

**THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or transfer or have sold or transferred all of your Ordinary Shares you should deliver this document, with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the buyer or transferee. If you sell or transfer or have sold or transferred only part of your holding in Ordinary Shares you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

This document should be read in conjunction with the accompanying Form of Proxy. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of Highway which is set out in this document and which contains the unanimous recommendation of the Directors to Shareholders to vote in favour of the Resolution to be proposed at the General Meeting referred to below.

## **Highway Capital plc**

*(Incorporated and registered in England and Wales with registered number 02991159)*

### **Notice of General Meeting**

The General Meetings will be held at 6<sup>th</sup> Floor, Finsbury Tower, 103 – 105 Bunhill Row, London EC1Y 8LZ at 10.30 a.m. on 21 June 2013. The notice convening the General Meeting, is set out at the end of this document.

**The action to be taken in respect of the General Meetings is set out in the letter from the Chairman of Highway Capital plc contained in this document. Whether or not you intend to be present at the meeting, it is important that you complete, sign and return the Forms of Proxy in accordance with the instructions printed thereon to the Company's registrars at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA as soon as possible but, in any event, so as to arrive no later than 10.30 a.m. on 19 June 2013. Alternatively you can appoint a proxy electronically by sending a scanned copy of your signed proxy forms to [info@nevilleregistrars.co.uk](mailto:info@nevilleregistrars.co.uk). The completion and return of the Forms of Proxy will not preclude you from attending the General Meetings and voting in person should you wish to do so.**

If you have any questions about this document or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy, please call Neville Registrars on 0121 585 1131 (calls cost 10 pence per minute plus network extras). Lines are open Monday to Friday between 8.30 a.m. and 5.30 p.m. (from outside the UK: +44(0) 121 585 1131). Please note that calls may be monitored or recorded and the representatives cannot provide financial advice or advice on the merits of the resolutions to be put at the General Meeting.

**LETTER FROM THE CHAIRMAN**

**Highway Capital plc (“Highway” or “the Company”)**

*(Incorporated and registered in England and Wales under number 02991159)*

Directors:

Dominic Marius Dennis Anthony Wheatley (non-executive Chairman)  
Edward Patrick Levey BA(Hons) FCCA (non-executive director)  
Maciej Szytko (non-executive director)

Registered Office:

Eden House  
Reynolds Road  
Beaconsfield  
HP9 2FL

5 June 2013

Dear Shareholder

In my letter to you of 21 May 2013, I informed you that the Company’s resources are dwindling and the Board estimates that the funds available are sufficient to meet its requirements until the end of June 2013. Since that letter was posted to you the Board has become aware of the possibility that the Company could raise interim loan finance once the result of the general meetings to be held on 12 June 2013 is known. At the moment, the limitations on the amount of borrowing permitted by the Company’s Articles of Association are insufficient and therefore the Board would like to increase those powers so that the Company could borrow up to £150,000. The Board intends that any loan drawn down under this new power would be for the short term and would be repaid out of the equity capital raising exercise that it intends to undertake assuming the proposal to transfer the Company’s listing from the premium to the standard segment of the Official List becomes effective.

The Articles require that any change in the borrowing limits of the Company be approved by shareholders and, accordingly, a notice of general meeting is attached, which includes the required amendment pursuant to the Articles of Association, convening a meeting for this purpose on 21 June 2013 at 6<sup>th</sup> Floor, Finsbury Tower, 103 – 105 Bunhill Row London EC1Y 8LZ for 10.30 a.m.

The Board believes that the proposed increase in borrowing powers would afford greater flexibility to the Company from the point of view of short term cash flow. The Board therefore unanimously recommends that shareholders vote in favour of the resolution attached to this letter, as each Director intends to do in respect of his own beneficial holdings amounting to 2,789,731 Ordinary Shares representing approximately 35.10 per cent. of the existing issued Ordinary Shares as at 4 June 2013, being the last practicable day before the publication of this document.

Yours faithfully

Dominic Wheatley  
*Chairman*

## HIGHWAY CAPITAL PLC

*(Incorporated and registered in England and Wales under number 02991159)*

### NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Highway Capital plc (the “**Company**”) will be held at 6<sup>th</sup> Floor, 103 – 105 Bunhill Row, London EC1Y 8LZ on 21 June 2013 at 10.30 a.m. to consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution.

### ORDINARY RESOLUTION

THAT in accordance with Article 121(b) of the Articles of Association of the Company, the Company be permitted to borrow up to £150,000 and the Directors be authorised to exercise all the powers of the Company to borrow up to that sum.

BY ORDER OF THE BOARD  
Edward Levey  
Company Secretary  
Dated: 5 June 2013

Registered office:  
Eden House  
Reynolds Road  
Beaconsfield  
HP9 2FL

### Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company.
2. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 14 below) does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA.
5. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an ‘X’. To abstain from voting on a resolution, select the relevant “Vote withheld” box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To be valid any proxy form or other instrument appointing a proxy must be:
  - completed and signed;
  - sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA; and
  - received by Neville Registrars no later than 10.30 a.m. on 19 June 2013.
7. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the Company or an attorney for the Company.
8. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
9. As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at [www.capitashareportal.com](http://www.capitashareportal.com). For an electronic proxy appointment to be valid, your appointment must be received by no later than 10.30 a.m. on 19 June 2013.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

11. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.

12. **Nominated persons:** (a) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. (b) The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by the Shareholders.

13. **Total Voting Rights:** As at 17 May 2013 the issued share capital of the Company consists of 7,945,638 Ordinary Shares of 2 pence each, carrying one vote each. Therefore, the total number of voting rights of the Company as at 17 May 2013 is 7,945,638.

14. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held at 10.30 a.m. on 21 June 2013 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

15. Only those members entered on the register of members of the Company at 6.00 p.m. on 19 June 2013 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business after 19 June 2013 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

16. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

17. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:

- to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the company or the good order of the meeting to answer the question.

18. A copy, or a memorandum of the terms, of every service contract between the Company or any of its subsidiaries and any director of the Company, the register of members, the details of proxies, the current articles of association, and a register in which are recorded all transactions of each director and of their family interests in the share capital of the Company are available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and Bank Holidays excepted) and will also be available for inspection at the General Meeting from 10.30 a.m. on 21 June 2013 until the conclusion of the General Meeting.

19. A copy of this notice, and other information required by s311A of the Companies Act 2006, can be found at [www.highwaycapital.co.uk](http://www.highwaycapital.co.uk).