

## SHORE CAPITAL GROUP LIMITED

*(a non cellular company limited by shares registered in the Island of Guernsey with registration number 51355)*

(the “**Company**”)

### Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the Company will be held at 10 a.m. on Thursday 28 December 2017 at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB (the “**Annual General Meeting**”) for the following purposes:

#### Ordinary Business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

- 1 To receive the Accounts for the year ended 31 December 2016, together with the reports of the Directors and Auditors thereon.
- 2 To re-elect Howard Shore as a director who retires by rotation pursuant to article 15.1 of the Company's Articles of Incorporation and, being eligible, offers himself for re-election.
- 3 To re-appoint Deloitte LLP as Auditors of the Company and to authorise the Directors to determine their remuneration.

#### Special Business

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

- 4 To renew the authority of the Company, in accordance with Section 315 of The Companies (Guernsey) Law, 2008, as amended (the “**Law**”), to make market acquisitions (within the meaning of Section 316 of the Law) of each class of its own shares in issue from time to time (the “**Shares**”) provided that:
  - (i) the maximum number of Shares hereby authorised to be purchased shall be such number as shall be equal to 14.99 per cent. of the issued share capital of the Company (excluding shares held as treasury shares) as at the date of the Annual General Meeting;
  - (ii) the minimum price (exclusive of expenses) which may be paid for a Share shall be £0.01 (one pence);
  - (iii) the maximum price which may be paid for a Share of the relevant class is an amount not more than 5 per cent. above the average of the market value of those Shares for the 5 business days before the purchase is made; and
  - (iv) the authority hereby conferred shall expire at the earlier of the conclusion of the Company's next annual general meeting or 27 March 2019, unless such authority is varied, revoked or renewed prior to such date by an ordinary resolution of the members of the Company.

Any Shares bought back by the Company will be cancelled or held as treasury shares.

To consider and, if thought fit, pass the following resolution as a special resolution:

- 5 To authorise the Directors to allot shares for cash as though the rights of pre-emption granted pursuant to Article 3.8 of the Company's Articles of Incorporation did not apply:
  - (i) in connection with a rights issue to existing shareholders (to allow the Directors to take action to overcome certain practical difficulties which could arise in that scenario), and

- (ii) up to 2,157,332 Ordinary Shares based on the net issued share capital as at 13 December 2017 being the last practicable date prior to the posting of this Notice, being 10 per cent. of the net current issued share capital of the Company (to give the Directors some flexibility in financing business opportunities as they arise),

provided that the authority hereby conferred shall expire at the earlier of the conclusion of the Company's next annual general meeting or 27 March 2019, unless such authority is varied, revoked or renewed prior to such date by a special resolution of the members of the Company.

## BY ORDER OF THE BOARD

Lynn Bruce  
Company Secretary  
Dated: 14 December 2017

**Registered Office:**  
Martello Court  
Admiral Park  
St Peter Port  
Guernsey  
GY1 3HB

## Notes:

- 1 The Accounts for the period ended 31 December 2016, together with the reports of the Directors and Auditors thereon, have been posted to shareholders and have been published on the Company's website and may be viewed at <http://www.shorecap.co.uk/media/a41b4d0494.pdf>.
- 2 A member who is entitled to attend and vote at this Annual General Meeting may appoint one or more proxies to attend and vote on his/her behalf. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. In the case of joint holders the form of proxy may be signed by any of the joint holders and the names of all joint holders should be shown. In the event that joint holders submit more than one proxy form in relation to the same shares, the vote tendered by the senior holder who tenders a vote shall be accepted to the exclusion of all other joint holders, and for this purpose seniority shall be determined by the order in which the names of the holders appear in the register of members in respect of the share. If you require additional proxy forms, please contact the Company's registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY on 0370 707 4040 or you may photocopy this form.
- 3 Such a proxy need not be a member of the Company.
- 4 To be valid, a Form of Proxy must be lodged with the Company's registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so that it is received no later than 10 a.m. on 22 December 2017. A Form of Proxy for use by shareholders is enclosed with this Report. Completion of the Form of Proxy will not prevent a shareholder from attending the Annual General Meeting and voting in person.
- 5 In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that (i) if a corporate shareholder has appointed the chairman of the Annual General Meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the Annual General Meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Annual General Meeting but the corporate shareholder has not appointed the chairman of the Annual General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

- 6 The quorum for the Annual General Meeting is two Shareholders entitled to vote. The majority required for the passing of the ordinary resolutions is a simple majority of votes cast for each resolution. The majority required for the passing of the special resolution is not less than 75 per cent. of the votes cast for that resolution.
- 7 At the Annual General Meeting, the Resolutions shall be decided on a show of hands (unless a poll is demanded) and on a show of hands every Shareholder who is present in person or by proxy shall have one vote.
- 8 Resolution 2: Information about the Director who is proposed by the Board for re-election at the Annual General Meeting is shown on page 14 of the Annual Report and Accounts 2016.
- 9 In accordance with Article 12.1 of the Company's Articles of Incorporation, only those members entered on the Company's register of members as at 6 pm on 22 December 2017 or, if the Annual General Meeting is adjourned, shareholders entered on the Company's register of members as at 6 pm on the second Business Day (as defined in the articles of incorporation of the Company) before the day fixed for the adjourned Annual General Meeting shall be entitled to attend and vote at the Annual General Meeting.

## **Explanation of Special Business**

### **Explanation of Resolutions 4 and 5 to be proposed at the Annual General Meeting**

Set out below is a brief explanation of the resolutions comprising special business to be proposed at the Annual General Meeting.

#### **Resolution 4**

In certain circumstances it may be advantageous for the Company to purchase its own shares. Resolution 4, which will be proposed as an ordinary resolution, would give the Board authority from shareholders to do so. Such authority will expire on the earlier of the date of the next Annual General Meeting or 27 March 2019. The Directors intend to exercise this power only if and when, in the light of market conditions prevailing at the time, they believe that the effect of such purchases would be in the best interests of the Company and shareholders generally. Any shares purchased in this way will be cancelled (in which case the number of shares in issue will be accordingly reduced) or held by the Company as treasury shares.

This resolution specifies the maximum number of shares which may be acquired (being 14.99 per cent. of the Company's issued shares as at the date of the resolution) and the maximum and minimum prices at which they may be bought.

Currently 1,007,727 Ordinary Shares are reserved for the exercise of options granted under the Company's Share Option Plan which equates to 4.46 per cent. of the Company's issued share capital. This percentage would increase to 5.21 per cent. if the authority to purchase the Company's own shares is exercised in full.

#### **Resolution 5**

Resolution 5 will be proposed as a special resolution and would give the Directors authority to allot shares for cash as though the rights of pre-emption granted pursuant to Article 3.8 of the Company's Articles did not apply:

- a) in connection with a rights issue to existing shareholders (to allow the Directors to take action to overcome certain practical difficulties which could arise in that scenario such as arrangements to deal with fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange), and
- b) up to 2,157,332 Ordinary Shares based on the net issued share capital as at 13 December 2017 being the last practicable date prior to the posting of this notice, being 10 per cent. of the net current issued share capital of the Company (to give the Directors some flexibility in financing business opportunities as they arise).

This authority would expire on the earlier of the date of the next Annual General Meeting or 27 March 2019. The Directors have no present intention of exercising this authority.