

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the fifty second Annual General Meeting of the Company will be held at the offices of PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH on Wednesday, 8 July 2015 at 11.00 a.m. for the following purposes:

Ordinary business

1. To receive the Report of the Directors and the audited accounts for the year ended 5 April 2015.
2. To approve the Directors' Remuneration Report for the year ended 5 April 2015, together with the report of the auditor thereon.
3. To declare a final dividend of 20 pence per ordinary share.
4. To re-elect Graham Meek as a director.
5. To elect Jean Matterson as a director.
6. To elect Robin Archibald as a director.
7. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
8. To authorise the directors to determine the remuneration of the auditors.

Special business

To consider and, if thought fit, pass the following resolutions, of which resolutions 9 to 11 will be proposed as ordinary resolutions and resolutions 12 to 14 will be proposed as special resolutions:

Ordinary resolutions

9. **Adoption of a new zero discount/premium management policy**
THAT the zero discount/premium management policy described under the heading "Proposed zero discount/premium management policy" in the Chairman's statement contained in the annual report and accounts of the Company for the financial year ended 5 April 2015 be and it is hereby approved and the directors be and they are hereby authorized to implement such policy, subject to the limitations set out therein.
- Authority to cease periodic realisation offer**
10. THAT, subject to and conditional upon resolution 9 above being passed by the shareholders of the Company, the directors be and are hereby authorised to cease offering periodic tenders at realisation value.
- Directors' authority to allot shares**
11. THAT the directors be generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 (the "Act"), to exercise all powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to a maximum aggregate nominal value of £243,908.75 (being one third of the issued share capital of the Company at the date of the notice convening the meeting at which this resolution is proposed, and representing 975,635 Ordinary shares of 25p each), provided that such authority shall expire at the conclusion of the AGM of the Company to be held in 2016, unless previously revoked, varied or renewed by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired.

Special resolutions

- Directors' authority to disapply pre-emption rights**
12. THAT, the directors be and are hereby empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred on them by resolution 10 above or otherwise as if section 561 of the Act did not apply to any such allotment, and be empowered pursuant to section 573 of the Act to sell relevant shares (within the meaning of section 560 of the Act) if, immediately before the sale, such shares were held by the Company as treasury shares (as defined in section 724 of the Act ("treasury shares")), for cash as if section 561 of the Act did not apply to any such sale, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares, in connection with and pursuant to:
 - a) an offer of equity securities open for acceptance for a period fixed by the Board where the equity securities respectively attributable to the interests of holders of Ordinary shares of 25p each in the Company (the "Ordinary Shares") are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements in connection with the issue as the board may consider necessary, appropriate or expedient to deal with equity securities representing fractional entitlements or to deal with legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
 - b) otherwise than pursuant to sub-paragraph a) above, up to an aggregate nominal value of £73,172.50 or, if less, the number representing 10% of the issued share capital of the Company at the date of the meeting at which this resolution is proposed; and

this power shall expire at the conclusion of the AGM of the Company to be held in 2016, unless previously renewed, varied or revoked by the Company in general meeting and provided that the Company shall be entitled to make, prior to the expiry of such authority, an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Board may allot equity securities or sell treasury shares pursuant to such offer or agreement as if the power conferred hereby had not expired.

Authority to make market purchases of the Company's own shares

13. THAT the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of section 693 of the Act) of Ordinary shares of 25p each in the Company (the "Ordinary Shares"), provided that:
- a) the maximum aggregate number of Ordinary Shares to be purchased shall be 438,743 or, if less, the number representing 14.99% of the issued share capital of the Company at the date of the meeting at which this resolution is proposed;
 - b) the minimum price which may be paid for an Ordinary Share shall be 25p;
 - c) the maximum price, excluding expenses, which may be paid for an Ordinary Share shall be an amount equal to the higher of
 - (i) 105% of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which such purchase is made;
 - (ii) the higher of the last independent trade and the highest current independent bid relating to an Ordinary Share on the trading venue where the purchase is carried out;
 - d) the authority hereby conferred shall expire at the conclusion of the AGM of the Company to be held in 2016 unless such authority is renewed prior to such time; and
 - e) the Company may enter into a contract to purchase Ordinary Shares under this authority prior to the expiry of such which will or may be completed or executed wholly or partly after the expiration of such authority.

Notice of general meetings

14. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

TMF Nominees Limited Company Secretary

Registered Office:
Waterfront Plaza,
8 Laganbank Rd
Belfast BT1 3LR
28 May 2015

Location of Annual General Meeting

PricewaterhouseCoopers LLP, at 11.00 a.m. on Wednesday, 8 July 2015
1 Embankment Place,
London
WC2N 6RH

Nearest National Rail Stations: London Charing Cross
Nearest London Underground Stations: Charing Cross – Bakerloo and Northern Lines
Embankment – Bakerloo, Circle, District and Northern Lines

Notice of Annual General Meeting (continued)

Notes

1. Members are entitled to attend, speak and vote at the annual general meeting (the "AGM"). A member entitled to attend, speak and vote at the AGM is also entitled to appoint one or more proxies to attend, speak and vote instead of him/her. The proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to different shares of that member.
2. A form of proxy is enclosed with this notice, together with a pre-paid reply envelope. Completion and return of such form of proxy or any CREST Proxy Instruction (as described in note 8 below) will not prevent a member from subsequently attending the AGM and voting in person if they so wish.
3. To be valid, the proxy form and any power of attorney or other authority under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the offices of the Company's registrar (either using the reply envelope provided or delivered by post or by hand to, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZV not later than 11.00 a.m. on 6 July 2015 (the "specified time"), or in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which the proxy is to be used. No account shall be taken of any part of any day that is not a working day.
4. A person who is not a member of the Company, but has been nominated by a member of the Company (the "relevant member") under section 146 of the Companies Act 2006 to enjoy information rights (the "nominated person"), does not have a right to appoint any proxies under note 1 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the AGM. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights. It is important to remember that a nominated person's main contact in terms of their investment remains as the relevant member (or perhaps the custodian or broker who administers the investment) and a nominated person should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and holding (including any administration thereof). The only exception to this is where the Company writes to a nominated person directly for a response.
5. In the case of joint holders the vote of the senior who tenders the vote shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
6. The Company, pursuant to section 360B of the Companies Act 2006 and to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members detailed in the register of members at the specified time shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend and vote at the AGM. If the AGM is adjourned to a time not more than 48 hours after the time applicable to the original AGM, that time will also apply for the purpose of determining the entitlement of members to attend and vote. If however the AGM is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours prior to the time fixed for such adjourned AGM.
7. 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.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor 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 using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of AGM. For this purpose, the time of the receipt will be taken to be the time (as determined by the timestamp 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) 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 sponsors or voting service providers 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 Uncertificated Securities Regulations 2001.
9. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the AGM but no such answer need be given if (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
10. Resolutions 1 to 11 are proposed as ordinary resolutions which, to be passed, require more than half of the votes cast to be in favour of the resolution. Resolutions 12 to 14 are proposed as special resolutions which, to be passed, require at least three-quarters of the votes cast to be in favour of the resolution.
11. As at 27 May 2015 (being the last practicable date prior to the publication of this document) the total number of Ordinary shares of 25p

each in issue and the total number of voting rights was 2,926,906.

12. Biographical details of the directors seeking re-election can be found at page [x] of the report and accounts.

13. Copies of the letters of appointment for the non-executive directors will be available for inspection at the Company's registered office and the office of the company secretary, and also at the office of TMF Management (UK) Limited, 5th Floor, 6 St. Andrew Street, London EC4A 3AE, during usual business hours on any weekday (public holidays excluded) from the date of this notice until the close of the AGM and will also be available for inspection at the AGM from 10.30 a.m. until the close of the AGM.

14. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.capitalgearingtrust.com.