 2 is approved) and the Cornhill Shares (provided that Resolutions 2, 3 and 4 are approved) and the Subscription Shares (provided that Resolutions 1, 3 and 4 are approved))	8.00 a.m. on 20 December 2013
Despatch of definitive certificates for the New Ordinary Shares, the Cornhill Shares and the Subscription Shares	30 December 2013
Last day of dealings in Ordinary Shares on the Main Market (subject to confirmation)	21 January 2014
Cancellation of listing of Ordinary Shares on the Official List (subject to confirmation)	8.00 a.m. on 22 January 2014
Admission and commencement of dealings in the Ordinary Shares on AIM (subject to confirmation)	8.00 a.m. on 22 January 2014

- (1) All times shown in this Document are London times unless otherwise stated. The dates and times given are indicative only and are based on the Company's current expectations and may be subject to change. If any of the times and/or dates above change the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange.
- (2) If the General Meeting is adjourned, the latest time and date for receipt of Forms of Proxy for the adjourned meeting will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange.
- (3) The cancellation of listing of the Ordinary Shares on the Official List and the admission and commencement of dealings in the Ordinary Shares on AIM are conditional on, *inter alia*, the passing of Resolutions 1 and 3 to 5 (inclusive) and Resolution 8 at the General Meeting.

CAPITAL REORGANISATION AND SUBSCRIPTION STATISTICS

Number of Existing Ordinary Shares	100,000
Number of New Ordinary Shares (excluding the Cornhill Shares and the Subscription Shares)	10,000,000
Number of Cornhill Shares (assuming the Capital Reorganisation is approved)	400,000
Number of Subscription Shares (assuming the Capital Reorganisation is approved)	541,600
Number of New Ordinary Shares in issue immediately following the Capital Reorganisation, the Subscription and issue of the Cornhill Shares	10,941,600
Subscription Shares and Cornhill Shares as a percentage of the enlarged issued share capital	8.61 per cent.
Gross proceeds of the Subscription	£21,664
Market capitalisation of the Company at the Subscription Price immediately following completion of the Capital Reorganisation, the Subscription and issue of the Cornhill Shares	£437,664
ISIN – Existing Ordinary Shares	GB0008338088
ISIN – New Ordinary Shares	GB00BG48FB77

OVERSEAS SHAREHOLDERS

The distribution of this Document into jurisdictions other than the United Kingdom may be restricted by law. Accordingly, neither this Document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these documents come 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 such jurisdictions. In particular, subject to certain exceptions, this Document should not be distributed, forwarded or transmitted to, or into, any jurisdiction where the extension or availability of the matters set out herein would breach any applicable law.

The Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "US Securities Act") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this Document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the Subscription Shares are being offered in reliance on Regulation S under the US Securities Act. The Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a "Restricted Jurisdiction") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This Document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Subscription Shares nor have they approved this Document or confirmed the accuracy or adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the US.

FORWARD LOOKING STATEMENTS

Certain statements in this Document are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. These forward looking statements are subject to, *inter alia*, the risk factors described in Part II of this Document. Although any forward looking statements contained in this Document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

The Company does not undertake any obligation (except as required by the Listing Rules, the Disclosure and Transparency Rules, the Rules of the London Stock Exchange and by law) to revise or update any forward looking statement contained in this Document, regardless of whether that statement is affected as a result of new information, future events or otherwise.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Jason Drummond, <i>Non-Executive Chairman</i> Oliver Fattal, <i>Chief Executive Officer</i> Richard John Woodbridge, <i>Finance Director</i>
Company Secretary	Curzon Corporate Secretaries Limited
Registered Office	54 Westcombe Hill Greenwich London SE10 0LR
Sponsor	Beaumont Cornish Limited 2nd Floor, Bowman House 29 Wilson Street London EC2M 2SJ
Auditor	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Solicitors to the Company	Ashfords LLP Tower Wharf Cheese Lane Bristol BS2 0JJ
Principal Bankers	Royal Bank of Scotland 5th Floor, Tay House 300 Bath Street Glasgow G2 4RS Scotland
Company Website	www.casperatiplc.com

DEFINITIONS

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

“£”	refers to the lawful currency of the UK;
“2012 Annual Report”	the Company’s annual report and accounts for the financial year ended 31 October 2012;
“ABI Guidelines”	the guidelines issued by the Association of British Insurers and other members of the Institutional Shareholders Committee, from time to time;
“Act”	the Companies Act 2006;
“Admission”	the proposed admission of the issued and to be issued Ordinary Shares to trading on AIM which is subject to, <i>inter alia</i> , the passing of Resolutions 1,3,4,5 and 8;
“AIM Designated Market”	a market whose name appears on the latest publication by the London Stock Exchange of the document entitled “The AIM Designated Market Route”;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“Beaumont Cornish”	Beaumont Cornish Limited, a firm authorised and regulated by the FCA and approved by the UKLA to act as a Sponsor to this Document in accordance with the Listing Rules;
“Board” or “Directors”	the directors of the Company, as at the date of this Document, whose names are set out on page 6 of this Document;
“Business Day”	any day (other than a Saturday, Sunday or a public holiday) on which banks are generally open in the City of London for the transaction of normal banking business;
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company, details of which are set out in paragraph 5 of Part I of this Document;
“certificated” or “in certificated form”	a share or other security not held in uncertificated form;
“Change of Name”	the proposed change of name of the Company to C A Sperati plc;
“City Code”	The City Code on Takeovers and Mergers;
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange;
“Company” or “CAS”	C.A. Sperati (The Special Agency) PLC;
“Completion”	completion of the Disposal in accordance with the terms of the Sale Agreement;
“Continuing Business”	the business of CAS being the sale and distribution of buttons, buckles and trimmings;
“Continuing Company”	the Company following Completion;

“Consideration”	the consideration payable by the Purchaser to the Company in relation to the Disposal being £415,000 in cash, payable as to £315,000 on Completion and a deferred payment of £100,000 on the date falling on the earlier of ten working days after the Purchaser secures planning permission authorising redevelopment of the Greenwich Property for mixed use purposes and 12 months following Completion;
“Cornhill Shares”	the 400,000 New Ordinary Shares to be issued to Cornhill Capital Limited at £4.00 per new Ordinary Share as full and final payment for historic broking services totalling £16,000 as further described in paragraph 4.1.4 of Part VI of this Document;
“CREST”	the computerised settlement system to facilitate the transfer of title to shares in uncertificated form operated by Euroclear UK & Ireland Limited;
“Crest Regulations”	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001 No. 3755) and the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended);
“Current Articles”	the existing articles of association of the Company at the date of this Document;
“Delisting”	the proposed cancellation of the listing of the Ordinary Shares on the Official List and from trading on the Main Market;
“Director Facility”	an agreement dated 25 November 2013 relating to (i) an unsecured loan by Teather & Greenwood Ltd (a company wholly owned by Jason Drummond (a Director)) to the Company of up to a maximum principal sum of £75,000 accruing interest at the rate of 9 per cent. per annum on the monies drawn down and outstanding from time to time, with such principle and interest being repayable on 1 July 2015 and (ii) an arrangement fee of £25,000, conditional on Admission, payable by the Company to Jason Drummond to be satisfied by the issue of new Ordinary Shares, at a price of £4 per such shares (or, instead, following the Capital Reorganisation the issue of New Ordinary Shares at a price of 4 pence per such New Ordinary Share) and which is conditional on approval of the Disposal Resolution;
“Disclosure and Transparency Rules”	the disclosure rules and transparency rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA as amended from time to time;
“Disposal Resolution”	the resolution to be proposed at the General Meeting to approve the Disposal;
“Disposal”	the proposed sale of the Property in accordance with the terms of the Sale Agreement;
“Document”	this document;
“Existing Ordinary Shares”	the 100,000 ordinary shares of 50 pence each in the capital of the Company as at the date of this Document;
“Form of Proxy”	the form of proxy enclosed with this Document for use by Shareholders in connection with the General Meeting;

“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority (and its predecessor, the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the premium segment of the Official List;
“FSMA”	the Financial Services and Markets Act 2000 and all regulations promulgated thereunder, as amended from time to time;
“General Meeting” or “GM”	the general meeting to be held on 19 December 2013 at 11.00 a.m., or any adjournment of that meeting, notice of which is set out at the end of this Document;
“HMRC”	Her Majesty’s Revenue and Customs;
“ISIN”	International Securities Identification Number;
“Last Practicable Date”	25 November 2013, being the last practicable date prior to the publication of this Document;
“Lease”	the agreement between (1) the Purchaser and (2) the Company relating to the lease of the Property to be entered into from Completion, as set out in the Principal Agreement;
“Listing Rules”	the listing rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA, as amended from time to time;
“London Stock Exchange”	London Stock Exchange plc;
“Main Market”	the market for Officially Listed securities operated by the London Stock Exchange;
“Net Cash Proceeds”	the net cash proceeds of the Disposal and Admission being £291,564;
“New Articles”	the new articles of association proposed to be adopted by the Company as further detailed in paragraph 7 of Part 1 of this Document and Part V of this Document;
“New Ordinary Shares”	the ordinary shares of 0.5 pence each in the capital of the Company arising as a result of the Capital Reorganisation;
“Notice of GM”	the notice of GM set out at the end of this Document;
“Official List”	the list maintained by the United Kingdom Listing Authority in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA;
“Ordinary Shares”	ordinary shares in the capital of the Company from time to time;
“Principal Agreement”	the contract for the sale and leaseback (in accordance with the terms of the Lease) of the Property between (1) the Company and (2) the Purchaser dated 15 April 2013;
“Property” or “Greenwich Property”	the freehold land and premises owned by the Company, which is the subject of the Disposal, being at 54 Westcombe Hill, Greenwich, London SE10 0LR;
“Proposals”	together the Delisting, Admission, Disposal, Capital Reorganisation, Change of Name, adoption of the New Articles and proposed increase in the Directors’ authorities to allot new Ordinary Shares;

“Prospectus Rules”	the Prospectus Rules issued by the FCA pursuant to section 84 of FSMA;
“Purchaser” or “Knightspur Homes Limited”	the proposed purchaser of the Property, Knightspur Homes Limited, a company incorporated in England and Wales with registered number 092343, which is a wholly owned subsidiary of Cavendish and Gloucester Properties Limited and whose registered office is Balfour House, 741 High Road, London N12 0BP;
“QCA Guidelines”	the Corporate Governance Guidelines for Small and Mid-Size Quoted Companies, issued by the Quoted Companies Alliance in May 2013, as amended from time to time;
“Record Date”	19 December 2013;
“Resolution(s)”	the resolution(s) set out in the Notice of GM as the context so requires;
“Restricted Jurisdiction”	United States, Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where the Ordinary Shares may not be offered, sold, taken up, delivered, distributed in, into or from;
“Sale Agreement”	together the Principal Agreement and the Supplemental Agreement;
“Shareholder”	a holder of Existing Ordinary Shares;
“Subscriber”	an individual investor who is subscribing for the Subscription Shares at the Subscription Price;
“Subscription Agreement”	the conditional agreement dated 19 November 2013 made between (1) the Company and (2) the Subscriber relating to the subscription, further details of which are set out in paragraph 4.1.9 of Part VI of this Document;
“Subscription”	the conditional subscription of the Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement;
“Subscription Price”	£4.00 per new Ordinary Share, prior to any adjustments made in respect of the Capital Reorganisation (equivalent to 4 pence per New Ordinary Share);
“Subscription Shares”	the 5,416 new Ordinary Shares, prior to any adjustment made in respect of the Capital Reorganisation, (equivalent to 541,600 New Ordinary Shares) to be issued at the Subscription Price by the Company pursuant to the Subscription;
“Supplemental Agreement”	the supplemental agreement to, and amending, the Principal Agreement dated 7 August 2013 between (1) the Company and (2) the Purchaser;
“Transaction Costs”	the estimated combined costs, exclusive of VAT, of the Disposal (being £94,912) and the Admission (being £28,524);
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012, as amended from time to time;

“UK GAAP”	generally accepted accounting principles and practices applicable in the United Kingdom;
“UKLA”	the United Kingdom Listing Authority, being the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA;
“uncertificated form”	recorded on the relevant register of the share or security as being held in uncertificated form in an electronic settlement system; and
“Uncertificated Regulations”	the Uncertificated Securities Regulations 2001.

PART I

LETTER FROM THE NON-EXECUTIVE CHAIRMAN OF

C.A. SPERATI (THE SPECIAL AGENCY) PLC

(Incorporated and registered in England & Wales under the Companies Act 1900 with registered number 00092343)

Directors

Jason Drummond, *Non-Executive Chairman*
Oliver Fattal, *Chief Executive Officer*
Richard John Woodbridge, *Finance Director*

Registered Office

54 Westcombe Hill
Greenwich
London SE10 0LR

26 November 2013

Dear Shareholder,

Proposed cancellation of admission to the premium segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange

Proposed admission to trading on AIM

Proposed Disposal of the Greenwich Property

Capital Reorganisation

Adoption of New Articles

Change of Name

Subscription of the Subscription Shares at the Subscription Price

and

Notice of General Meeting

1. Introduction

As announced on 15 April 2013, the Company entered into a conditional contract (as amended by the Supplemental Agreement announced on 7 August 2013) with Knightspur Homes Limited (a wholly owned subsidiary of Cavendish and Gloucester Properties Limited), to sell its freehold land and property based in Greenwich for a total cash consideration of £415,000. This Document provides, *inter alia*, details of the proposed Disposal, which is subject to Shareholder approval at the forthcoming GM.

As at 30 April 2013, the value attributed to the Greenwich Property in the unaudited balance sheet of the Company (taken from the unaudited interim accounts for the six month period ended 30 April 2013) was £38,901, but it was valued, at market value in accordance with the appraisal and valuation standards issued by the Royal Institution of Chartered Surveyors, on 25 November 2013 by Angermann Goddard & Loyd, an independent valuer, at £430,000, further details of which are set out in Part IV of this Document. The Company has agreed, subject to Shareholder approval of the Disposal Resolution, to sell the Greenwich Property to Knightspur Homes Limited, an unrelated company, for a total cash consideration of £415,000, which represents a premium of approximately 967 per cent. to the 30 April 2013 unaudited balance sheet value and a discount of approximately 3.5 per cent. to the Angermann Goddard & Loyd valuation. As the consideration payable represents, *inter alia*, more than 25 per cent. of the market capitalisation of the Company, the Company is required by the Listing Rules to seek Shareholder approval of the Disposal as a class 1 transaction. The Disposal is therefore conditional upon Shareholder approval at the GM to be held at 11.00 a.m. on 19 December 2013.

The Company is also taking the opportunity to seek Shareholder approval to (i) cancel the listing of the Ordinary Shares on the premium segment of the Official List and to remove such Ordinary Shares from trading on the Main Market and to apply for admission of the Ordinary Shares to trading on AIM; (ii) reorganise its share capital to be on a more appropriate basis for the size of the Company; (iii) adopt the New Articles to include certain more modern provisions including electronic communications with Shareholders and to replace the Current Articles with the New Articles, which are more appropriate for a company admitted to trading on AIM; (iv) simplify the Company's name; and (v) increase the Directors' authorities to allot new Ordinary Shares enabling the Company to, *inter alia*, raise £21,664 through the Subscription and issue the Cornhill Shares.

The Listing Rules require that if a company wishes to cancel its listing on the Official List then it must seek the approval of not less than 75 per cent. of its shareholders in a general meeting voting in person or by proxy. Accordingly, a special resolution is being proposed at the General Meeting to authorise the Board to cancel the listing of the Ordinary Shares on the Official List and to remove such Ordinary Shares from trading on the Main Market and to apply for admission of the Ordinary Shares to trading on AIM.

The Delisting and Admission are conditional, *inter alia*, on the approval of Shareholders to Resolutions 1, 3 to 5 (inclusive) and 8. If any of Resolutions 1, 3 to 5 (inclusive) and 8 are not approved by Shareholders at the GM, the Delisting and Admission will not proceed. Subject to, *inter alia*, Resolutions 1, 3 to 5 (inclusive) and 8 being approved by Shareholders, it is expected that the Ordinary Shares will be admitted to trading on AIM on or around 22 January 2014.

Subject to Shareholder approval of Resolutions 2, 3 and 4 (with Resolution 4 being conditional on Resolution 3 being approved), the Directors have agreed to issue 400,000 New Ordinary Shares to Cornhill Capital Limited, at 4 pence per New Ordinary Share (equivalent to 4,000 new Ordinary Shares at £4.00 per new Ordinary Share, prior to any adjustment being made in respect of the Capital Reorganisation), as full and final payment for historic broking services totalling £16,000 and the Subscription Shares to the Subscriber which will raise a total of £21,664. The Subscription is also conditional on all relevant conditions of the Subscription Agreement being satisfied, or if applicable, waived and the Disposal Resolution being approved.

In addition to the funds raised through the Subscription, the Directors intend to raise further funds in the market to increase the liquidity in the Ordinary Shares, to provide the Continuing Business with additional working capital for organic growth and to provide general working capital to negotiate with interested parties who may wish to make use of the Company's position as a quoted company. In order to do this, as well as issue the Subscription Shares and the Cornhill Shares, the Directors are seeking Shareholder approval to authorise the Directors to allot new Ordinary Shares for cash at the GM.

The purpose of this Document is to give you details of the Proposals and explain why the Board believes such Proposals to be in the best interests of the Company and its Shareholders as a whole and has unanimously recommended that Shareholders vote in favour of the Resolutions to be proposed at the GM, notice of which is set out at the end of this Document.

2. Background to and reasons for the Disposal

CAS supplies buttons, buckles and trimmings to the clothing and allied trades and is currently listed on the premium segment of the Main Market.

As the Directors stated in the 2012 Annual Report, and subsequently in the Company's interim management statement released on 18 March 2013, they were considering the sale of the Greenwich Property to free up working capital for use by the Continuing Business. As announced on 15 April 2013, the Company entered into a conditional contract (as amended by the Supplemental Agreement announced on 7 August 2013) with the Purchaser to sell the Greenwich Property.

The consideration of £415,000 which is payable in cash as to £315,000 on Completion and a deferred payment of £100,000 on the date falling on the earlier of ten working days after the Purchaser secures planning permission authorising redevelopment of the Greenwich Property for mixed use purposes and 12 months following Completion, will (following the payment of Transaction Costs of approximately £123,436 (exclusive of recoverable VAT)) enable the Company to settle outstanding creditors of approximately £153,370 (which includes professional fees over and above the transaction costs of £66,919, accrued Directors' and former Directors' pay (inclusive of estimated employers national insurance) of £26,251 and repayment of loans (plus accrued interest thereon) due to Kevin D.G. Jackson of £60,200 (as further detailed in paragraph 4.1.3 of Part VI of this Document)) on Completion. Of the remaining outstanding liabilities of the Company, estimated at £252,689, approximately £123,417 will be settled through the issue of Ordinary Shares (in accordance with the terms of certain material contracts as further detailed in paragraphs 4.1.4, 4.1.6 and 8 of Part VI of this Document) and £129,272 which will be due to be paid between one week and fourteen months of the GM. Of the consideration of £315,000, the Directors believe that £38,194 will be available to augment working capital of the Company. The Directors believe that the additional working capital should help the Company to increase its stock levels in order to assist in supporting the Continuing Business. The Company has been advised that after taking into account indexation allowance available and expected taxable results of the current financial year no tax arises as a result of the Disposal.

The Greenwich Property is the head office and main trading location of the Continuing Business of CAS. The premises are also used for storage purposes. As part of the Sale Agreement it has been agreed that the Company will lease back the property for a period of six months at a rent of £1,500 per month while alternative and more suitable accommodation is secured. Given that the Company has entered into an agreement to lease the Greenwich Property from the Purchaser for six months from the date of Completion, the fact that the Greenwich Property is too large and is therefore uneconomic for CAS's present requirements and also given the Company's current requirements for additional working capital, the Directors believe that the Disposal has come at an ideal time for CAS and that the Disposal is therefore in the Company's best interests. During the six month period when CAS will be leasing back the Greenwich Property, the Directors intend to find a more suitable premises for the Continuing Business to operate from, which is less isolated and better located for its customer base. The Directors have made preliminary enquiries into alternative premises and their enquiries have shown that there are a number of suitable potential premises from which the Continuing Business could operate once the Lease expires. Neither the Sale Agreement nor the Lease provide a mechanism for either the Company or the Purchaser to extend or renew the tenancy beyond six months from Completion. Although, at this time it is not the intention of the Board so to do, the Lease could be extended or renewed by mutual agreement between the Company and the Purchaser.

The Company has received a valuation by Angermann Goddard & Loyd dated 25 November 2013 valuing the Property at £430,000 which is included as Part IV of this Document.

The Company is therefore proposing, subject to Shareholder approval, to sell the Greenwich Property for the Consideration.

Shareholders should note that if the Disposal Resolution is not passed the Consideration will not be received by the Company, nor will the Director Facility be provided or the Subscription completed and the Company will need immediately to arrange alternative sources of finance in the absence of which it is likely to be placed into administration. Therefore, the Directors believe that it is essential that the Disposal Resolution is passed by Shareholders.

3. Principal terms of the Sale Agreement

Under the terms of the Sale Agreement, the Company has conditionally agreed to sell the Property with full title guarantee to the Purchaser for the aggregate sum of £415,000 (as detailed below). At Completion, the Purchaser has conditionally agreed to grant a Lease of the Property to the Company for a term of 6 months at a rent of £18,000 per annum commencing from the date of Completion.

Completion of the Disposal under the Sale Agreement is conditional upon, *inter alia*, the passing of the Disposal Resolution, an ordinary resolution, as set out in the Notice of GM.

The aggregate consideration of £415,000 payable under the Sale Agreement shall be satisfied by the Purchaser as follows:

- (1) £315,000 to be paid at Completion; and
- (2) £100,000 to be paid on the earlier of ten working days after the Purchaser secures planning permission for development of the Property, or 12 months after the Completion date.

The deferred payment of £100,000 shall be secured by way of a fixed legal charge in favour of the Company over all the Purchaser's interests in the Property.

4. Financial effects of the Disposal and the Director Facility

Following Completion the Company will receive the £315,000 of the total Consideration which, together with the issue of Ordinary Shares in settlement for certain liabilities (as further described in paragraphs 4.1.4, 4.1.6 and 8 of Part VI of this Document), will reduce current indebtedness and provide the Company with net cash of approximately £38,194, having paid Transaction Costs of approximately £123,436 (exclusive of recoverable VAT) and outstanding creditors of approximately £153,370. As a result of the agreement to lease back the Greenwich Property for a period of six months the Company is obligated to pay rent of £1,500 per month which will add to its on-going overheads.

Otherwise, given that the Company currently owns the Greenwich Property and has no loans in relation to it and that it does not currently receive any rental income from it, beyond the receipt of the Consideration (net of Transaction Costs of approximately £123,436 (exclusive of recoverable VAT)), the on-going effects, as noted above (including the monthly rental of £1,500 payable by the Company) and the Director Facility being made available (as further detailed in this paragraph below), there should be no material financial effects on the Company as a result of the Disposal. The Company has been advised that after taking into account indexation allowance available and expected taxable results of the current financial year no tax arises as a result of the Disposal.

Your attention is drawn to Part III of this Document which contains an unaudited pro forma statement of net assets of the Company as at 30 April 2013 and an unaudited pro forma statement of earnings of the Company for the year ended 31 October 2012 prepared on a UK GAAP basis as if the Disposal and Admission had taken place at those respective dates and Part IV of this Document which contains a valuation report on the Property.

As illustrated by the unaudited pro forma statement of net assets in Part III of this Document, had the Disposal and Admission occurred on 30 April 2013, the Company's net assets attributable to Shareholders of the Company would have been £125,857 (equivalent to approximately 125.9 pence per Existing Ordinary Share (or a net liability of approximately 1.259 pence per New Ordinary Share)) as opposed to a net liability of £126,806 (equivalent to a net liability of approximately 126.8 pence per Existing Ordinary Share (or a net liability of approximately 1.268 pence per New Ordinary Share)). As illustrated by the unaudited pro forma statement of earnings in Part III of this Document earnings for the year ended 31 October 2012 would have increased from a loss of £319,489 (equivalent to a loss of approximately 319.5 pence per Existing Ordinary Share (or approximately a loss of 3.195 pence per New Ordinary Share)) to a loss of £67,361 (equivalent to a loss of approximately 67.4 pence per Existing Ordinary Share (or a loss of approximately 0.674 pence per New Ordinary Share)) if the Disposal and Admission had occurred on 31 October 2012.

On 25 November 2013 Teather & Greenwood Ltd (a company wholly owned by Jason Drummond (a Director)) entered into an unsecured loan agreement with the Company on normal commercial terms which, conditional on the Disposal Resolution being approved by Shareholders, will provide the Company with up to a maximum principal sum of £75,000 accruing interest at the rate of 9 per cent. per annum on the monies drawn down and outstanding from time to time, with such principle and interest being repayable on 1 July 2015. In addition and conditional on the approval of the Disposal Resolution and Resolutions 3 and 4, the Company will receive an additional £21,664 through the Subscription (further details of which are set out in paragraph 9 of this Part I).

The Director Facility and the Subscription will provide additional working capital for the Company in order that it may be in a stronger position to fulfil its strategy.

5. The Capital Reorganisation

The Company is taking this opportunity to reorganise its share capital to be on a more appropriate basis for its size.

It is proposed that each Existing Ordinary Share of 50 pence held on the Record Date will be sub-divided and reclassified into 100 New Ordinary Shares of 0.5 pence each. The Capital Reorganisation is to be effected by the passing of Resolution 2 to be proposed at the General Meeting. Immediately following approval of the Capital Reorganisation, there will be 10,000,000 New Ordinary Shares in issue.

On the basis of the Closing Price as at the Last Practicable Date, it is expected, all other things being equal (and excluding any the effects of the Disposal and other proposals referred to in this Document), that the market price of each New Ordinary Share immediately following the Capital Reorganisation will be approximately 4 pence.

Other than the change in nominal value, the New Ordinary Shares will have the same rights as the Existing Ordinary Shares. The proposed Capital Reorganisation will not affect the voting rights of the holders of Existing Ordinary Shares and will be made by reference to holdings of Existing Ordinary Shares on the register of members as at the close of business on the Record Date.

If you are in any doubt with regard to your current shareholding in Existing Ordinary Shares or have any queries in relation to the Capital Reorganisation then you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser who specialises in advising on the acquisition of shares and other securities and is duly authorised under the FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

Each holder of Existing Ordinary Shares on the Record Date will be issued with a new share certificate in respect of their New Ordinary Shares which will be despatched by 30 December 2013. Following the Capital Reorganisation existing share certificates will be worthless. All New Ordinary Shares will be held in certificated form.

Subject to Resolution 2 being approved by Shareholders application will be made to the UKLA to amend the Official List to reclassify the Existing Ordinary Shares as New Ordinary Shares and to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the Main Market. It is expected that trading will become effective and that dealings will commence in the New Ordinary Shares on 20 December 2013 and provided that, *inter alia*, Resolutions 1, 3 to 5 (inclusive) and 8 are passed will continue to trade until close on 21 January 2014 following which the New Ordinary Shares will be cancelled from the Official List and admitted to trading on AIM from 8.00 a.m. on 22 January 2014.

6. Trend information

Since 31 October 2012 the continuing challenging economic climate and worldwide competition meant that the business has seen a further reduction in sales numbers. The advanced negotiations, mentioned in the Chairman's statement in the 2012 Annual Report, are no longer progressing and unfortunately did not come to fruition, therefore the anticipated increase in the sales outlook for the financial year ended 31 October 2013 is not likely to materialise. As discussed in the Company's interim management statement, announced on 19 September 2013, the customer base is well established and the Directors believe there is currently little growth in the Company's sector, with minimal new clients coming into the market. The Directors' view is that the selling prices have remained relatively static with increased pressure to keep prices low due to increasing competition. These trends have continued into the second half of the financial year with no significant changes in operating trends to date. However, following a strategic review of the Company, the Board does intend to investigate other ways in which to sell the Company's products and look to expand its customer base both in terms of the clothing and allied trades and directly to individuals via on-line sales which they anticipate will lead to an increase in sales and reduction in costs.

Recent cost reduction initiatives and a reduction in one off exceptional items of expenditure have led to a lowering of the Company's cost base, which the Directors believe should slow the decline in Shareholder value. However, the on-going commitment of being a Main Market company brings with it overhead costs which the Directors believe could be significantly reduced through the Delisting and Admission (further details of which are set out in paragraphs 10, 11 and 12 of this Part I).

7. Adoption of New Articles

Your Board is asking Shareholders to approve the adoption by the Company of the New Articles primarily for the purposes of updating certain provisions of the Company's Current Articles as well as replacing the Current Articles with the New Articles which are more appropriate for a company admitted to trading on AIM.

The content of the New Articles are summarised, and an explanation of the main changes being made to the Current Articles is set out, in Part V of this Document.

The New Articles are available for inspection at the registered office of the Company during normal business hours on any weekday (excluding public holidays) from the date of this Document until the close of the General Meeting and at the General Meeting for at least 15 minutes prior to and during the General Meeting.

Your Board is therefore seeking your approval to Resolution 5, which is required to be passed at a general meeting of the Company, which approves the adoption of the New Articles, replacing the Current Articles, and confirms the removal of the Company's object clauses together with all other provisions of its memorandum of association which, by virtue of the Act, are treated as forming part of the Company's articles of association as of 1 October 2009 for the reasons explained in paragraph 2 of Section B of Part V of this

Document. This Resolution will be proposed as a special resolution to adopt the New Articles and to remove the object clauses together with all other provisions of its memorandum of association which, by virtue of the Act, are treated as forming part of the Company's articles of association as of 1 October 2009.

Changes made to the Act by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings of the Company will continue to be held on at least 21 clear days' notice.

Your Board is therefore also seeking your approval to Resolution 6, required to be passed at a general meeting of the Company, to approve the Company being able to call general meetings, other than an annual general meeting, on 14 clear days' notice without the need to obtain Shareholder approval. This Resolution will be proposed as a special resolution to approve the holding of general meetings on 14 clear days' notice (as opposed to annual general meetings which will still require 21 clear days' notice).

8. Director authorities to allot new Ordinary Shares

The Directors are aware that the current percentage of Existing Ordinary Shares which are held in public hands, as determined by the Listing Rules currently stands at approximately 17.74 per cent. which falls below the specified minimum requirement under the Listing Rules of 25 per cent.. The Company intends to increase the number of Ordinary Shares which are held in public hands to the specified minimum under the Listing Rules by seeking authorities to allot new Ordinary Shares for cash as set out in Resolutions 3 and 4 of the GM and below. If the Company is able to place an additional 0.2 per cent. of its current issued share capital into the hands of a number of new and existing Shareholders (which are not precluded under the Listing Rules as being counted towards the number of shares in public hands figure), having taken account of the issue of the Cornhill Shares (as further detailed in paragraph 4.1.4 of Part VI of this Document) and the issue of the Subscription Shares (as further detailed in paragraph 9 in this Part I), the number of Ordinary Shares in public hands will marginally exceed the required 25 per cent.. In addition, provided, *inter alia*, that Shareholders vote in favour of Resolution 8 (which is conditional on the passing of Resolutions 1 and 3 to 5 (inclusive)), the Company intends to cancel the listing of its Ordinary shares on the premium segment of the Official List, to remove such shares from trading on the Main Market and to apply for admission of the Ordinary Shares to trading on AIM where there is no specified minimum number of shares which must be held in public hands. If the relevant Resolutions required to issue the Cornhill Shares and the Subscription Shares are not approved by Shareholders at the GM and the Delisting and Admission do not proceed, it is the intention of the Board to contact its Shareholders who hold over 5 per cent. of the Existing Ordinary Shares in order to see whether they would be amenable to selling sufficient of their Ordinary Shares so as to enable the minimum requirement in public hands to be met.

In the event that the Disposal Resolution is approved, but any of Resolutions 3, 4, 5 or 8 are not, the Company will remain trading on the Main Market. As referred to above, the Board considers it is realistic to contact the major Shareholders to see whether they would sell or otherwise transfer sufficient of their Ordinary Shares to enable the minimum requirement of 25 per cent. in public hands to be met. However, if the Company is unable to achieve this, the Board does not consider there is any other realistic means to meet this ongoing listing requirement and therefore the Company will immediately apply for the listing of its Ordinary Shares on the premium segment of the Official List and trading on the Main Market to be cancelled in accordance with the Listing Rules.

The Directors intend to raise additional funds in the market to increase the number of Ordinary shares in public hands, to increase the liquidity in the Ordinary Shares, to provide the Continuing Business with additional working capital for organic growth and to provide general working capital to negotiate with interested parties who may wish to make use of the Company's position as a quoted company. In order to do this (and in order to issue the Cornhill Shares and the Subscription Shares) Shareholder approval is being sought to authorise the Directors to allot new Ordinary Shares for cash at the GM. To this end, Shareholders will be asked to vote on two Resolutions which can be summarised as follows:

- (1) to authorise the Directors under section 551 of the Act to allot shares up to a maximum nominal amount of £255,000. This will give the Directors authority to allot up to a maximum of 510,000 new Existing Ordinary Shares if Resolution 2 is not passed, or 51,000,000 New Ordinary Shares if Resolution 2 is passed (representing approximately 510 per cent. of the existing issued share capital of the Company). This Resolution will expire on the fifth anniversary of its passing. This Resolution will be proposed as an ordinary resolution and is not conditional on any other Resolution being passed; and

- (2) to disapply the pre-emption rights provisions of section 561 of the Act in respect of any allotments made pursuant to sub-paragraph (1) above. This authority will expire at the same time as the authority conferred by (1) above. This Resolution will be proposed as a special resolution and is conditional on the Resolution described in (1) above being passed.

Subject to Shareholder approval of Resolutions 2, 3 and 4 as set out in the Notice of GM, the Directors have agreed to issue 400,000 New Ordinary Shares to Cornhill Capital Limited, at 4 pence per New Ordinary Share (equivalent to 4,000 new Ordinary Shares at £4.00 per new Ordinary Share, prior to any adjustment being made in respect of the Capital Reorganisation) as full and final payment for historic broking services totalling £16,000 and, provided the Disposal Resolution is also approved, the Subscription Shares.

9. The Subscription

Background to and reasons for the Subscription

As detailed in paragraph 8 of this Part I, under the Listing Rules, the Company is required to have a minimum of 25 per cent. of its Ordinary Shares held in public hands. By issuing the Subscription Shares (and the Cornhill Shares) the Company is able to increase the percentage of its Ordinary Shares held in public hands to approximately 24.8 per cent., a percentage much closer to the specified minimum which the Company hopes to achieve in due course.

In addition, and as set out in paragraphs 2 and 14 of this Part I, the Company is in need of additional working capital in order to pay outstanding creditors and to achieve its strategy.

Information on the Subscription

The Company has conditionally raised gross proceeds of £21,664 by way of a subscription of 5,416 new Ordinary Shares, prior to any adjustment made in respect of the Capital Reorganisation, (equivalent to 541,600 New Ordinary Shares) at the Subscription Price. The Subscription Shares represent 5.42 per cent. of the Company's issued share capital as at the Last Practicable Date. The Subscription Shares will represent approximately 4.95 per cent. of the enlarged issued share capital of the Company as enlarged by the Subscription Shares and the Cornhill Shares. The Subscription Price represents the Closing Price of £4.00 per new Ordinary Share, prior to any adjustments made in respect of the Capital Reorganisation (or £0.04 per New Ordinary Share) as at the Last Practicable Date.

On Admission, existing Shareholders will suffer an immediate dilution of 5.42 per cent. of their interests in the Company as a result of the Subscription.

In connection with the Subscription, the Company has entered into the Subscription Agreement.

The Subscription is conditional, *inter alia*, on:

- the passing of Resolutions 1, 3 and 4;
- the conditions in the Subscription Agreement being satisfied or (if applicable) waived and the Subscription Agreement not having been terminated in accordance with its terms prior to admission of the Subscription Shares to trading on the Main Market; and
- admission to the Main Market becoming effective by no later than 8.00 a.m. on 20 December 2013 (or such later time and/or date, as the Company may agree).

The Subscription Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after admission of the Subscription Shares to trading on the Main Market in respect of Existing Ordinary Shares and will otherwise rank on admission to the Main Market *pari passu* in all respects with the Existing Ordinary Shares. The Subscription Shares are not being made available to the public and are not being offered or sold in any Restricted Jurisdiction or any jurisdiction where it would be unlawful to do so.

Subject to Resolutions 1, 3 and 4 being approved by Shareholders, application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on the Main Market and subject to Resolutions 2, 3 and 4 being approved by Shareholders, application will be made to the London Stock Exchange for the Cornhill Shares to be admitted to trading on the Main Market. It is expected that such

trading will become effective and that dealings will commence on 20 December 2013 and provided that, *inter alia*, Resolutions 5 and 8 are passed will continue to trade until close on 21 January 2014 following which the Ordinary Shares (including the Subscription Shares and the Cornhill Shares) will be cancelled from the Official List and admitted to trading on AIM from 8.00 a.m. on 22 January 2014.

Use of proceeds

The proceeds of the Subscription will be used towards the payment of outstanding creditors of the Company.

10. Background to and reasons for the Delisting and move to AIM

The Board believes that a move to AIM will provide a market and environment more suited to the Company's current size and strategic intent to enhance Shareholder value by organic growth and acquisitive activity in the textile and clothing market. It will also simplify the on-going administrative and regulatory requirements of the Company. The Delisting and Admission will offer greater flexibility to the Company, particularly with regard to corporate transactions, and should therefore enable the Company to execute certain transactions more quickly and cost effectively when compared to the requirements of the Official List. Given the Company's strategy, the Board believes that the move is likely to be of benefit to the Company going forward.

AIM will provide Shareholders with a market on which to trade their Ordinary Shares whilst, in the Directors opinion, providing the Company with continued and arguably improved access to equity capital, including the ability to improve future liquidity for the benefit of all Shareholders. Importantly, as a Main Market Company and due to its size and current market capitalisation, the Company is currently unable to raise sufficient funds in the market to grow either organically or by acquisition without having to publish a prospectus under the Prospectus Rules, an exercise which, without raising funds it cannot afford to do. Provided that Shareholders approve Resolutions 3 and 4, the Directors will be in a stronger position to raise equity finance without the requirement to publish a prospectus. The Directors anticipate that raising equity finance will also help to increase liquidity though placing more Ordinary Shares into public hands.

If the Disposal Resolution or any of Resolutions 3 to 5 (inclusive) (on which Resolution 8 is conditional) or Resolution 8 are not approved by Shareholders the Company will not be able to effect the Delisting and move to AIM. In the situation where the Company is unable to proceed with the Delisting and Admission, but where the Disposal Resolution is approved, the Company intends to continue to execute its stated strategy (as further detailed in paragraph 14 of this Part I) to the extent that it can at a much slower pace due to its inability to raise equity finance. Growth and general trading of the Company will be more difficult in the absence of a move to AIM due to the lesser competitive position of the Company when seeking to agree acquisitive deals or raise equity finance, compared to operating with an AIM quotation and the ability to raise equity finance without the need to produce a Prospectus. The Board believes that remaining as a Main Market company would significantly slow the rate at which the Company can deliver enhanced value to Shareholders.

11. Details of the Delisting and move to AIM

In order to effect the Delisting and Admission, the Company will require, *inter alia*, Shareholder approval of Resolutions 1, 3 to 5 (inclusive) and 8 at the General Meeting. Resolution 8, which, in conjunction with all the other Resolutions to be proposed at the GM, is set out in the Notice of the General Meeting at the end of this Document, will authorise the Board to cancel the listing of Ordinary Shares on the Official List, remove such Ordinary Shares from trading on the Main Market and to apply for admission of the Ordinary Shares to trading on AIM.

Conditional on, *inter alia*, Resolutions 1, 3 to 5 (inclusive) and 8 being approved at the General Meeting the Company will apply to cancel the listing of Ordinary Shares on the Official List and to trading on the Main Market and give 20 Business Days' notice of its intention to seek admission to trading on AIM under AIM's streamlined process for companies that have had their securities traded on an AIM Designated Market (which includes the Official List).

Subject to confirmation, it is anticipated that:

- the last day of dealings in the Ordinary Shares on the Main Market will be 21 January 2014.

- Cancellation of the listing of Ordinary Shares on the Official List will take effect at 8.00 a.m. on 22 January 2014, being not less than 20 Business Days from the General Meeting; and
- Admission is expected to take place, and dealings in Ordinary Shares will commence on AIM, at 8.00 a.m. on 22 January 2014.

As the Ordinary Shares are currently listed on the premium segment of the Official List, the AIM Rules do not require an admission document to be published by the Company in connection with the Company's admission to trading on AIM. However, subject to, *inter alia*, the passing of Resolutions 1, 3 to 5 (inclusive) and 8 at the General Meeting, the Company will publish an announcement which complies with the requirements of Schedule One to the AIM Rules comprising information required to be disclosed by companies transferring their securities from the Official List, as an AIM Designated Market, to AIM.

12. Consequences of the move to AIM

Following Admission, the Company will be subject to the AIM Rules. Shareholders should note that AIM is self-regulated and the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies listed on the premium segment of the Official List.

While for the most part the obligations of a company whose shares are traded on AIM are similar to those of companies whose shares are listed on the premium segment of the Official List, there are certain exceptions, including those referred to below:

- Under the AIM Rules, prior shareholder approval is only required for: (i) reverse takeovers (being an acquisition or acquisitions in a twelve month period which would: (a) exceed 100 per cent. in various class tests; or (b) result in a fundamental change to the Company's business, board or voting control); or (ii) disposals which, when aggregated with any other disposals over the previous twelve months, would result in a fundamental change of business (being disposals that exceed 75 per cent. in various class tests). Under the Listing Rules, a more extensive range of transactions, including certain related party transactions, are conditional on shareholder approval and require publication of a detailed circular.
- There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to institutional investors, except when seeking admission for a new class of securities or as otherwise required by law.
- Unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities.
- Compliance with the UK Corporate Governance Code is not mandatory for companies whose shares are admitted to trading on AIM. If Admission occurs, the Company will have regard to the QCA Guidelines on corporate governance and will review its corporate governance procedures from time to time having regard to the size, nature and resources of the Company to ensure such procedures are appropriate (further details of the Company's intentions regarding its corporate governance procedures are set out in paragraph 13 of this Part I).
- The ABI Guidelines, which provide guidance on issues such as executive compensation and share-based remuneration, corporate governance, share capital management and the issue and allotment of shares on a pre-emptive or non-pre-emptive basis, do not directly apply to companies whose shares are admitted to trading on AIM.
- The AIM Rules require that AIM companies retain a nominated adviser and broker at all times. The nominated adviser has ongoing responsibilities to both the Company and the London Stock Exchange.
- There is no specified requirement for a minimum number of shares in an AIM company to be held in public hands, whereas a company listed on the Official List has to maintain a minimum of 25 per cent. of its issued ordinary share capital in public hands.
- Save in respect of Chapter 5 which relates to significant shareholder notifications, the Disclosure and Transparency Rules will no longer apply to the Company. This is because AIM is not a regulated market for the purposes of the European Union's directives relating to securities.
- Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Delisting and Admission, individuals who hold Ordinary Shares may, provided that the two years holding period is satisfied, therefore be eligible for certain inheritance tax benefits. Shareholders and prospective investors should consult their own professional advisers on

whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them.

- The cancellation may have implications for Shareholders holding shares in a Self-Invested Personal Pension (SIPP). For example, shares in unlisted companies may not qualify for certain SIPPs under the terms of that SIPP. Shareholders holding shares in a SIPP should therefore consult with their SIPP provider immediately.

The comments on the tax implications described in this Document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

Share certificates representing Ordinary Shares held in certificated form will continue to be valid and no new certificates will be issued in respect of such Ordinary Shares following a move to AIM.

In addition, the City Code on Takeovers and Mergers will continue to apply to the Company following Admission.

13. Corporate Governance

As set out in the 2012 Annual Report the Company does not currently have an audit committee or a remuneration committee. On approval by Shareholders of Resolutions 1, 3 to 5 (inclusive) and 8 and prior to its anticipated move to AIM, the Board intends to review its internal corporate governance procedures and establish financial controls and reporting procedures which are considered appropriate given the size and structure of the Company, including the establishment of audit, remuneration and AIM Rules compliance committees. These controls will be reviewed in the light of any acquisition or significant growth of the Company's operations and business and adjusted accordingly.

The Directors propose, so far as is practicable given the Company's size and nature, to comply with the QCA Guidelines. However, at present, due to the size of the Company, the Directors acknowledge that adherence to certain other provisions of the QCA Guidelines, may be delayed until such time as the Company is able to more fully adopt them.

The Company intends to hold timely board meetings as issues arise which require the attention of the Board. The Board will continue to be responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It will continue to be the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors will continue to be to act in the best interests of the Company at all times. The Board also intends to address issues relating to internal control and the Company's approach to risk management and will formally adopt an anti-corruption and bribery policy.

The Directors intend to establish a remuneration committee, an audit committee and an AIM Rules compliance committee with formally delegated duties and responsibilities. Due to the size of the Company, questions of risk management will be assessed by the entire Board.

Audit Committee

The audit committee, which will comprise the Finance Director and a Non-Executive Director, will have the primary responsibility for monitoring the quality of internal control and will ensure that the financial performance of the Company is properly measured and reported on and will review reports from the Company's auditors relating to the Company's accounting and internal controls. The committee will also be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than four times a year.

Remuneration Committee

The remuneration committee, which will comprise the Finance Director and a Non-Executive Director, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

AIM Rules Compliance Committee

An AIM Rules Compliance Committee will be established by the Company, which will comprise the Finance Director and a Non-Executive Director and at all times must comprise at least two Directors and will be responsible for ensuring that the nominated adviser and the Company maintain regular contact. The AIM Rules Compliance Committee will be given power and authority to perform, execute, deliver and/or issue all things which the AIM Rules Compliance Committee considers necessary or expedient in connection with the Admission and the Ordinary Shares trading on AIM, or any matter incidental thereto.

Share dealing code

The Company will adopt a share dealing code of Directors' dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the Directors and any relevant individuals. The share dealing code will prevent the Directors and applicable employees from dealing in Ordinary Shares during close periods in accordance with Rule 21 of the AIM Rules for Companies.

14. Current trading, prospects and strategy of the Continuing Company

The Board's expectations for the year ended 31 October 2013 remain in line with those set out in the Company's interim management statement announced on 19 September 2013, and the Company is currently trading in line with the Board's expectations.

CAS reported in its interim management statement, announced on 19 September 2013, that "the global economic slump continues to have a knock on effect on the demand for the Company's products and as a result the Directors are intent on taking the business in a different direction and are in early stage negotiations with interested parties who may wish to make use of the Company's position as a listed company."

Since the appointment of Jason Drummond to the Board, the Board has conducted a strategic review of the Company and the market in which it operates and has concluded that there are a number of ways in which the Company can be grown organically as well as by acquisition. As such, the Board intends to investigate other ways in which to sell their products and look to expand their customer base both in terms of the clothing and allied trades and directly to individuals via on-line sales. This strategy will include an emphasis on the Company's authentic British heritage. In relation to its acquisition strategy, the Board intends to negotiate with interested parties who may wish to make use of the Company's position as a quoted company. The Board does however, firmly believe that the Company will be in a better position to exploit such acquisition opportunities as a result of a move to AIM for the reasons set out in paragraph 10 of this Part I.

15. Change of Name

It is proposed that the name of the Company is changed to C A Sperati plc as a simplification of its current name.

16. General Meeting

The Notice of GM, set out at the end of this Document, convenes a GM of the Company to be held at the registered office of the Company, 54 Westcombe Hill, Greenwich, London SE10 0LR, at 11.00 a.m. on 19 December 2013.

At the GM, the Resolutions, which are set out in full in the Notice of GM, will be proposed.

17. Action to be taken

Shareholders will find enclosed with this Document a Form of Proxy for use at the GM.

Whether or not you intend to be present at the GM, you are asked to complete, sign and return the Form of Proxy to the Company Secretary (whose address is 54 Westcombe Hill, Greenwich, London SE10 0LR) as soon as possible but, in any event, so as to arrive no later than 11.00 a.m. on 17 December 2013.

The completion and return of a Form of Proxy will not preclude you from attending the GM and voting in person should you wish to do so. Accordingly, whether or not you intend to attend the GM in person, you are urged to complete and return the Form of Proxy as soon as possible.

18. Further Information

Your attention is drawn to the additional information set out in Parts II to VI of this Document. You are advised to read the whole of this Document and not merely rely on the key or summarised information in this letter.

19. Working Capital

The Company is of the opinion that the working capital available to the Continuing Company will, following Completion, be sufficient for its present requirements that is for at least 12 months following the date of this Document.

If the Disposal does not complete, the Director Facility is not put in place and the Subscription does not proceed, on the date of the GM the Company will have a negative cash balance of approximately £255,182, having taken into account the payment of immediate liabilities of approximately £371,699, of which approximately £248,282 (which includes the Disposal costs of approximately £94,912 (exclusive of recoverable VAT)) must be paid in cash, with the remaining £123,417 being settled through the issue of Ordinary Shares (in accordance with the terms of certain material contracts as further detailed in paragraphs 4.1.4, 4.1.6 and 8 of Part VI of this Document). In addition the Company has liabilities of approximately £129,272 which will be paid between one week and fourteen months of the GM. Thus there would be an immediate funding requirement of approximately £255,182 on the date of the GM, and a total funding shortfall over the fourteen month period following the GM of approximately £384,454. If certain creditors who have agreed to have their debt settled in Ordinary Shares, subject to Completion, withdraw their offer due to the Disposal not completing, the additional liability of £123,417 would be payable in cash on the date of the GM leading to these liabilities becoming payable within seven days of the GM and a total funding requirement of approximately £507,871 within fourteen months of the GM.

If the Disposal does not complete, the Director Facility is not put in place and the Subscription does not proceed, the Company will not be in a position, following the GM, to settle all its liabilities as they fall due and would need immediately to arrange alternative sources of finance in the absence of which the Company is likely to be placed into administration. In this situation, and even on the basis that Shareholders approve Resolutions 3 and 4 at the GM, the Directors do not believe that the Company has a realistic chance of raising sufficient alternative sources of finance within a timeframe likely to be required by outstanding creditors. While the Company seeks to arrange alternative sources of finance it would be dependent on the forbearance of its creditors to continue trading. The Directors have held initial discussions with the Company's creditors in relation to deferring payments due until such time as the Company's working capital would permit, however the view held by creditors and the Board is that in the absence of Completion and therefore in the absence of the Director Facility, the only realistic option would be to place the Company into administration. Therefore the chances of deferment of liabilities by creditors is low and as at the date of this Document there are no legally binding agreements in place to defer such liabilities.

If the Disposal Resolution is not approved by Shareholders the Board would consider the possibility of a fundraising, through either debt or equity. However, without the deferment of liabilities by its creditors, the Board believes that it is unlikely that there will be sufficient time for these options to be successfully concluded. Furthermore, the Board believes that there are limited funding options available to the Company given the poor trading history of the Company, the lack of assets on which funds can be secured and the cost implications of raising sufficient equity for a company with its ordinary shares traded on the Main Market of the London Stock Exchange which has a market capitalisation under £500,000, such as CAS.

In the event that the Disposal Resolution is not approved, the Disposal does not complete, creditors do not agree to defer liabilities due and alternative funding is not forthcoming, it is the Board's intention to wind up the Company using the proceeds to pay outstanding liabilities to the extent that it can.

In summary, if the Disposal Resolution is not passed the Consideration will not be received by the Company, the Subscription will not proceed and the Director Facility will not be provided and the Company will need to defer payments to all of its creditors to provide time to arrange alternative sources of finance, in the absence of which it is likely to be placed into administration.

In the event that the Disposal Resolution is not passed and the Company is to be placed into administration, it is the Company's intention to apply for the listing of its Ordinary Shares on the premium segment of the Official List and trading on the Main Market to be cancelled in accordance with the Listing Rules. In the event of an administration such cancellation will not be subject to Shareholder approval or a 20 Business Day trade out period.

Your attention is drawn to paragraph 20 of this Part I which contains the recommendation from the Board and the importance of the vote.

20. Recommendation and importance of the vote

The Board believes that the Proposals are in the best interests of the Company and its Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolutions as the Directors intend to do in respect of their own shareholdings amounting in aggregate to 14,010 Existing Ordinary Shares representing approximately 14.01 per cent. of the Company's existing issued share capital.

Shareholders should note that if the Disposal Resolution is not passed the Consideration will not be received by the Company, nor will the Director Facility be provided or the Subscription completed and the Company will need immediately to arrange alternative sources of finance, in the absence of which it is likely to be placed into administration. Therefore, the Directors believe that it is essential that the Disposal Resolution is passed by Shareholders.

In the event that the Disposal Resolution is approved, but any of Resolutions 3, 4, 5 or 8 are not, the Company will remain trading on the Main Market. As referred to in paragraph 8 of this Part I, the Board considers it is realistic to contact the major Shareholders to see whether they would sell or otherwise transfer sufficient of their Ordinary Shares to enable the minimum requirement of 25 per cent. in public hands to be met. However, if the Company is unable to achieve this, the Board does not consider there is any other realistic means to meet this ongoing listing requirement and therefore the Company will immediately apply for the listing of its Ordinary Shares on the premium segment of the Official List and trading on the Main Market to be cancelled in accordance with the Listing Rules.

In the event that the Disposal Resolution is not passed and the Company is to be placed into administration, it is the Company's intention to apply for the listing of its Ordinary Shares on the premium segment of the Official List and trading on the Main Market to be cancelled in accordance with the Listing Rules. In the event of an administration such cancellation will not be subject to Shareholder approval or a 20 Business Day trade out period.

Yours faithfully,

Jason Drummond

Non-Executive Chairman

PART II

RISK FACTORS

All of the information set out in this Document, including, but not limited to, the risks described below, should be carefully considered. If any of the following risks actually materialise, the business, financial condition and prospects of the Company and the price of the Ordinary Shares could be materially and adversely affected to the detriment of the Company, and the Shareholders, and you may lose all or part of your investment in the Ordinary Shares. The risks described below are those material risks of which the Directors are aware. However, further risks that are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material and adverse effect on the Company and its business, financial condition and prospects and the market price of the Ordinary Shares.

SECTION A: RISKS RELATING TO THE DISPOSAL

Property and Lease renewal

From, and conditional upon, Completion the Company will lease the Property for six months. The Lease is not renewable without mutual agreement of the parties thereto. The Company operates its business from, and stores stock at, the Property. On the expiration of the Lease, if a new lease of the Property is not granted, the Company will have to find alternative premises to operate from and to store stock at. The Company may not be able to find such alternative premises at all or on commercial terms which are either acceptable to, or economical for, the Company. In the unlikely situation that no such premises can be secured the Company would need to dispose of the Continuing Business or wind it up.

The Disposal may not be completed

Although the Directors believe that the Purchaser is acting in good faith, circumstances may arise in the Purchasers' financial condition or otherwise that may mean they are unable to proceed with the purchase of the Property as expected and that therefore the Disposal may not happen and that any legal rights of the Company in relation to such failure to complete may be of limited value to the Company in practice.

Inability to repay creditors if the Disposal does not proceed

If the Disposal does not proceed, the Company will retain the Property. The Disposal is required to raise funds, *inter alia*, to repay outstanding creditors. The Company currently has outstanding creditors of approximately £406,059 (of which £153,370 will be paid out of the proceeds of the Disposal with the remaining £252,689 being settled as to approximately £123,417 through the issue of Ordinary Shares (in accordance with the terms of certain material contracts as further detailed in paragraphs 4.1.4, 4.1.6 and 8 of Part VI of this Document) and £129,272, which will be due to be paid between one week and fourteen months of the GM) as well as Transaction Costs of approximately £123,436 (exclusive of recoverable VAT). If the Disposal does not proceed and the Company is unable to raise funds by, for example, further equity or debt financings, the Company will not be in a position to repay its creditors. As a consequence, the Company will no longer be able to trade as a going concern or realise its assets and discharge its liabilities in the normal course of business. Non-repayment of creditors may result in the commencement of insolvency proceedings against the Company.

The Disposal is conditional

The Disposal remains conditional on Shareholder approval. If Shareholder approval is not granted the Disposal will not proceed and the anticipated benefits for Shareholders will not be achieved.

The Property may continue to appreciate in value

There is a risk to the Company that it is selling the Property at a time when property prices are depressed and is therefore missing out on possible increases in the Property's value.

SECTION B: RISKS ASSOCIATED WITH THE PROPERTY

Damage to the Property

An unforeseen event such as a fire, or some act of God, or civil unrest could damage the Property and frustrate the sale. Although the Property is insured, there is no guarantee that the Company will be able to realise the full sale value following such an event.

SECTION C: RISKS RELATING TO THE CONTINUING COMPANY

Limitations on the Continuing Company's ability to raise additional finance

On Completion, the Company will no longer have a fixed asset on which a lender can secure its funds. This may limit the ability of the Continuing Company to raise debt finance.

Share dilution

Following Resolutions 3 and 4 being approved, the Company will be able to issue shares representing approximately 510 per cent. of the issued share capital of the Company free from pre-emption rights. Such issue may severely dilute Shareholders' holdings in Ordinary Shares.

In addition the Subscription is a non-pre-emptive offering of new Ordinary Shares and as such Shareholders are not able to participate in the Subscription. On admission to trading on the Main Market, existing Shareholders will suffer an immediate dilution of 5.42 per cent. of their interests in the Company as a result of the Subscription.

The Subscription and/or the issue of the Cornhill Shares, as well as any other new Ordinary Shares issued under the authorities granted under Resolutions 3 and 4, may also result in the value of an Ordinary Share being diluted.

SECTION D: RISKS RELATING TO THE DELISTING AND ADMISSION

Investment in AIM securities

Although the Company intends that all of the Ordinary Shares will be admitted to trading on AIM following Delisting, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies and may not provide the liquidity normally associated with the premium segment of the Official List.

Share price volatility and liquidity

The share price of AIM quoted companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some of which are specific to the Company and its operations and some of which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Additional capital requirements and dilution

The Company may require additional capital in the future for expansion, future acquisitions and/or business development. If the Company does not generate sufficient cash through its operations, it may need to raise additional capital from equity or debt sources. If additional funds are raised through the issuance of new shares or equity-linked securities of the Company, other than on a pro rata basis to existing Shareholders, the percentage of Ordinary Shares held by the existing Shareholders in the Company may be reduced. Shareholders may experience subsequent dilution and/or such securities may have preferred rights which are senior to those attached to the Ordinary Shares. Further, there can be no guarantee that further capital raisings will be successful.

PART III

SECTION A: UNAUDITED PRO FORMA STATEMENTS OF NET ASSETS AND EARNINGS

Set out below is an unaudited pro forma statement of net assets of the Company as at 30 April 2013 and an unaudited pro forma statement of earnings for the year ended 31 October 2012 (together the "Pro Forma Financial Information"). The Pro Forma Financial Information has been prepared on the basis set out in the notes below to illustrate the effect of the Disposal and Admission on the net assets of the Company had the Disposal and Admission occurred on 30 April 2013 and the earnings of the Company had the Disposal and Admission occurred on 31 October 2012. It has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. It is based on the schedules used in preparing the unaudited balance sheet and profit and loss account of the Company.

Shareholders should read the whole of this Document and not rely solely on the summarised financial information contained in Section A of this Part III (*Unaudited Pro Forma Statements of Net Assets and Earnings*) of this Document.

The report on the unaudited pro forma statements of net assets and earnings is set out in Section B of this Part III (*Accountants' Report on the Unaudited Pro Forma Statements of Net Assets and Earnings*) of this Document.

**UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF
C.A. SPERATI (THE SPECIAL AGENCY) PLC**

	<i>Net assets as at 30 April 2013 (Note 1) £</i>	<i>Disposal of Freehold Property and Admission (Note 2) £</i>	<i>Unaudited pro forma adjusted net assets of Company after the Disposal and Admission £</i>
Fixed Assets			
Tangible assets	54,779	(38,901)	15,878
Current Assets			
Stocks	57,495	–	57,495
Debtors	37,170	100,000	137,170
Cash at bank and in hand	3,408	38,194	41,602
Total Current Assets	<u>98,073</u>	<u>138,194</u>	<u>236,267</u>
Creditors			
Amounts falling due within one year	(279,658)	153,370	(126,288)
Net Current (Liabilities)/Assets	<u>(181,585)</u>	<u>291,564</u>	<u>109,979</u>
Total Assets Less Current Liabilities	<u>(126,806)</u>	<u>252,663</u>	<u>125,857</u>
Provision for liabilities	–	–	–
Net (Liabilities)/Assets	<u><u>(126,806)</u></u>	<u><u>252,663</u></u>	<u><u>125,857</u></u>

**UNAUDITED PRO FORMA STATEMENT OF EARNINGS OF C.A. SPERATI
(THE SPECIAL AGENCY) PLC**

	<i>Company earnings for the year ended 31 October 2012 £</i>	<i>Disposal of Freehold Property and Admission (Note 4) £</i>	<i>Unaudited pro forma earnings for the Company after the Disposal and Admission (Note 3) £</i>
Turnover	211,965	–	211,965
Cost of sales	(113,416)	–	(113,416)
Gross Profit	98,549	–	98,549
Administrative expenses	(420,888)	–	(420,888)
Operating Loss	(322,339)	–	(322,339)
Other operating income	2,850	252,128	254,978
Profit/(Loss) on ordinary activities before taxation	(319,489)	252,128	(67,361)
Taxation	–	–	–
Profit/(Loss) on ordinary activities after taxation	<u>(319,489)</u>	<u>252,128</u>	<u>(67,361)</u>

Notes

The Pro Forma Financial Information has been prepared on the following basis:

1. The financial information relating to the Company has been extracted without material adjustment from the unaudited financial statements of the Company as at 30 April 2013.
2. On the anticipated date of Completion, being 19 December 2013, the Company will dispose of the freehold property for a total consideration of £415,000. An adjustment has been made to reflect the Disposal as if it had taken place on 30 April 2013. An adjustment has also been made to reflect the Admission as if it had taken place on 30 April 2013. The Disposal and Admission adjustments consist of the following items:
 - a. Recognition of proceeds of £415,000, being £315,000 cash and deferred payment of £100,000 on the date falling on the earlier of ten working days after the Purchaser secures planning permission authorising redevelopment of the Greenwich Property for mixed use purposes and 12 months following Completion.
 - b. Estimated Transaction Costs relating to the Disposal of £123,436 (exclusive of recoverable VAT).
 - c. As the tax arising on the disposal of the property is £nil, no adjustment has been made. This has been calculated after taking into account indexation allowance available and expected taxable results of the current financial year.
 - d. Payment in cash of £153,370 to outstanding creditors of the Company.
 - e. Recognition of £38,194 of additional working capital available to the Company from the £315,000 cash received after the settlement of Transaction Costs of approximately £123,436 (exclusive of recoverable VAT) and outstanding creditors of £153,370 in cash.
3. An adjustment has been made to reflect the effect of the Disposal and Admission on earnings as if it had taken place on 31 October 2012. The Disposal and Admission adjustments consist of recognition of gain on disposal of £252,128, being the consideration of £415,000 less estimated Transaction Costs of £123,436 (exclusive of recoverable VAT) less the book value of the Property as at 31 October 2012 being £39,436.
4. The financial information relating to the Company has been extracted without material adjustment from the audited financial statements of the Company as at 31 October 2012.
5. No other adjustments have been made to reflect the trading or other transactions of the Company since 30 April 2013 in relation to the unaudited pro forma statement of net assets and since the 31 October 2013 in relation to the unaudited pro forma statement of earnings.
6. The pro forma statements of net assets and earnings do not constitute financial statements.
7. None of the adjustments above are expected to have a continuing impact on the Company.

SECTION B: ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENTS OF NET ASSETS AND EARNINGS



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The Directors
C.A. Sperati (The Special Agency) PLC
54 Westcombe Hill
Greenwich
London
SE10 0LR

The Directors
Beaumont Cornish Limited
Bowman House
29 Wilson Street
London
EC2M 2SJ

26 November 2013

Dear Sirs

Report on unaudited pro forma statements of net assets and earnings of C.A. Sperati (The Special Agency) PLC (the “Company”)

We report on the unaudited pro forma statements of net assets and earnings set out in Section A of Part III of the Class I circular dated 26 November 2013 (the “Circular”), which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Disposal and Admission might have affected the net assets and earnings presented on the basis of the accounting policies adopted by C.A. Sperati (The Special Agency) PLC (the “Company”) in preparing the financial statements for the year ended 31 October 2012. This report is required by Listing Rules 13.5.12R and 13.5.21R of the United Kingdom Listing Authority and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the unaudited Pro Forma Financial Information in accordance with Listing Rules 13.5.12R and 13.5.21R.

It is our responsibility to form an opinion, as required by the Listing Rules 13.5.21R and 13.5.22R as to whether the unaudited pro forma statements of net assets and earnings give a true and fair view of the financial matters set out in them and report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary Shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statements, required by and given solely for the purposes of complying with Listing Rule 13.4, consenting to its inclusion in the Circular.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation on the unaudited pro forma statements of net assets and earnings, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom the reports or opinions were addressed at the date of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the UK. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma statements of net assets and earnings with the Directors. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the UK, including the US, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the unaudited pro forma statements of net assets and earnings have been properly compiled on the basis stated; and
- (b) the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the Company's accounting policies.

Yours faithfully

PKF Littlejohn LLP

PART IV
PROPERTY VALUATION REPORT

The Directors and Shareholders
C.A. Sperati (The Special Agency) PLC
54 Westcombe Hill
Greenwich
London
SE10 0LR

The Directors
Beaumont Cornish Limited
2nd Floor, Bowman House
29 Wilson Street
London
EC2M 2SJ

25 November 2013

Dear Sirs

VALUATION REPORT

LAND AND PREMISES AT 54 WESTCOMBE HILL, GREENWICH, LONDON SE10 0LR (“Property”)

Further to your instructions as set out in our terms of engagement, dated 2 April 2013, we now enclose our valuation report in respect of the above.

INTRODUCTION

We can confirm that our valuation has been carried out in accordance with the practice statements as set out in the RICS Valuation – Professional Standards March 2012 (The Red Book) with the valuation having been prepared for the inclusion in the Class 1 Circular to Shareholders in relation to the disposal of the Property.

The Property is owned by C.A. Sperati (The Special Agency) PLC (the “Company”) and has become surplus to the business’ requirements and we are instructed to value the Property on the basis of Market Value as at 25 November 2013, with the special assumption of vacant possession.

The Property was inspected on 4 April 2013 by Peter Pain MRICS and Robert Cooper MRICS. Robert Cooper and Matthew Bailey MRICS are RICS Registered Valuers and are acting as external valuers and independent experts.

Angermann Goddard and Loyd Limited (“AGL”) have not previously provided any valuation or other advice to the Company and have not received any fee income. AGL has previously provided investment advisory services to one of the former directors of the Company, Kevin Jackson, but has not had a formal engagement or received any fees. In AGL’s most recent financial year, the fee income from the Company was nil. Therefore, Peter Pain, Robert Cooper, Matthew Bailey and AGL are deemed to be independent for the purposes of the Listing Rules made by the FCA in exercise of its functions as competent authority pursuant to Part VI of FSMA (“Listing Rules”).

LOCATION

The Property is situated at the junction of Westcombe Hill and Mayston Mews, just to the west of the A102 (Blackwall Tunnel Southern Approach) within the Royal London Borough of Greenwich in South East London.

The immediate surrounding area comprises predominantly residential accommodation with a mix of industrial, retail and leisure uses to the north and east. Westcombe Park train station is approximately 50 metres to the south west providing regular services to Central London.

DESCRIPTION

The Property comprises a part two storey, part single storey brick built light industrial premises on an irregular shaped site of approximately 0.1 hectares (0.24 acres). It is accessed via a private gated entrance with a self-contained yard area with parking.

ACCOMMODATION

We have not measured the Property but have been provided with floor areas which we have relied upon. We are advised that the Gross Internal Area, as defined by the RICS Code of Measuring Practice (6th Edition), is as follows:

	<i>Square Meters</i>	<i>Square Feet</i>
Ground Floor	325.74	3,506
First Floor	94.05	1,012
Total	<u>419.79</u>	<u>4,518</u>

TENURE

The Property is held freehold under two titles, SGL338041 and SGL237310. We have not been provided with a Report on Title but have been advised by the Company's solicitors engaged in relation to the Disposal, Wedlake Bell, that the Property has a clean and marketable title.

We understand that the Company is intending to sell the Property and simultaneously agreed a 6 month lease back with the vendor. However, we have been instructed to value the Property assuming full vacant possession (apart from an electricity sub-station located close to the entrance to the site).

PLANNING

The Property is not listed and not located in a conservation area. Westcombe Park conservation area is located just to the west.

The Royal Borough of Greenwich's Core Strategy, which sets out the strategic planning objectives for the borough sets out the borough's housing requirements with Greenwich having the second largest housing target of all London Boroughs in the Mayor of London's Draft London Plan (the framework for development in the capital over the next 20-25 years).

Policy EA(a) of The Royal Borough of Greenwich's Core Strategy protects employment sites. However, the existing buildings appear to be coming to the end of their economic life and the site appears to offer residential redevelopment potential. We have spoken to the planning officers at the Royal Borough of Greenwich who confirmed that the Council's policy was to support residential development but would not comment further on the site without a pre-application submission (a submission setting out proposals for the site which precedes any planning application).

The planning officers have stated that the site is not subject to any current planning applications and that there is no recent history of any planning applications submitted.

ENVIRONMENTAL

We have not undertaken any environmental audit or other environmental investigation or soil survey on the Property which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigations into the past or present uses of the Property, nor of any neighbouring land.

In the absence of any information to the contrary, we have assumed that there is no contamination on the site.

VALUATION

We confirm that our valuation has been undertaken in accordance with the RICS Valuation – Professional Standards manual (The Red Book) as issued in March 2012. Market Value is defined as:-

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

In considering the Property’s Market Value, with the special assumption of vacant possession, we have considered the existing use as a light industrial premises and alternative uses, however, we have concluded that the site’s highest value use is for residential development.

In considering the site as a residential development site, we have considered developments comprising both flats and houses. Policy H2 of The Royal Borough of Greenwich’s Core Strategy favours developments which include a significant proportion of 3 and 4+ bedroom units. Policy H3 states that developments of 10 or more homes will be required to provide at least 35 per cent. of the units as affordable housing.

Having had regard for achievable site densities/constraints and the Council’s current planning policy and affordable requirements, a development of houses was considered to generate a higher site value than a development of flats.

In assessing the gross development value (the total aggregate value that the completed development is likely to achieve), we have spoken to active, local estate agents and assessed comparable evidence. Agents have reported prices of circa. £650,000 being regularly achieved in the roads to the west of the subject such as Ormiston Road and Kemsing Road. However, these roads are shielded from the A102 and therefore don’t suffer from the noise from it.

Mayston Mews, directly adjacent to the subject, comprises a late 1990s development of seven three storey houses with integral garages and provides good comparable evidence. A local estate agent has reported one of the houses to have a floor area of 1,482 square feet, however, this included the garage and so after making a deduction for this, the area can be estimated at circa. 1,200 square feet. The estate agent has reported two sales in the last year for £420,000 and £435,000 which would equate to £350-£363 per square foot. We have been unable to confirm these sale prices but have been able to confirm other sales from Land Registry.

Sales from Land Registry:-

Address	Date	Price (£ per square foot)
3 Mayston Mews	Jan-12	£412,500 (£343.75)
5 Mayston Mews	Sep-11	£412,500 (£343.75)
4 Mayston Mews	Jan-12	£412,500 (£358.33)



Mayston Mews

Having had regard for the above, we have estimated that around 8,600 square feet could be constructed in fewer than 10 units (avoiding any requirement to build affordable units) which we consider could obtain a value in the order of £350 per square foot.

We have appraised the site on the basis of a land residual, where a developer calculates the end development value and then deducts costs and a suitable level of profit to get to an end value that he or she can pay for the site. We have allowed for developer’s profit at 17.5 per cent. of total costs and then discounted the land price by 20 per cent. to reflect that the site doesn’t benefit from a residential planning consent.

Based on the above, we are of the opinion that the current Market Value of the Property is in the order of £430,000 (Four Hundred and Thirty Thousand Pounds).

We are of the opinion that the current Market Value without the special assumption of vacant possession will also be £430,000 (Four Hundred and Thirty Thousand Pounds) as potential purchasers would be aware that the Company is intending to leave the premises.

No allowance has been made for taxation which may arise on disposal, nor for costs associated with the disposal.

RELIANCE & PUBLICATION

This report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents. With the exception of the Class 1 Circular of the Company and being placed on the Company's website and on display in accordance with the Listing Rules, neither the whole nor any part of this report nor any references thereto may be included in any published document without our prior written approval of the form and context in which it will appear.

Yours faithfully

ROBERT COOPER MRICS

MATTHEW BAILEY MRICS

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PART V

SECTION A: SUMMARY OF THE NEW ARTICLES OF ASSOCIATION

1. Objects

Section 31 of the Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles. The New Articles do not contain any restrictions on the objects of the Company.

2. Rights attaching to Ordinary Shares

2.1 Voting rights

Subject to the provisions of the Act and the New Articles and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands, every member who (being an individual) is present in person has one vote. On a vote on a show of hands, a proxy appointed by one member has one vote and a proxy appointed by more than one member has one vote, if instructed to vote in the same way by all those members, and is entitled to one vote for and one vote against, if instructed to vote in different ways by those members. On a poll, every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A member of the Company shall not (unless the Board be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting (or at any separate meeting of the holders of any class of shares) of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid.

2.2 Dividends

Subject to the provisions of the Act and the New Articles and to any special rights attaching to any shares, the Company may, by ordinary resolution, declare that out of profits available for distribution dividends be paid to members of the Company according to their respective rights and interests in the profits of the Company. However, no such dividend shall exceed the amount recommended by the Directors. Interim dividends may be paid provided that they appear to the Directors to be justified by the profits available for distribution and the position of the Company.

Except as otherwise provided by the New Articles or by the rights attached to shares, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid.

Unless otherwise provided by the rights attached to any share, no dividends payable by the Company shall bear interest as against the Company.

The Company in general meeting may, on the recommendation of the Directors, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid shares or debentures of any other company.

The Board may, with the prior authority of an ordinary resolution of the Company and provided the Company has sufficient undistributed profits or reserves to give effect to it, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid in whole or in part instead of cash in respect of the whole or some part of any dividend specified in the resolution.

Any dividend unclaimed for a period of 12 years after having become due for payment shall (if the Directors so resolves) be forfeited and shall revert to the Company.

2.3 Return of capital

On a winding-up of the Company, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which, at the commencement of the winding up, is paid up on their respective shares or the liquidator may, with the sanction of a special resolution of the Company

(and any other sanction required by law), divide amongst the members in specie the whole or any part of the assets of the Company in such manner as shall be determined by the liquidator.

3. Allotment of shares

Subject to the provisions of the Act and to any relevant authority of the Company in general meeting, unissued shares of the Company as at the date of adoption of the New Articles and any shares thereafter created are at the disposal of the Directors. The Directors may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them, or grant rights to subscribe for or convert any security into shares, to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Director may decide, provided that no share shall be issued at a discount. The allotment of securities under the New Articles are subject to the statutory rights of pre-emption under section 561 of the Act.

4. Transfer of shares

Save in the case of shares which have become participating securities for the purposes of the CREST Regulations, title to which may be transferred by means of a relevant system such as CREST without a written instrument, all transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Directors. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The Board may, in its absolute discretion, refuse to register any transfer of certificated shares unless it is:

- 4.1 in respect of a share which is fully paid up;
- 4.2 in respect of a share on which the Company has no lien;
- 4.3 in respect of only one class of shares;
- 4.4 in favour of a single transferee or not more than four joint transferees;
- 4.5 duly stamped (if so required); and
- 4.6 delivered for registration to the registered office of the Company (or such other place as the Directors may from time to time determine) accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that the Directors may not exercise such discretion in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

The Board shall register a transfer of title to any uncertificated share, except that the Directors may refuse (subject to any relevant requirements of the London Stock Exchange) to register the transfer of an uncertificated share which is in favour of more than four persons jointly or in any other circumstances permitted by the CREST Regulations.

If the Directors refuses to register a transfer of a share it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for refusal.

5. Disclosure of interests in shares

The provisions of rule 5 of the Disclosure and Transparency Rules of the FCA govern the circumstances in which a person may be required to disclose his interests in the share capital of the Company. *Inter alia*, this requires a person who is interested in 3 per cent. or more of the voting rights in respect of the Company's issued ordinary share capital to notify his interest to the Company (and above that level, any change in such interest equal to 1 per cent. or more). In addition, the City Code contains further provisions pursuant to which a person may be required to disclose his interests in the share capital of the Company.

Pursuant to the New Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed

period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Directors may, at least 14 days after service of the notice, serve on the holder of such default shares a notice (“disenfranchisement notice”) pursuant to which the following sanctions shall apply:

- 5.1 the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- 5.2 where the default shares represent at least 0.25 per cent. in nominal value of their class:
any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
 - the member is not in default as regards supplying the information required; and
 - the member proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

6. Purchase of own shares

Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

7. Variation of rights

Subject to the provisions of the Act and of the New Articles, if at any time the share capital of the Company is divided into shares of different classes, any of the rights attached to any share or class of share in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class duly convened and held as provided in the New Articles (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation.

The quorum for such separate general meeting of the holders of the shares of the class shall be not less than two persons present holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question.

8. General meetings

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Directors may determine. The Board may convene any other general meeting whenever it thinks fit. A general meeting shall also be convened by the Directors on the requisition of members in accordance with the Act.

A general meeting of the Company (other than an adjourned meeting) shall be called by notice of:

- in the case of an annual general meeting, at least 21 clear days; and
- in any other case, at least 14 clear days.

The accidental omission to give notice of a general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person(s) entitled to receive the same shall not invalidate the proceeding at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given.

No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the New Articles, two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum.

With the consent of any general meeting at which a quorum is present the chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time (or indefinitely) and from place to place as he shall determine. The chairman may, without consent of the meeting, interrupt or adjourn any general meeting if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is otherwise properly disposed of.

Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more, in which case at least 7 clear days' notice is required. No business shall be dealt with at any adjourned meeting, the general nature of which was not stated in the notice of the original meeting.

As to the proceedings of general meetings, the Directors may direct that members or proxies or duly authorised representatives wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Directors shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to such general meeting to any member, proxy or duly authorised representative who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

9. Board authorisation of conflicts

Subject to and in accordance with the Act and the provisions of the New Articles, the Directors may authorise any matter or situation in which a Director of the Company has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company. Any such authorisation shall be effective only if:

- 9.1 any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested Director;
- 9.2 the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director; and
- 9.3 the conflicted Director has disclosed in writing all material particulars of the matter, office, employment or position which relates to the matter or situation which is the subject of the conflict or possible conflict.

10. Directors' interests

Provided permitted by any relevant legislation and provided that he has disclosed to the Directors the nature and extent of his interest in accordance with the New Articles, a Director, notwithstanding his office:

- 10.1 may be party to or otherwise interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
- 10.2 may hold any other office or position of profit under the Company (except that of auditor of the Company or of any subsidiary of the Company) and may act by himself or through his firm in a professional capacity for the Company;

- 10.3 may be a member of or a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- 10.4 shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate,

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, payment or benefit and the receipt of any such dividend, profit, remuneration, payment or benefit shall not constitute a breach of duty not to accept benefits from third parties as set out in section 176 of the Act.

11. Directors' ability to vote and count for quorum

A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Directors or any committee of the Directors concerning any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest, save that a Director shall be entitled to vote and be counted in the quorum in respect of any resolution at such meeting if the resolution relates to one of the following matters:

- 11.1 the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- 11.2 the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- 11.3 where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- 11.4 relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing 1 per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- 11.5 relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- 11.6 concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors;
- 11.7 the funding of expenditure by one or more Directors in defending proceedings against him or them or doing anything to enable such Directors to avoid incurring such expenditure provided that such funding is consistent with, or no more beneficial to him or them than the provisions of the New Articles and is permitted pursuant to the provisions of the relevant legislation; or
- 11.8 the giving of an indemnity or indemnities in favour of one or more Directors which is/are consistent with, or no more beneficial to him or them than any such indemnities provided pursuant to the New Articles (and provided such indemnities are permitted pursuant to the relevant legislation).

A Director may not vote or be counted in the quorum on any resolution of the Directors or committee of the Directors concerning his own appointment as the holder of any office or position of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors to offices or position of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered

in relation to each Director. In such case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

12. Directors

The Directors (other than alternate directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Directors may from time to time determine (not exceeding £200,000 per annum in aggregate or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Directors may determine or, in default of such determination, equally (save where any Director has held office for less than the whole of the relevant period in respect of which the fees are paid).

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of his duties as Director. If by arrangement with the Directors any Director performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Directors may from time to time determine.

13. Pensions and benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or who has at any time been a Director or any director of a subsidiary company of the Company or allied to or associated with the Company or such subsidiary or predecessor in business of the Company or any such subsidiary (and for any member of his family including a spouse or former spouse or civil partner or former civil partner or any person who is or was dependent on him). For this purpose the Directors may, *inter alia*, establish, maintain, subscribe and contribute to any scheme, institution, club, trust or fund and pay premiums.

14. Indemnification of Directors

Subject to, and to the fullest extent permitted by, law, every Director and every director of any associated company, former Director, alternate director secretary or other officer of the Company (other than an auditor) shall be fully indemnified out of the assets of the Company against all or any part of any costs, charges, losses, damages and liabilities incurred by him in relation to anything done, omitted or alleged to have been done by him in the actual or purported execution or discharge of his duties or exercise of his powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme, subject to the exclusions set out in the New Articles.

15. Borrowing powers

Subject to the provisions of the Act and to the provisions set out in the New Articles, the Directors may exercise all the powers of the Company to borrow money to guarantee, to indemnify and to mortgage or charge its undertaking, property assets (present or future) and uncalled capital, or any part or parts thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

The aggregate principal amount at any one time outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company, exceed the greater of £20,000,000 or an amount equal to 2.5 times the aggregate of:

- 15.1 the amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- 15.2 the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries, whether or not distributable (including any share premium account, capital redemption

reserve fund or revaluation reserve and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the income statement of the Company and its subsidiaries, all as shown in the relevant balance sheet of the Company and its subsidiaries but after any adjustments, exclusions and deductions as set out in the New Articles.

SECTION B: EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

1. Articles with duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Act are mainly amended to bring them into line with the Act. This is in line with the approach advocated by the UK Government that statutory provisions should not be duplicated in a company's constitution. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, the requirement to keep accounting records and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

Generally the opportunity has been taken to make the New Articles clearer and in some areas to conform the language of the New Articles with the Act.

2. The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope. The Act significantly reduces the constitutional significance of a company's memorandum. The Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in a company. Under the Act the objects clause and all other provisions which are currently contained in a company's memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company's articles of association but the company can remove these provisions by special resolution.

Further the Act states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Act, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 5 confirms the removal of these provisions for the Company. As the effect of this Resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the Shareholders.

3. Authorised share capital

The Current Articles limit the nominal amount of shares which the Directors can allot. In the New Articles, such limit has been removed with the effect that the Company's share capital is unlimited. Shareholder authority will still be required to allot shares.

4. Power to issue redeemable shares

Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, the New Articles, unlike the Current Articles, allow redeemable shares to be issued and the Directors may determine the terms, conditions and manner of redemption of any such redeemable shares before they are allotted.

5. Share warrants

The New Articles permit the Directors to issue share warrants in respect of any fully paid shares. The Current Articles do not contain such a provision.

6. Renunciation of shares

The New Articles permit the Directors to recognise a renunciation by an allottee of shares in favour of another person before such allottee is entered into the register of members. The Current Articles do not contain such a provision.

7. Power to deal with fractional entitlements

The New Articles update the Current Articles by permitting the Directors to deal with fractional entitlement of shares as they think fit (including consolidating them) and selling them where such fractional entitlements arise following any consolidation, division or sub-division of shares.

8. Purchase of own shares

The Current Articles do not allow the funds of the Company to be employed in the purchase of the shares of the Company.

Subject to the requirements of the Act, the New Articles provide the Company with the power to enter into any contract for the purchase of any of its own shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares.

9. Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Act and the New Articles have been updated to comply with the Act.

10. Calls of shares

Under the Current Articles, the interest payable on outstanding calls is 10 per cent. per annum. Under the New Articles, this has been increased to a maximum of 15 per cent. per annum. If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay all reasonable costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment.

The New Articles limit the rights of a Shareholder when a call remains unpaid. No member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or by proxy, or be counted in a quorum or to exercise any other privilege as a Shareholder unless and until he has paid all calls due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

Under the New Articles, any sum payable in respect of shares on allotment or at any fixed date shall be deemed to be a call duly made.

The New Articles permit the Directors to make arrangements on the allotment or issue of shares for any difference between the allottees or holders of such shares in the amount and time of payment of calls.

Under the New Articles, the Directors may, if they think fit, receive from any member willing to advance it, all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish only to the extent of liability on the shares on which it is made. The Company may pay interest on the money paid in advance or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made up to a maximum of 15 per cent. per annum as the Directors may decide until and to the extent that it would, but for the advance, become payable. The Directors may also at any time repay the amount so advanced on giving to such member not less than 14 clear days' notice in writing of the intention to do so, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

11. Forfeiture

The New Articles update the Current Articles by allowing forfeited shares to be deemed to belong to the Company and to be sold, re-allotted or otherwise disposed of by the Company.

12. Transfer of shares

The Current Articles have been amended to allow shares to be transferred in both certificated and uncertificated form. In particular, changes in the New Articles are in preparation for title in uncertificated shares to be eligible to be traded through, or held in, an electronic settlement system. Under the New Articles each Shareholder may transfer all or any of his shares, in the case of certificated shares, by instrument of transfer in writing in any usual form or in any form approved by the Directors, or, in the case of uncertificated shares, without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

13. Right to refuse registration of certificated share transfer

Under the Current Articles, the Directors may decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve.

Under the New Articles, the Directors may in their absolute discretion refuse to register any transfer of a certificated share unless it is:

- 13.1 in respect of a share which is fully paid up;
- 13.2 in respect of a share on which the Company has no lien;
- 13.3 in respect of only one class of shares;
- 13.4 in favour of a single transferee or not more than four joint transferees;
- 13.5 duly stamped (if so required); and
- 13.6 delivered for registration to the registered office, or such other place as the Directors may from time to time determine, accompanied (except in the case of a transfer by a financial institution where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so;

provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

14. Right to refuse registration of an uncertificated share transfer

The New Articles update the Current Articles, by providing a right to refuse the registration of an uncertificated share transfer. The Directors shall register a transfer of title to any uncertificated share or the renunciation or transfer of any renounceable right of allotment of a share which is a participating security held in uncertificated form in accordance with the Uncertificated Regulations, except that the Directors may refuse to register any such transfer or renunciation which is in favour of more than 4 persons jointly or in any other circumstance permitted by the Uncertificated Regulations.

15. Transmission of shares

The New Articles remove the requirement in the Current Articles for a fee to be paid, as the Directors may determine from time to time, in respect of the registration of any person becoming entitled to any shares by way of transmission.

The New Articles provide that, on the death of a Shareholder, the survivors or survivor where he was a joint holder and his executors or administrators where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares.

The New Articles differ from the Current Articles, as under the New Articles:

- 15.1 where a person is entitled to a share by transmission, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other

moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share except that he shall not before he is registered as the holder of the share be entitled in respect of it to give notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company; and

- 15.2 the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.

16. General meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Act. In particular a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

The New Articles differ from the Current Articles by permitting notice of a general meeting to be given in electronic form as well as by means of a website as an alternative to hard copy form.

17. Proceedings at general meetings

Under the Current Articles the quorum for a general meeting is set at three persons. Under the New Articles, the quorum for a general meeting is set at two Shareholders and no business shall be transacted at any general meeting unless a quorum is present.

Under the New Articles if within fifteen minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. The Current Articles provide that, if within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved.

Subject to the provisions of the Act, the New Articles provide that a general meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Directors) may determine (being not less than seven nor more than twenty-eight days thereafter). They also provide that, if, at such adjourned meeting, a quorum is not present within fifteen minutes from the time appointed for the holding of that meeting, one member present in person or by proxy shall be a quorum but, where no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, such adjourned meeting shall be dissolved.

18. Inadequate meeting place

The New Articles introduce new provisions to deal with inadequate meeting place of a general meeting. If it appears to the Chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the Chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

19. Votes of members

The New Articles differ from the Current Articles by permitting, in respect of uncertificated shares, the appointment of a proxy by means of an electronic communication in the form of an uncertificated proxy instruction and will also permit Shareholders to vote by electronic means accessible to all members.

Under the Act proxies are entitled to vote on a show of hands whereas the Current Articles only permit proxies to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Act. Section 327 of the Act states that any provision of the company's articles which requires any appointment of a proxy to be received by the company more than 48 hours before the time of the meeting, is void. In contrast to the Companies Act 1985, section 327 of the Act provides that weekends, Christmas Day, Good Friday and any bank holiday may be excluded from counting towards this 48 hour period. Under section 330 of the Act, unless notice of termination of a proxy's authority is given before the meeting starts, the proxy's actions at a meeting are valid. A longer period, of up to 48 hours before the meeting (excluding weekends, Christmas Day, Good Friday and bank holidays), can be specified by the company's articles. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised). The New Articles reflect all of these new provisions.

Under the New Articles a resolution put to a vote of a general meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded the New Articles update the Current Articles by providing that. Subject to the provisions of the Act and the provisions for class meetings, a poll may be demanded by the Chairman of the meeting or by more than five people present or by a proxy and entitled to vote, or by:

- 19.1 a member or members present in person or by proxy representing more than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- 19.2 a member or members present in person or by proxy holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to more than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares).

20. Disclosure of interest in shares

The Current Articles do not contain any provisions regarding the disclosure of interests in shares as required under the provisions of rule 5 of the Disclosure and Transparency Rules of the FCA or pursuant to section 793 of the Act. The New Articles contain provisions regarding the effect of not complying with a notice issued by the Company under section 793 of the Act and the sanction the Company may apply if it serves a disenfranchisement notice.

21. Proxies

The New Articles differ from the Current Articles by permitting, in respect of uncertificated shares, the appointment of a proxy by means of an electronic communication in the form of an uncertificated proxy instruction and will also permit Shareholders to vote by electronic means accessible to all members.

22. Disenfranchisement

The New Articles introduce new rules regarding disenfranchisement in relation to the Company.

Pursuant to the New Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of the notice or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Directors may, at least 14 days after service of the notice, serve on the holder of such default shares a notice ("disenfranchisement notice") pursuant to which the following sanctions shall apply:

- 22.1 the member shall not, with effect from the service of the disenfranchisement notice, be entitled in respect of the default shares to be present or to vote (either in person or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

- 22.2 where the default shares represent at least 0.25 per cent. in nominal value of their class:
- (A) any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
 - (B) subject, in the case of uncertificated shares to the CREST Regulations, no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:
 - the member is not in default as regards supplying the information required; and
 - the member proves to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

The above sanctions shall also apply to any shares in the Company issued in respect of the default shares (whether on capitalisation, a rights issue or otherwise) unless a separate notice is issued in respect of such further shares.

23. Untraceable members

The New Articles have implemented new procedures relating to untraceable members. Under the New Articles, the Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- 23.1 during the period of 12 years prior to the date of the publication of the advertisements in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area in which the last known address of such member or person appeared by advertisements giving notice of the Company's intention to sell such shares, no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person, provided that during such period of 12 years at least 3 cash dividends (whether interim or final) in respect of the shares in question have become payable and no such dividend during that period has been claimed by the person entitled to it;
- 23.2 during the further period of 3 months following the date of publication of the said advertisements (or, if published on different dates, the later or latest of them) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- 23.3 the Company has given notice in accordance with the regulations of the relevant regulatory authority of its intention to make such sale and shall, if appropriate, have obtained the approval of the relevant regulatory authority to the proposed form of the said advertisement, if shares of the class concerned are admitted to a securities list and/or a recognised investment exchange.

To give effect to any sale of shares of untraced members the Directors may, in the case of certificated shares, authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the relevant register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee and, in the case of uncertificated shares, exercise any power conferred on it.

24. Number of Directors

The number of Directors of the Company has been amended under the New Articles.

Under the Current Articles the number of Directors shall not be more than five nor less than two, but the continuing or actual Directors may act notwithstanding any vacancy in their body, provided that if the number of the Board be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or convene a General Meeting of the Company for the purpose of making such appointment.

Under the New Articles, unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than two or more than seven. Not less than one third of this number shall consist of non-executive Directors.

25. Eligibility of new Directors

The New Articles differ from the Current Articles introducing eligibility criteria for new Directors. No person other than a Director retiring at the meeting (whether by rotation or otherwise) shall be appointed or re-appointed a Director at any general meeting unless:

- 25.1 he is recommended by the Directors; or
- 25.2 not less than 7 nor more than 35 clear days before the date appointed for the meeting, notice, duly executed by a member (other than the person to be proposed) qualified to vote at the meeting, has been given to the Company of the intention to propose that person for appointment or re-appointment stating the particulars which would if he were so appointed or re-appointed be required to be included in the Company's register of Directors together with notice executed by that person of his willingness to be appointed or re-appointed is lodged at the Company's registered office.

26. Directors' qualifying shareholdings

The New Articles differ from the Current Articles by no longer requiring Directors to hold shares.

27. Resolution for appointment

The New Articles set out a new requirement that a resolution for the appointment of 2 or more persons as Directors by a single resolution shall not be moved unless an ordinary resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against. Any resolution moved in contravention of this provision shall be void.

28. Re-appointment

The New Articles expand upon the mechanism for re-appointment of a Director as is provided under the Current Articles. A Director who retires at an annual general meeting of the Company (whether by rotation or otherwise) may, if willing to act, be re-appointed. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy created by his retirement, the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is expressly resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost or unless the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or unless the default in filling the vacancy is due to the moving of a resolution in contravention of the mechanism for appointment by resolution set out under the New Articles.

29. Timing of retirement

The New Articles differ from the Current articles by stipulating that the retirement of any Director retiring at an annual general meeting shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his reelection is put to the meeting and lost in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

30. Removal by ordinary resolution

The New Articles introduce removal of Directors by ordinary resolution. This is in compliance with the Act. The Company may by ordinary resolution (of which special notice has been given in accordance with Section 312 of the Act) remove any Director before the expiration of his period of office notwithstanding anything in the New Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may by ordinary resolution appoint another person at that meeting who is willing to act to be a Director in his place.

Under the New Articles, any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy.

31. Vacation of office by Director

The New Articles expand upon the circumstances contained in the Current Articles for vacation of office by a Director.

Under the Current Articles a Director may vacate his office if he delivers a written resignation; is requested by all his co-Directors to resign; ceases to be a Director under the relevant Act; becomes bankrupt; becomes of unsound mind or fails to attend meetings of the Directors for six successive months and the Board resolve that his office be vacated. The New Articles stipulate that on vacation of office by adding the following circumstances in addition to the above:

- 31.1 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or
- 31.2 he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director of the Company; or
- 31.3 the conduct of that Director (whether or not concerning the affairs of the Company) is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office (or any successor body or body equivalent in any foreign jurisdiction thereto) and the Directors shall resolve that it is undesirable that he remains a Director; or
- 31.4 notice is given to terminate his contract of employment or engagement with the Company where he is in breach of such contract; or
- 31.5 he has been disqualified from acting as a director.

32. Alternate Directors

In addition to the provisions for the appointment of alternate Directors contained in the Current Articles, the New Articles set out the following provisions in relation to alternate Directors:

- 32.1 no appointment of an alternate Director shall be effective until his consent to act as a Director has been received at the office;
- 32.2 an alternate Director shall be subject in all respects to the provisions of the New Articles relating to Directors and shall be deemed for all purposes to be a Director;
- 32.3 an alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director; and
- 32.4 however, an alternative Director shall not, unless the Company by ordinary resolution otherwise determines, be entitled to receive from the Company any fees for his services as alternate except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to the New Articles, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

33. Directors' remuneration, expenses and pensions

Under the Current Articles, each of the Directors (other than the Chairman) shall be paid out of the funds of the Company by way of remuneration for his services a sum at the rate of £50 per annum and the Chairman at the rate of £100 per annum.

The New Articles have increased Director's remuneration so that all of the Directors in aggregate (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Directors may determine (not exceeding £200,000 per annum in aggregate or such other sum as the Company in general meeting shall determine).

Under the Current Articles there are no clauses for additional remuneration of Directors. The New Articles set out a new framework for additional remuneration. If, by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary, commission, participation in profits or otherwise) as the Directors may determine. The Current Articles do not make a differentiation between the remuneration of executive and non-executive Directors. Under the New Articles, the salary or remuneration of any Director appointed to hold any employment or executive office may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Directors and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the New Articles.

34. Pensions and other benefits

The Current Articles do not contain any provision in relation to pensions and other benefits. The New Articles set out a framework for such pensions and other benefits to be paid to the Directors.

Under the New Articles, the Directors may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits as well as, amongst others, provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for the benefit of any person who is or has at any time been a Director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse or civil partner or former civil partner) and any person who is or was dependent on him.

Under the New Articles, the Directors may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with, any of the aforesaid matters or bodies.

The New Articles further provide that any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the New Articles and shall not be obliged to account for it to the Company.

35. Powers of executive Directors

The Current Articles do not differentiate between the powers of executive and non-executive Directors.

The New Articles include a new provision in relation to the powers of executive Directors. The Directors are permitted to delegate or entrust to and confer on any Director holding executive office (including a Managing Director) such of its powers, authorities and discretions (with power to subdelegate) for such time on such terms and subject to such conditions as it thinks fit; and revoke, withdraw, alter or vary all or any of such powers.

36. Delegation to committees

The Current Articles contain a broad provision in respect of establishment of committees. Under the Current Articles, the Directors may delegate any of their powers to committees consisting of such members of their body as they think fit. Furthermore, under the Current Articles, all committees shall in the exercise of the powers delegated to them, and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and may regulate their proceedings in the same manner as the Directors may do.

The New Articles expand upon these provisions. The Directors are provided with a further discretion to sub-delegate such time on such terms and subject to such conditions as they consider fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

- 36.1 a majority of the members of a committee shall be Directors; and
- 36.2 no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

Furthermore, under the New Articles, the scope of the committees is substantially widened. The Directors may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part.

37. Power of attorney

Under the Current Articles, the power of attorney permitted to be granted by the Directors relates to local management. The New Articles provide that the power of attorney granted to the Directors has been substantially expanded as follows:

- 37.1 the Directors may by power of attorney or otherwise appoint any company, firm, person or persons including registrars to be the agent or attorney of the Company and may delegate (with power to sub-delegate) to any such agent or attorney or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, any of its powers, authorities and discretions, in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as the Directors think fit; and
- 37.2 the Directors may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that respect and may from time to time revoke, withdraw, alter or vary any of such powers; and
- 37.3 any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Directors may think fit.

38. Associate Directors

The New Articles introduce new provisions relating to associate Directors. Under the New Articles, the Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word “director” or attach to any existing office or employment with the Company such designation or title and may define, limit, vary or restrict the powers, authorities and discretions of persons so appointed and may terminate any such appointment subject to any contract between him and the Company or the use of such designation or title.

The New Articles differ from the Current Articles by providing that the inclusion of the word “director” in the designation or title of any such office or employment shall not imply that such person is or is deemed to be or is empowered in any respect to act as a Director or a member of any committee of the Directors of Directors for any of the purposes of the Act or the New Articles.

39. Exercise of voting power

The New Articles introduce a new provision in respect of the exercise of the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised by the Company in such manner in all respects as the Directors may think fit.

Furthermore, the New Articles provide that the Board may exercise any power conferred on the Company by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

40. Overseas registers

The New Articles introduce a new provision relating to overseas registers. Subject to the Act and the Uncertificated Regulations, the Directors may exercise the powers conferred on the Company with regard to the keeping of an overseas branch register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

41. Borrowing powers

The Current Articles provide that the Directors’ borrowing powers are limited to the borrowing or raising of any sums of money upon or by the issue or sale of any bonds, debentures, mortgages, debenture stock or

securities and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may consider proper.

The New Articles extend the Directors' borrowing powers so that the Directors may also exercise all powers of the Company to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets and uncalled capital.

Under the Current Articles, the aggregate sum or sums of money so borrowed or raised by the Company or its subsidiaries including borrowings from its Bankers or others in the ordinary course of business (but exclusive of intercompany borrowings) shall not exceed the nominal amount of the share capital of the Company for the time being issued and paid up.

As regards the New Articles, the Directors shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to secure (and as regards its subsidiary undertakings in so far as it can secure by such exercise) that the aggregate principal amount at any one time outstanding in respect of moneys borrowed by the Company's group (exclusive of moneys borrowed by one group company from another and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed the greater of £20,000,000 and an amount equal to 2.5 times the adjusted capital and reserves (as defined under the New Articles).

The Current Articles provide that the Directors are required to keep a proper register at the registered office of the Company . The fee to be paid by any person other than a creditor or member of the Company for each inspection of the register of mortgages to be kept under the Act, shall be the sum of one shilling.

The New Articles reflect the provisions under Section 876 of the Act whereby every company must keep a register of charges at its registered office but inspection of the information set out therein is made freely available to those who request such an inspection.

42. Certification

The New Articles introduce a mechanism whereby the auditors of the Company will provide a report or certificate as to the amount of the adjusted capital and reserves (as defined in the New Articles) or the amount of moneys borrowed falling to be taken into account to the effect that the limit imposed has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact.

43. Bona fide estimate

The New Articles also introduce a provision relating to a bona fide estimate. The Directors may at any time act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves (as defined in the New Articles) and if in consequence of the limitations on borrowing powers is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the auditors or otherwise the Directors become aware that such a situation has or may have arisen.

44. Exceeding limits

The New Articles differ from the Current Articles by stipulating that no debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by the New Articles shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

45. Notice of Board meetings

The Current Articles stipulate that one Director may, and the Company Secretary shall, at the request of a Director, at any time summon a meeting of the Directors, giving at least two days' notice, and stating the

object of the meeting. Pursuant to the Current Articles, it shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom.

Under the New Articles, one Director may and the Company Secretary may at the request of the Director shall summon a Board meeting at any time with notice of a Board meeting being deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing (whether in hard copy form or electronic form) to him at his last known address or any other address (including electronic address) given by him to the Company.

In relation to Directors outside the UK, the New Articles set out that it shall not be necessary to give notice of a Board meeting to a Director who is absent from the UK unless he has requested in writing to the Directors that notices of board meetings shall during his absence be given to him at any address in the UK (or any electronic address) notified to the Company for this purpose or by telephone where he has notified the Company of the relevant telephone number for such purpose but he shall not in such event be entitled to a longer period of notice than if he had been present in the UK.

46. Chairman of Board and other offices

The Current Articles do not make any provision for specific offices held in the Company. The New Articles lay down the remit for the following roles:

Chairman of the Board

- 46.1 Under the New Articles, the Directors shall appoint any Chairman, joint Chairman or Deputy Chairman of the Directors and shall determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected or if at any meeting neither a Chairman nor a Deputy Chairman is present within fifteen minutes of the time appointed for holding it, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of 2 or more Joint Chairmen or in the absence of a Chairman, two or more Deputy Chairmen being present, the Joint Chairman or Deputy Chairman to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office under the Company.

Chief Executive

- 46.2 Under the New Articles and subject to the Act, the Directors may appoint one or more of their number to any office or employment under the Company (including, but without limitation, that of Chief Executive, Managing Director or Joint Managing Director but not including that of auditor), and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director and may also permit any person appointed to be a Director to continue in any office or employment held by him before he was so appointed. Any such appointment, agreement or arrangement may be made for such period and upon such terms as the Directors determine.

In relation to the above, the New Articles also set out the scope of the powers attached to the above offices. The Directors may entrust to and confer upon any Director holding any such office or employment any of the powers exercisable by them as Directors with power to sub-delegate upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, authorities and discretions, and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

Furthermore, under the New Articles unlike the Current Articles, the Directors may remove a Director from any office and appoint another in his place and a Director appointed to the office of Chairman, Deputy Chairman, Managing Director, Chief Executive or any other executive office shall automatically and immediately cease to hold that office if he ceases to hold the office of Director for any cause.

47. Participation by telephone and electronic mail

The New Articles introduce new provisions relating to the participation in a Board meeting by telephone and electronic mail. Under the New Articles, any Director or his alternate may validly participate in a meeting of the Directors or a committee of the Directors (if he is entitled to participate in such meeting) through the medium of conference telephone or electronic mail or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting or are able to receive communications from each of the other Directors participating in the meeting.

48. Board authorisation of conflicts, Directors' interests and ability to vote and count for quorum

The Current Articles do not contain provision authorising any matter or situation in which a Director has, or can have, a direct or indirect interests that conflicts, or may possibly conflict, with the interests of the Company. In line with section 175 to 180 of the Act, the New Articles contain provisions where such authorisation may be effective and also, provided it is permitted by any relevant legislation and a Director has disclosed to the Directors the nature and extent of his interest in accordance with the New Articles, what interests of a Director, notwithstanding his office, are permissible. The New Articles also expand on when a Director is permitted to vote and count for quorum in respect of any resolutions of the Directors concerning any transaction or arrangement with the Company in which he has an interest which may be reasonably regarded as likely to give rise to a conflict of interest.

49. Execution of deeds without sealing

The New Articles update the Current Articles by providing that a document signed by a Director and by the Company Secretary, or two Directors or by a Director in the presence of a witness who attests the signature and expressed (in whatever form of words) to be executed by the Company as a deed, shall have the same effect as if it were executed under the seal.

50. Dividends

The New Articles clarify that the Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant or money order (or in respect of any uncertificated share, through the uncertificated system). The New Articles also update the Current Articles by permitting payment of dividends in currencies other than sterling.

The New Articles differ from the Current Articles in that if cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on 2 consecutive occasions the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

The Current Articles provide that all dividends unclaimed for one year, after having been declared, may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed whereas the New Articles state that the Company shall not be constituted a trustee in respect thereof and all dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

The New Articles update the Current Articles by providing that the waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law) and delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

51. Accounting records

The provision in the Current Articles requiring the Board to keep accounting records has been updated in the New Articles and shortened in line with the Act.

52. Electronic and web communications

The Act enables companies to communicate with members by electronic and/or website communications. The New Articles continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

53. Distribution of assets otherwise than in cash

The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

54. Directors' indemnities

The Current Articles have been updated so that the Directors' and other officers' of the Company indemnity provisions have been updated in line with the Act.

The Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

The New Articles, subject to the provisions of the Act, permit the Company to indemnify its current, former and alternate Directors and officers (and those of associated companies) out of the assets of the Company against any costs, charges, losses damages and liabilities incurred in their role as such a Director or officer provided that such indemnity does not extend to any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company of which he is a director or against any liability:

- 54.1 of his to pay any fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
- 54.2 incurred by him in defending criminal proceedings in which he is convicted, in defending civil proceedings brought by the Company (or any associated company) in which judgment is given against him or in connection with an application for relief under the provisions referred to in Section 234(6), in which the court refuses to grant him relief (and for these purposes, a reference to a conviction, judgment or refusal of relief shall bear the meaning set out in Sections 234(4) and 234(5)); or
- 54.3 incurred by him in connection with the Company's or any associated company's activities as trustee of an occupational pension scheme and which is a liability;
 - (a) to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
 - (b) incurred in defending criminal proceedings in which he is convicted (within the meaning of Section 235(5)).

The indemnity provisions in the New Articles no longer extend to heirs, executors and administrators of such Directors and officers.

In line with the Act, the indemnity provision in the New Articles is also extended to include the discharge by any Director or other officer of the Company (and those of associated companies) in discharge of their duties or exercise of their powers in relation to the Company or in connection with the Company's activities as trustee of any occupational pension scheme (as defined in section 235(6) of the Act).

The Company is also permitted, again subject to the Act, to meet any expenditure incurred or to be incurred by its current, former and alternate Directors incurred or to be incurred by him:

- 54.4 for the purposes of enabling them to perform their duties as such;
- 54.5 in defending any criminal or civil proceedings in connection to any alleged negligence, default, breach of duty or trust in relation to the Company or any associated company;
- 54.6 in connection to any application for relief under the provisions referred to in section 205(5) of the Act;
- 54.7 defending any investigation or action by any regulatory authority in connection to any alleged negligence default, breach of duty or trust in relation to the Company or any associated company; and/or
- 54.8 do anything to enable such person to avoid incurring such expenditure.

55. Record dates

The New Articles introduce new provisions relating to the record date of the Company. The Company or the Directors may fix any date (being the "record date") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular. Such record date may be on or at any time within six months before any date on which such dividend, distribution, interest, allotment, issue, notice, information, document or circular is declared, paid, made, or sent or supplied.

PART VI

ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors of the Company, whose names appear on page 6 of Part I of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors (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.

2. The Company

- 2.1 The Company's legal and commercial name is C.A. Sperati (The Special Agency) PLC.
- 2.2 The Company was incorporated and registered in England and Wales under the Companies Act 1900 as a private limited company on 1 March 1907 with registered number 00092343. The Company was re-registered as a public company on 1 March 1982 under the Companies Act 1948.
- 2.3 The registered office, principal place of business and head office of the Company is 54 Westcombe Hill, Greenwich, London SE10 0LR. The telephone number of the Company's registered office is +44 (0) 20 8858 7069. The Company is domiciled in England.
- 2.4 The business address of each of the Directors is at the Company's head office and principal place of business (as detailed in paragraph 2.3 of this Part VI).
- 2.5 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

3. Consents

- 3.1 Beaumont Cornish has given and has not withdrawn its written consent to the inclusion in this Document of the references to its name in the form and context in which they are included.
- 3.2 PKF Littlejohn LLP has given and has not withdrawn its written consent to the inclusion in this Document of its reports included in Part III of this Document and the references to its name in the form and context in which they are included.
- 3.3 Angermann Goddard & Loyd has given and has not withdrawn its written consent to the inclusion in this Document of the property valuation report included in Part IV of this Document and the references to its name in the form and context in which they are included.

4. Material contracts

- 4.1 The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or the Continuing Company (as appropriate): (i) within the period of two years immediately preceding the date of this Document and that are, or may be, material to the Company or the Continuing Company (as appropriate); or (ii) that contain any provision under which the Company or the Continuing Company (as appropriate) has any obligation or entitlement that is material to the Company or the Continuing Company (as appropriate) at the date of this Document:
 - 4.1.1 the Principal Agreement (as amended by the Supplemental Agreement) in respect of the Disposal of the Property, details of which are set out in paragraph 3 of Part I of this Document;
 - 4.1.2 the Lease of the Property to the Company details of which are set out in paragraph 3 of Part I of this Document;
 - 4.1.3 (a) an agreement dated 25 October 2012 relating to the loan from Kevin D.G. Jackson (a former Director) to the Company of the principal sum of £50,000 for the period of 12 months accruing interest at a rate of 9 per cent. per annum; and

- (b) a loan of £5,000 accruing interest at a rate of 15 per cent. with a minimum interest payment of £100 per month made by Kevin D. G. Jackson (a former Director) on 25 March 2013;
- 4.1.4 a letter of agreement dated 5 September 2013 between the Company and Cornhill Capital Limited (“Cornhill”) whereby Cornhill has agreed to receive 400,000 New Ordinary Shares at a price of 4 pence per such share (totalling £16,000) in (i) full and final payment for previous work done in connection to services provided under or in connection to Cornhill’s engagement letter with the Company dated 17 October 2011 and (ii) to terminate such engagement;
- 4.1.5 an agreement dated 8 August 2013 relating to an interest free and unsecured loan from Teather & Greenwood Ltd (a company wholly owned by Jason Drummond) to the Company of the principal sum of £12,000 for a period of 18 months convertible into a maximum of 300,000 New Ordinary Shares if not repaid within 18 months or on the occurrence of certain investment events;
- 4.1.6 a settlement agreement dated 21 November 2013 between the Company and Kevin D.G. Jackson (a former Director) relating to the termination of his employment with the Company under which the following terms have been agreed in full and final settlement of any claim he may have in respect of such termination:
- (a) he shall receive the sum of £20,000 no later than seven days following the completion of the Disposal;
 - (b) subject to Admission and the Capital Reorganisation having occurred, he shall be:
 - (i) issued New Ordinary Shares having an aggregate value of £44,000 on the first placing of the New Ordinary Shares following Admission;
 - (ii) granted a warrant to subscribe for New Ordinary Shares having an aggregate value of £40,000 for a period of three years from 21 November 2013;
 in each case such shares to be issued or exercised at the first placing price;
 - (c) on Completion, his loans as summarised in paragraph 4.1.3 of this Part VI shall be repaid in the sum of £60,200 in full and final settlement thereof; and
 - (d) he shall be reimbursed within seven days of completion of the Disposal for expenses incurred by him during the course of his employment in the sum of £3,259, having claimed such expenses through the Company’s normal procedures.
- 4.1.7 an agreement dated 25 November 2013, which is conditional on approval of the Disposal Resolution, relating to (i) an unsecured loan by Teather & Greenwood Ltd (a company wholly owned by Jason Drummond (a Director)) to the Company of up to a maximum principal sum of £75,000 accruing interest at the rate of 9 per cent. per annum on the monies drawn down and outstanding from time to time, with such principle and interest being repayable on 1 July 2015 and (ii) an arrangement fee of £25,000, conditional on Admission, payable by the Company to Jason Drummond to be satisfied by the issue of new Ordinary Shares, at a price of £4 per such shares (or, instead, following the Capital Reorganisation the issue of New Ordinary Shares at a price of 4 pence per such New Ordinary Share);
- 4.1.8 a warrant deed dated 25 November 2013 between the Company and Beaumont Cornish Limited (“Beaumont Cornish”) whereby Beaumont Cornish has agreed to receive 525,000 warrants over New Ordinary Shares (or 5,250 warrants over Ordinary Shares if Resolution 2 is not approved) exercisable from Admission for five years at a price of 4 pence per New Ordinary Share (or £4.00 per Ordinary Share if Resolution 2 is not approved) (totalling in value £21,000) in consideration for deferred fees (including VAT) amounting to the sum of £21,000 until the earlier of (1) receipt by the Company of the deferred consideration payable to it by the Purchaser in relation to the Disposal; (2) the Company raising new capital either on Admission or while on AIM; and (3) 12 months from the date of Completion; and
- 4.1.9 the Subscription Agreement in respect of the proposed Subscription of the Subscription Shares, details of which are set out in paragraph 9 of Part 1 of this Document.
- 4.2 As at the date of this Document there are no contracts, other than those entered into in the ordinary course of business, other than the Principal Agreement and the Supplemental Agreement, details of which are set out in paragraph 4.1 above, that have been entered into by the Company in respect of the Property: (i) within the period of two years immediately preceding the date of this Document and

that are, or may be, material to the Property; or (ii) that contain any provision under which the Property has any obligation or entitlement that is material to the Property at the date of this Document:

5. Litigation

- 5.1 Save as set out in paragraph 5.2 below, there have been no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Continuing Company's financial position or profitability.
- 5.2 Nabarro LLP has claimed that the sum of £11,000 ("Outstanding Amount") is owed to it in respect of its professional legal services provided to the Company. On 11 July 2013, an equitable charge was created over the Property by an interim charging order awarded by the County Court to Nabarro LLP on 28 June 2013 in respect of such Outstanding Amount. The Company intends to pay the Outstanding Amount from the sale proceeds realised from the Disposal.
- 5.3 Save as set out in paragraph 5.2 above, there have been no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Property's financial position or profitability.

6. Significant change

- 6.1 There has been no significant change in the financial or trading position of the Continuing Company since 30 April 2013 (being the date to which the last unaudited interim accounts of the Company were prepared).
- 6.2 There has been no significant change in the financial or trading position of the Property since 25 November 2013 (being the date to which the Property valuation report, as set out in Part IV of this Document, was prepared).

7. Working capital statement

The Company is of the opinion that the working capital available to the Continuing Company will, following Completion, be sufficient for its present requirements that is for at least 12 months following the date of this Document.

8. Directors' service agreements and terms of appointment

The Directors have entered into service contracts with the Company, details of which are summarised as follows (unless otherwise stated, salaries are subject to review by the Board from time to time):

<i>Director</i>	<i>Position</i>	<i>Contract date</i>	<i>Notice period</i>	<i>Unexpired term</i>	<i>Annual salary</i>	<i>Allowances & benefits (excluding pension)</i>
Jason Drummond	Non-Executive Chairman	12 August 2013	12 months	Rolling	£45,000*	Not applicable
Oliver Fattal	Chief Executive Officer	23 November 2012	12 months	Rolling	£35,000	Not applicable**
Richard Woodbridge	Finance Director	23 November 2012	12 months	Rolling	£35,000	Not applicable**

*Increasing to £65,000 gross per annum on the completion of an investment into the Company or acquisition by the Company in each case equal to or greater than £3,000,000.

**The agreements of Oliver Fattal and Richard Woodbridge provide for the relevant Director to receive a conditional bonus. Each of Oliver Fattal and Richard Woodbridge is entitled to a bonus if the Company is sold, or is subject to a reverse takeover or similar change of control. Under these circumstances, if the Company's share price has reached £10.00 per Ordinary Share then Oliver Fattal shall be entitled to a bonus of £40,000 and Richard Woodbridge £25,000. If the Company's share price has reached £15.00 per Ordinary Share then Oliver Fattal shall receive a bonus of £80,000 and Richard Woodbridge £50,000. Both Oliver Fattal and Richard Woodbridge have agreed to waive their respective entitlements to these conditional bonuses.

Both Oliver Fattal and Richard Woodbridge are each owed the sum of £55,416 as accrued and outstanding salary for the period of 19 months from 1 March 2012 to 30 September 2013. Oliver Fattal and Richard Woodbridge have agreed with the Company that 50 per cent. of such outstanding accrued salary (amounting to the sum of £27,708 each) shall be paid in cash in monthly instalments over a period of 10 months commencing on completion of the Disposal and the remainder (again amounting to the sum of £27,708 each) shall be satisfied by the issue of 692,700 New Ordinary Shares to each of them at a price of 4 pence per such New Ordinary share (subject to (i) sufficient Shareholder authority existing at the relevant time; (ii) such exercise not triggering a mandatory offer under Rule 9 of the City Code; and (iii) such issue not requiring a prospectus under section 85 of FSMA or any other applicable law or regulation).

Both Oliver Fattal and Richard Woodbridge have agreed that they will not receive any salary for the period from 1 October 2013 to 1 July 2015.

Each of the service agreements allows the Company to place the Directors on “garden leave” for up to a maximum of twelve months in the event a Director has given, or is given, notice to terminate their employment.

Under the terms of Jason Drummond’s letter dated 12 August 2013 appointing him as Non-Executive Chairman, if any of his annual fee remains outstanding (“Outstanding Fee”) for the period of one month once due and payable, he shall be entitled to be granted an option to subscribe for Ordinary Shares in the Company in an amount equal to such Outstanding Fee (but the exercise of such option shall be subject to (i) sufficient Shareholder authority existing at the relevant time; (ii) such exercise not triggering a mandatory offer under Rule 9 of the City Code; and (iii) not requiring a prospectus under section 85 of FSMA or any other applicable law or regulation). In calculating the aggregate value of such Ordinary Shares subject to such option, the middle market price for the period of 30 days prior to the day before such shares are to be issued shall be used.

Other than payment in lieu of notice, the Directors are not entitled to receive any compensation on termination of their appointment and are not entitled to participate in the Company’s share, bonus or pension schemes.

9. Director interests

A list of the Directors of the Company is shown on page 6 of this Document. The interests in the Company’s Existing Ordinary Shares of the Directors as at the Last Practicable Date and on completion of the Proposals and following the issue of the Subscription Shares and the Cornhill Shares, were as follows:

<i>Director</i>	<i>Number of existing Ordinary Shares</i>	<i>Percentage of existing share capital</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of New Ordinary share capital</i>
Jason Drummond*	nil	nil	nil	nil
Oliver Fattal*	14,000	14.00%	1,400,000	12.80%
Richard John Woodbridge*	10	0.01%	1,000	0.01%

*please refer to paragraph 4.1.5 of this Part VI in respect of a convertible loan between the Company and Teather & Greenwood Ltd (a Company wholly owned by Jason Drummond) and paragraph 8 of this Part VI in respect of the option over Ordinary Shares to be granted to Jason Drummond in the circumstances and on the terms summarised in that paragraph and the number of Ordinary Shares to be issued to Oliver Fattal and Richard John Woodbridge in respect of outstanding and accrued salary owed to each of them.

10. Major Shareholders

In addition to the Directors' shareholdings shown above, the Company has been notified under Chapter 5 of the Disclosure and Transparency Rules of the following interests in 3 per cent. or more of its Existing Ordinary Shares as at the Last Practicable Date and on completion of the Proposals and following the issue of the Subscription Shares and the Cornhill Shares:

<i>Shareholder</i>	<i>Number of existing Ordinary Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Number of New Ordinary Shares</i>	<i>Percentage of New Ordinary share capital</i>
John Alexander	16,484	16.48%	1,648,400	15.07%
Barnard Nominees	14,464	14.46%	1,446,400	13.22%
Baron Bloom	7,200	7.20%	720,000	6.58%
Bella Bloom	6,700	6.70%	670,000	6.12%
Gilt Fund Securities	6,922	6.92%	692,200	6.33%
Angela Nash	16,484	16.48%	1,648,400	15.07%

11. Related party transactions

Details of related party transactions the Company has entered into:

- 11.1 during the financial year ended 31 October 2011 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 on page 10 of the Company's 2011 annual report and accounts.
- 11.2 during the financial year ended 31 October 2012 are disclosed in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002 in note 23 on page 31 of the Company's 2012 annual report and accounts.

The Company did not enter into any related party transactions during the financial year ended 31 October 2010.

Subject to the accrued salaries owed to Kevin D.G Jackson (a former Director), Richard Woodbridge and Oliver Fattal as respectively set out in paragraphs 4.1.6 and 8 of this Part VI and loans from Kevin D. G. Jackson and Teather & Greenwood Ltd (a company wholly owned by Jason Drummond (a Director)) as respectively set out in paragraphs 4.1.3 and 4.17 of this Part VI the Company has not entered into any related party transactions between 31 October 2012 and the date of this Document.

12. Bases and sources

The information in this paragraph 12 is not audited and has not been reported on by an accountant.

12.1 *Existing issued share capital*

References to the existing issued share capital of the Company are references to Existing Ordinary Shares in issue on the Last Practicable Date, being 100,000 Existing Ordinary Shares. As at the Last Practicable Date, the Company did not hold any Existing Ordinary Shares in treasury.

12.2 *Outstanding creditors and working capital*

- (a) The outstanding creditors amount of approximately £406,059 has been calculated by reference to an internal aged creditor analysis generated as at 10 October 2013 together with liabilities recorded within the Company's accounting records as at 30 September 2013 as updated for known transactions exclusive of any outstanding costs relating to the Disposal and Admission which are detailed separately.
- (b) The negative cash balance of approximately £255,182 should the Disposal not complete, the Director Facility is not put in place and the Subscription does not proceed has been calculated as the cash balance as at 30 November 2013, per management projections, less the Disposal proceeds payable on Completion of £315,000.

- (c) The immediate liabilities payable by the Company of approximately £371,699 have been calculated based on agreed balances with trade creditors of approximately £161,831, Directors accrued remuneration of approximately £26,251 agreed to be payable immediately in cash, loans (plus accrued interest) from Kevin D.G. Jackson of £60,200, and £123,417 of liabilities due to be settled in Ordinary Shares.
- (d) The £248,282 due to be paid in cash of the immediate liabilities detailed in 12.2 (c) above, is calculated on the total immediate liabilities of approximately £371,699 less £123,417 which will be settled in Ordinary Shares.
- (e) The £123,417 of immediate liabilities to be settled in Ordinary Shares is based on agreements with creditors.
- (f) The liabilities of £129,272 which will be paid between one week and fourteen months of the GM have been calculated with reference to the Company's projected liabilities of £406,059 less amounts settled from net proceeds of £153,370, less liabilities agreed to be settled in Ordinary Shares of £123,417.
- (g) The total funding shortfall over the fourteen month period following the GM of approximately £384,454, should the Disposal not complete, the Director Facility is not put in place and the Subscription does not proceed, is calculated based on the immediate shortfall of approximately £255,182 plus the creditors not paid from proceeds of the Disposal of approximately £129,272.
- (h) The total funding requirement, should the Disposal not complete, the Director Facility is not put in place and the Subscription does not proceed, of approximately £507,871 has been calculated as the immediate funding shortfall of approximately £255,182 plus creditors not paid from the proceeds of the Disposal of £129,272 and liabilities currently being settled in Ordinary Shares of £123,417.

12.3 **Net assets and earnings per share**

In this paragraph 12.4 the comparative calculations per New Ordinary Share were calculated based on the new ordinary share capital of 10,000,000 New Ordinary Shares (not including the issue of the Cornhill Shares or the Subscription Shares).

- (a) The calculation of net assets per share on the Disposal and Admission of 125.9 pence per Existing Ordinary Share was calculated based on the existing share capital of 100,000 Existing Ordinary Shares and the revised equity of £125,857 as per the pro forma statements of net assets and earnings set out in Part III of this Document.
- (b) The calculation of net liabilities per share of 126.8 pence per Existing Ordinary Share if the Disposal and Admission did not occur was calculated based on the existing share capital of 100,000 Existing Ordinary Shares and the net liabilities of £126,806 as reported in the Company's unaudited interim accounts for the six month period ended 30 April 2013.
- (c) The calculation of loss per share on the Disposal and Admission of 67.4 pence per Existing Ordinary Share was calculated based on the existing share capital of 100,000 Existing Ordinary Shares and the revised loss of £67,361 as per the pro forma statements of net assets and earnings set out in Part III of this Document.
- (d) The calculation of loss per share of 319.5 pence per Existing Ordinary Share if the Disposal and Admission did not occur was calculated based on the existing share capital of 100,000 Existing Ordinary Shares and the annual loss of £319,489 as reported in the Company's audited annual accounts for the year ended 31 October 2012.

12.4 **Director and majority shareholdings**

- (a) The unaudited calculation of Directors' interests has been assessed based on the number of Existing Ordinary Shares currently held against the level of issued share capital in the Company as at the Last Practicable Date.

- (b) The disclosure and calculation of major Shareholders has been assessed on number of Existing Ordinary Shares currently held by major Shareholders against the level of issued share capital in the Company as at the Last Practicable Date.

12.5 **Net Cash Proceeds**

The defined term of Net Cash Proceeds has been calculated by subtracting the Transaction Costs (being approximately £123,436 (exclusive of recoverable VAT)) from the total Consideration payable (being £415,000).

12.6 **Presentation of financial information**

Various figures and percentages in this Document have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this Document may vary slightly from the actual arithmetical totals of such data.

13. **Information incorporated by reference**

Information from the following documents has been incorporated into this Document by reference:

<i>Document containing information incorporated by reference</i>	<i>Paragraph in which the document is referred to</i>	<i>Where the information can be accessed by Shareholders</i>
Company's 2012 annual report and accounts (note 23 on page 31)	Paragraph 11.2 of this Part VI	http://www.casperatiplc.com/investorinfo/CASperati(TSA)PLC-Accounts31102012.pdf
Company's 2011 annual report and accounts (page 10)	Paragraph 11.1 of this Part VI	http://www.casperatiplc.com/investorinfo/CASperati(TSA)PLC-Accounts31102011.pdf
Unaudited interim accounts of the Company for the six month period ended 30 April 2013	Part III	http://www.casperatiplc.com/investorinfo/2012InterimannouncementV8FINAL.pdf
Audited accounts of the Company for the year ended 31 October 2012 – profit and loss account (Page 17)	Part III – Unaudited pro forma statement of earnings of C.A. Sperati (The Special Agency) PLC.	http://www.casperatiplc.com/investorinfo/CASperati(TSA)PLC-Accounts31102012.pdf
Unaudited interim accounts of the Company for the six month period ended 30 April 2013 – balance sheet (Page 4)	Part III – Unaudited pro forma statement of net assets of C.A. Sperati (The Special Agency) PLC.	http://www.casperatiplc.com/investorinfo/2012InterimannouncementV8FINAL.pdf

A copy of each of the documents listed above has been filed with the FCA and are also available for inspection in accordance with paragraph 14 below.

14. **Documents available for inspection**

Copies of the following documents (which will also be available on the Company's website www.casperatiplc.com.) will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Document until the conclusion of the GM on 19 December 2013 and for at least 15 minutes before and during the GM:

- 14.1 the memorandum and Current Articles;
- 14.2 the audited accounts of the Company for the financial years ended 31 October 2010, 31 October 2011 and 31 October 2012;
- 14.3 the unaudited interim accounts of the Company for the six month period ended 30 April 2013;
- 14.4 the written consents referred to in paragraph 3 above;
- 14.5 the valuation report set out in Part IV of this Document;

- 14.6 the Accountants' report on the unaudited pro forma statements of net assets and earnings and the unaudited pro forma statements of net assets and earnings as set out in Part III of this Document;
- 14.7 the Principal Agreement;
- 14.8 the Supplemental Agreement;
- 14.9 the Company's Interim Management Statement as published on 18 March 2013;
- 14.10 the Company's Interim Management Statement as published on 19 September 2013;
- 14.11 the New Articles showing the proposed amendments to the Company's Current Articles; and
- 14.12 this Document.

Dated: 26 November 2013

C.A. SPERATI (THE SPECIAL AGENCY) PLC

(Incorporated and registered in England & Wales under the Companies Act 1900 with registered number 00092343)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the registered office of the Company 54 Westcombe Hill, Greenwich, London SE10 0LR, at 11.00 a.m. on 19 December 2013 for the purpose of considering and, if thought fit, passing the following resolution of which resolutions 1 to 3 will be proposed as ordinary resolutions and resolutions 4 to 8 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

As special business, to consider and, if thought fit, pass the following resolution:

1. **THAT** the proposed Disposal by the Company of the Property (as defined in the circular to Shareholders dated 26 November 2013, a copy of which has been produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification only (the "Circular")) in the manner and on the terms and conditions of the Disposal and which, as described in the Circular, comprises a class 1 transaction under the Listing Rules, be and is hereby approved and that the Directors be and are hereby authorised to take all such steps as may be necessary or desirable in relation thereto and to carry the same into effect with such modifications, revisions or amendments provided such modifications, variations or amendment are not of a material nature, as they shall deem necessary or desirable.

As ordinary business, to consider and, if thought fit, pass the following resolutions:

2. THAT the entire issued share capital of the Company being 100,000 ordinary shares of 50 pence each in the capital of the Company be subdivided and reclassified as 10,000,000 ordinary shares of 0.5 pence each in the capital of the Company, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of 50 pence each in the capital of the Company prior to such subdivision and reclassification as set out in the Company's articles of association from time to time and the time being.
3. THAT the Directors be generally and unconditionally authorised to allot equity securities (as defined by section 551 of the Companies Act 2006) up to an aggregate nominal amount of £255,000 to enable, *inter alia*, the allotment of new ordinary shares, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of its passing save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

4. THAT, subject to the passing of resolution 3, the Directors be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred by resolution 3, as if section 561 of the Companies Act 2006 did not apply to any such allotment, including for the purposes of the allotment of new ordinary shares to be issued, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £255,000.

The power granted by this resolution shall expire on the fifth anniversary of its passing (unless renewed, varied or revoked by the Company prior to or on such date) 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 equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561 of the Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

5. THAT:

5.1 the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's articles of association; and

5.2 the new articles of association produced to the meeting as summarised in the circular to Shareholders dated 26 November 2013, and for the purposes of identification initialled by the Chairman of the meeting, be adopted as the articles of association of the Company in substitution for, and to the exclusion of all existing articles of association of the Company.

6. THAT the holding of general meetings on 14 clear days' notice (as opposed to annual general meetings which will still require 21 clear days' notice) be approved.

7. THAT the name of the Company be changed to "C A Sperati plc".

8. THAT, subject to and conditional upon the passing of resolutions 1 and 3 to 5 (inclusive), the Directors be and are hereby authorised to cancel the listing of the Ordinary Shares in the capital of the Company on the Official List of the Financial Conduct Authority and to remove such Ordinary Shares from trading on the London Stock Exchange's Main Market for listed securities and to apply for admission of the said Ordinary Shares and any Ordinary Shares issued between the date of this General Meeting and the date of admission to trading on AIM, a market operated by London Stock Exchange plc ("AIM"), to trading on AIM.

BY ORDER OF THE BOARD

Richard Woodbridge, *Finance Director*
26 November 2013

Registered Office
54 Westcombe Hill,
Greenwich,
London SE10 0LR

Notes:

1. A member entitled to attend and vote at the General Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the General Meeting. A member can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the General Meeting for your vote to be counted. Appointing a proxy does not preclude you from attending the General Meeting and voting in person.
3. A Form of Proxy which may be used to make this appointment and give proxy instructions accompanies this Notice of GM. Details of how to appoint a proxy are set out in the notes to the Form of Proxy. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company Secretary at the Registered Office of the Company 54 Westcombe Hill, Greenwich, London SE10 0LR.
4. In order to be valid an appointment of proxy must be returned (together with any authority under which it is executed or a copy of the authority certified) in hard copy form by post, by courier or by hand to the Registered Office of the Company 54 Westcombe Hill, Greenwich, London SE10 0LR.
5. To change your proxy instructions you may return a new proxy appointment as per note 4 above. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact the Company Secretary at the Registered Office of the Company 54 Westcombe Hill, Greenwich, London SE10 0LR. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
6. A copy of this Notice of GM has been sent for information only to persons who have been nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person"). The rights to appoint a proxy cannot be exercised by a Nominated Person: they can only be exercised by the member. However, a Nominated Person may have a right under an agreement between him and the member by whom he was nominated to be appointed as a proxy for the General Meeting or to have someone else so appointed. If a Nominated Person does not have such a right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.
7. To be entitled to attend and vote at the General Meeting, members must be registered in the register of members of the Company at 11.00 a.m. on 17 December 2013 (or, if the meeting is adjourned, 48 hours prior to the adjourned meeting time). Changes to entries on the register after this time shall be disregarded in determining the rights of persons to attend or vote (and the number of votes they may cast) at the meeting or adjourned meeting.
8. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.
9. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
10. As at 25 November 2013 (being the last Business Day prior to the publication of this Notice of GM), the Company's existing issued share capital consists of 100,000 ordinary shares of 50 pence each with voting rights. Therefore, the number of total voting rights in the Company is 100,000.
11. The contents of this Notice of GM, contains details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, the total voting rights that members are entitled to exercise at the General Meeting, details of the totals of the voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice of GM will be available on the Company's corporate website: www.casperatiplc.com.
12. You may not use any electronic address provided in this Notice of GM to communicate with the Company for any purposes other than those expressly stated.
13. As soon as practicable following the General Meeting, the results of the voting at the General Meeting in respect of the resolutions will be announced via a regulatory information service.

