

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document and what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying proxy form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold part of your holding, please consult the stockbroker, bank or other agent through whom the sale was effected.

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**Circular to Shareholders of**  
**HIGHWAY CAPITAL PLC**

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 02991159)*

**Notice of Annual General Meeting**

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Notice of the Annual General Meeting of Highway Capital plc, to be held at the offices of Walker Crips Group plc, 2nd Floor, Finsbury Tower, 103-105 Bunhill Row, London EC1Y 8LZ at 12 noon on 28 August 2009 is set out at the end of this document. To be valid, the enclosed proxy form for use at the meeting should be completed in accordance with the instructions thereon, signed and returned so as to be received by the Company's Registrars, Capita Registrars, at PO Box 25, Beckenham, Kent, BR3 4BR, as soon as possible but in any event not later than 12 noon on 26 August 2009.

**Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form as soon as possible. Completion of a proxy form will not preclude a shareholder from attending and voting at the Annual General Meeting in person.**

# HIGHWAY CAPITAL PLC

*Incorporated in England and Wales under the Companies Act 1985 with registered number 02991159*

*Directors:*

Alec Howard Drummon  
Edward Patrick Levey  
Andrew Stewart Perloff

*Registered address:*

73 Wimpole Street  
London  
W1G 8AZ

30 July 2009

Dear Shareholder,

## **Notice of Annual General Meeting**

You should already be in receipt of the company's annual report and accounts for the year ended 28 February 2009 which included a notice of Annual General Meeting.

Since the publication of that document the company has appointed Mr Andrew Perloff as a director and, under the articles of association, a resolution to elect him as a director must be proposed at the next Annual General Meeting following his appointment. This document is being sent to you to serve you with a notice of Annual General Meeting and proxy form which supersede those sent to you as part of the 2009 annual report.

## **Ordinary Business**

Resolutions concerning the receiving of the report of the directors and the audited accounts for the year ended 28 February 2009, the approval of the directors' remuneration report, the re-election of Mr Edward Levey as a director, the election of Mr Andrew Perloff as a director, the re-appointment of Littlestone Martin Glenton ("LMG") as auditors and the authorising of the directors to determine LMG's remuneration for the ensuing year will be proposed as ordinary business at the AGM.

## **Special Business to be transacted at the Annual General Meeting**

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

### ***Resolution 6 Directors' Authority to Allot Shares***

By virtue of section 80 of the Companies Act 1985 (the "Act"), the directors require the authority of shareholders of the company to allot shares or other relevant securities in the company. The resolution authorises the directors to make allotments of up to an additional 397,300 shares (representing approximately 5 per cent. of the issued share capital of the company as at the date of this document). This amount is in line with ABI guidelines. If approved at the forthcoming AGM, the authority will expire no later than fifteen months from the date on which the resolution is passed, or at the conclusion of the AGM to be held in 2010, whichever is the sooner.

### ***Resolution 7 Authority for Disapplication of Pre-Emption Rights***

By virtue of section 89 of the Act any issue by the company of equity capital for cash made otherwise than to existing shareholders on a proportional basis requires the consent of shareholders of the company unless the company has obtained the authority of the shareholders under section 95 of the Act. Resolution number 7 is for that purpose. It authorises the directors to allot shares by way of a rights issue or pursuant to an open offer or otherwise than strictly *pro rata* when the directors consider that it is expedient to do so and allows them to issue for cash up to 397,300 shares (representing approximately 5 per cent. of the issued share capital of the company as at the date of this document). If approved at the forthcoming AGM, the authority will expire no later than fifteen months from the date on which the resolution is passed, or at the conclusion of the AGM to be held in 2010, whichever is the sooner.

### **Recommendation and Voting Intentions**

The Board considers that all the resolutions to be put to the meeting are in the best interests of the company and its shareholders as a whole. Accordingly, the Board unanimously recommends that shareholders vote in favour of the resolutions.

The directors intend to vote in favour of the resolutions in respect of their own beneficial holdings amounting in aggregate to 2,120,000 shares, representing approximately 26.7 per cent. of the issued share capital of the company as at the date of this document.

Yours sincerely

**A H Drummon**

*Non-Executive Chairman*

# HIGHWAY CAPITAL PLC

## Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of the company will be held at 2nd Floor, Finsbury Tower, 103-105 Bunhill Row, London EC1Y 8LZ on 28 August 2009 at 12 noon for the following purposes:

### Ordinary business – ordinary resolutions

#### Resolution 1:

To receive and adopt the report of the directors and the audited accounts for the year ended 28 February 2009.

#### Resolution 2:

To approve the directors' remuneration report for the year ended 28 February 2009.

#### Resolution 3:

To re-elect Edward Levey as a director of the company.

#### Resolution 4:

To elect Andrew Perloff as a director of the company.

#### Resolution 5:

To re-appoint Littlestone Martin Glenton as the registered auditors of the company and to authorise the directors to determine their remuneration.

### Special business

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

#### Resolution 6:

That the directors be and are hereby generally and unconditionally authorised (in substitution for any specific or general authority previously conferred on them but without prejudice to the allotment of securities under any such previous authority to any offer or agreement made prior to the date this resolution is passed) to exercise all the powers of the company to allot relevant securities within the meaning of section 80 of the Companies Act 1985 (the "Act") up to an aggregate nominal amount of £7,946 PROVIDED THAT this authority shall expire on the earlier of the conclusion of the next annual general meeting of the company after the passing of this resolution and a date being fifteen months after the date of the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require the relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

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

**Resolution 7:**

That subject to the passing of resolution 6 above, the directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94 of the Act) of the company for cash pursuant to the authority conferred by the ordinary resolution referred to in resolution 6 above as if section 89(1) of the Act did not apply to such allotment PROVIDED THAT:

1. This power shall be limited to the allotment of equity securities up to a maximum aggregate nominal value of £7,946;
2. The authority of the directors shall extend to the making of any offer or agreement before the expiration or revocation of this power which would or might require equity securities to be allotted otherwise than in accordance with section 89 of the Act after the expiration or revocation of this power and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry of this power;
3. Any reference to the allotment of equity securities includes a reference to the grant of a right to subscribe for or convert any securities into such securities including any share option scheme, share option agreements or warrants; and
4. This power shall expire on the earlier of the conclusion of the next annual general meeting of the company and a date being fifteen months after the date of the passing of this resolution.

BY ORDER OF THE BOARD

**E. P. Levey**  
*Secretary*

*Registered Office:*  
73 Wimpole Street  
London W1G 8AZ

30 July 2009

NOTES

1. A member entitled to attend and vote at the 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 meeting. A member can appoint more than one proxy in relation to the 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 meeting to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
3. A copy of this notice 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 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 members as to the exercise of voting rights.
4. If a member is a corporation, the proxy form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointor or his agent, duly authorised in writing. To be valid an appointment of proxy must be returned (together with any authority under which it is executed) to the company's Registrars not less than 48 hours before the time of the meeting.
5. All members of the company are urged to complete and return the enclosed form of proxy as soon as possible.
6. The following documents will be available for inspection at the registered office of the company on any weekday (except Saturday) during normal business hours from the date of the issue of this notice until the date of the annual general meeting and, at the place of the meeting, for a period of 15 minutes prior to the annual general meeting and during the meeting:
  - (a) The register of directors' share interests containing the information required to be maintained by statute in relation to transactions of each director in the share capital of the company and of the interests of each director in share options and warrants;

- (b) The company's memorandum and articles of association; and
  - (c) Directors' Service Contracts.
7. Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the company has specified that only those members registered on the register of members of the company at 6 p.m. on 26 August 2009 shall be entitled to attend and vote at the AGM in respect of the number of ordinary shares registered in their name at that time. Changes to the register of members after 6 p.m. on 26 August 2009 shall be disregarded in determining the rights of any person to attend and vote at the AGM.
  8. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the 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 shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those 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.
  9. As at 29 July 2009 (being the latest business day prior to the publication of this Notice), the company's issued share capital consists of 7,945,638 ordinary shares. No shares are held in treasury. Therefore the total voting rights in the company are 7,945,638.



