

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Highway Capital plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

LETTER FROM THE CHAIRMAN OF HIGHWAY CAPITAL PLC

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

Directors:
Dominic Marius Dennis Anthony Wheatley (non-executive Chairman)
Maciej Szytko (non-executive director)

Registered Office:
Eden House
Reynolds Road
Beaconsfield
HP9 2FL

16 March 2015

Dear Shareholder

Notice of General Meeting

Change of Investment Strategy

Highway Capital Plc (“Highway” or “Company”) has been a cash shell seeking an acquisition, investment or other transaction for many years and I am writing to you now to seek your consent to the raising of funds to allow us to continue this search.

The purpose of this document is to set out the notice of a general meeting of the Company to be held on 9 April 2015 (“General Meeting”) at which resolutions will be proposed to allow a proposed fundraising of up to £3 million by way of an issue of convertible loan notes (“Convertible Loan Notes”). The Convertible Loan Notes are being issued in order to provide the Company with the resources needed to negotiate and consummate one or more acquisitions. The issue of the Convertible Loan Notes requires consent of shareholders to a change in the Company’s borrowing powers and the ability to issue new ordinary shares of 2p each in the Company (“Ordinary Shares”) should the Convertible Loan Note holders exercise their ability to convert their holdings into equity.

Terms of the Convertible Loan Notes

The Directors are still in the process of negotiating the terms of the Convertible Loan Notes with potential investors and an announcement of their terms will be made in due course. However, it is intended that the Company will issue up to £3,000,000 nominal value Convertible Loan Notes capable of conversion by the holders at no less than 10 pence per Ordinary Share. Accordingly, this assumption has been used in calculating the shareholder authority sought in resolution 1 to be proposed at the general meeting.

It is also intended that the Loan Notes shall be issued at an interest rate of 5% per annum that shall be payable if the Notes are not converted or there is a material breach of the terms. The right to convert is proposed from

six months after the date of issue or earlier if an investment is made by the Company which represents more than 50% of its net asset value.

Recommendation

The directors of the Company consider that all the proposals to be considered at the General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

Yours sincerely

Dominic Wheatley

Chairman

Notice of general meeting

Notice is hereby given that a general meeting ("Meeting") of the company will be held at the offices of Gowlings (UK) LLP, 125 Old Broad Street, London EC2N 1AR on 9 April 2015 at 11:00 am for the purposes set out below.

You will be asked to consider and vote on the resolutions below. Resolution 1 will be proposed as an ordinary resolution and resolutions 2 and 3 will be proposed as special resolutions.

ORDINARY RESOLUTION

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

Resolution 1:

That the directors be and are hereby generally and unconditionally authorised (in addition to any specific or general authority previously conferred on them but without prejudice to the allotment of securities under any such previous authority pursuant to any offer or agreement made prior to the date this resolution is passed) to exercise all the powers of the company to allot shares in the company or to grant rights to subscribe for, or to convert any security into, shares in the company, in accordance with section 551 of the Companies Act 2006 ("the Act"), up to an aggregate nominal amount of £600,000 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.

SPECIAL RESOLUTIONS

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

Resolution 2:

That the Company's articles of association be amended by the deletion of articles 122(B), 122(C), 122(D) and 122(E) and the re-numbering of article 122(F) as 122(B).

Resolution 3:

That subject to the passing of resolution 1 above, the directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) of the company for cash pursuant to the authority conferred by the ordinary resolution referred to in resolution 1 above as if section 561(1) of the Act did not apply to such allotment PROVIDED THAT:

1. 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 561 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;

2. 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
3. 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

Registered Office:

Secretary

13 March 2015

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 can not 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 company is unfortunately unable to offer members the option to appoint a proxy electronically.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. In order to revoke a proxy instruction, a member will need to inform the Company using one of the following methods:
 - (a) By sending a signed hard copy notice clearly stating his/her intention to revoke the proxy appointment to the Company's registrars. In the case of a member which is a corporation, the revocation notice must be executed under its common seal or under the hand of an officer or agent duly authorised in writing. Any power of attorney or other authority under which the revocation notice is signed (or a duly certified copy of such power of authority) must be included with the revocation notice.
 - (b) By sending an email to [contact email]In either case, the revocation notice must be received by Neville Registrars Ltd no later than 48 hours before the time of the Meeting.
9. 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 6.00 pm on 7 April 2015 shall be entitled to attend and vote at the Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the register of members after 6.00 pm on 7 April 2015 shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
10. Corporate representatives – Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).
11. Voting rights - As at 13 March 2015 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 8,740,201 ordinary shares of 2p each, carrying one vote each. No shares are held in treasury. Therefore the total voting rights in the Company are 8,740,201.
12. Notification of shareholdings – Any person holding 3 per cent or more of the total voting rights of the company who appoints a person other than the chairman of the General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
13. Members' right to require circulation of resolution to be proposed at the meeting – Members meeting the threshold requirements set out in the 2006 Act have the right to (a) require the company to give notice of any resolution which can properly be, and is to be, moved at the meeting pursuant to section 338 of the 2006 Act; and/or (b) include a matter in the business to be dealt with at the meeting, pursuant to section 338A of the 2006 Act.
14. Information regarding the Meeting, including the information required by section 311A of the 2006 Act, is available at www.highwaycapital.co.uk.