

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 authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares, please send this document and 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 you have sold or transferred your shares for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document is a circular relating to (i) the proposed cancellation of admission of the Ordinary Shares to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, prepared in accordance with the Listing Rules of the Financial Conduct Authority under section 73A of FSMA, and (ii) the proposed admission of the Ordinary Shares to trading on the London Stock Exchange's AIM market.



TITON HOLDINGS PLC

(incorporated and registered in England and Wales with registered number 01604952)

**Proposed Cancellation of Ordinary Shares from the Official List
Proposed admission of Ordinary Shares to trading on AIM
and
Notice of General Meeting**

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 6 to 12 of this document and which contains the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

A notice of a General Meeting, to be held at the offices of 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ on 9 November 2018 at 11 a.m., is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 11 a.m. on 7 November 2018. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

If you have any questions relating to return of the Form of Proxy, please telephone the Company's registrars, Link Asset Services, on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. Different charges may apply to calls from mobile telephones. The helpline cannot provide financial advice or advice on the merits of the Resolution.

Shore Capital, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Move to AIM and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any matter, transaction or arrangement referred to therein. Shore Capital has not authorised the contents of, or any part of, this document, makes no representation or warranty, express or implied, as to the contents of this document, and Shore Capital does not accept any liability whatsoever for the accuracy of or opinions contained in this document (or for the omission of any material information) and shall not be responsible for the contents of this document. Shore Capital expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document. Shore Capital has given its consent to inclusion herein of the references to its name in the form and context in which it is included.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	2
DEFINITIONS	3
DIRECTORS, COMPANY SECRETARY AND ADVISERS	5
LETTER FROM THE EXECUTIVE CHAIRMAN	6
NOTICE OF GENERAL MEETING	13

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>2018</i>
Publication of this document	11 October 2018
Latest time and date for receipt of completed Forms of Proxy	11 a.m. on 7 November 2018
Time and date of General Meeting	11 a.m. on 9 November 2018
Last day of dealings in the Ordinary Shares on the Main Market	7 December 2018
Cancellation of the listing of the Ordinary Shares from the Official List effective	8:00 a.m. on 10 December 2018
Admission of, and commencement of dealings in, the Ordinary Shares on AIM	8:00 a.m. on 10 December 2018

Note:

Each of times and dates above are indicative only and subject to change without consultation. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by way of an announcement on a Regulatory Information Service. References in this document to time are to London time, unless specified otherwise.

The ISIN code for the Ordinary Shares will remain GB0008941402.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Act"	the Companies Act 2006 (as amended)
"Admission"	the admission of the entire issued share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
"AIM Rules for Companies"	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time
"Business Day"	any day on which the London Stock Exchange is open for the transaction of business
"Cancellation"	the cancellation of admission to the premium segment of the Official List and to trading on the Main Market
"Cancellation and Admission Resolution"	the special resolution to be proposed at the General Meeting and set out in the Notice of General Meeting, to give the Directors authority to apply for Cancellation and Admission
"Company" or "Titon"	Titon Holdings Plc, a company registered in England and Wales under the Companies Act 1985 with registered number 01604952
"Directors"	the directors of the Company whose names are set out on page 5 of this document
"FCA"	the Financial Conduct Authority
"Form of Proxy"	the form of proxy accompanying this document for use at the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company convened for 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ on 9 November 2018 at 11 a.m. by the Notice of General Meeting
"Group"	the Company and its subsidiaries (as defined in section 1159 of the Act)
"ISA"	Individual Savings Account
"Listing Rules"	the rules and regulations made by the FCA under Part VI of FSMA as amended from time to time
"London Stock Exchange"	London Stock Exchange plc

“Main Market”	the London Stock Exchange’s main market for listed securities
“Move to AIM”	the Cancellation and the Admission
“Nominated Adviser”	a nominated adviser, as defined in the AIM Rules
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Official List”	the Official List of the UKLA, maintained by the FCA in accordance with section 74(1) of FSMA
“Ordinary Shares”	ordinary shares of 10 pence each in the share capital of the Company
“Prospectus Rules”	the prospectus rules made by the FCA under Part VI of FSMA as amended from time to time
“Registrar”	Link Asset Services
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“SCC”	Shore Capital and Corporate Limited
“SCS”	Shore Capital Stockbrokers Limited
“SDRT”	Stamp Duty Reserve Tax
“Shareholder”	a holder of Ordinary Shares from time to time
“Shore Capital”	SCC and/or SCS as the context permits
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council, in force from time to time
“UKLA”	the FCA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Keith Ritchie (<i>Executive Chairman</i>) David Ruffell (<i>Chief Executive Officer</i>) John Anderson (<i>Deputy Chairman and Non-executive Director</i>) Tyson Anderson (<i>Sales & Marketing Director</i>) Tony Gearey (<i>Group IT Director</i>) Kevin Sargeant (<i>Non-executive Director</i>) Nicholas Howlett (<i>Non-executive Director</i>)
Registered Office	894 The Crescent Colchester Business Park Colchester Essex, CO4 9YQ
Company Secretary	David Ruffell
Financial Adviser and Proposed Nominated Adviser	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London, W1S 4JU
Broker	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London, W1S 4JU
Solicitors to the Company	DMH Stallard LLP 6 New Street Square New Fetter Lane London, EC4A 3BF
Auditors	BDO LLP 55 Baker Street London, W1U 7EU
Registrars	Link Asset Services 34 Beckenham Road Beckenham Kent, BR3 4TU

LETTER FROM THE EXECUTIVE CHAIRMAN

TITON HOLDINGS PLC

(Incorporated and registered in England and Wales under number 01604952)

Directors:

Keith Ritchie (*Executive Chairman*)
David Ruffell (*Chief Executive Office*)
John Anderson (*Deputy Chairman and Non-executive Director*)
Tyson Anderson (*Sales & Marketing Director*)
Tony Gearey (*Group IT Director*)
Kevin Sargeant (*Non-executive Director*)*
Nicholas Howlett (*Non-executive Director*)*

Registered office:

894 The Crescent
Colchester Business Park
Colchester
Essex, CO4 9YQ

* *Considered to be independent*

11 October 2018

Dear Shareholder

Proposed Cancellation of Ordinary Shares from the Official List Proposed Admission to trading on AIM and Notice of General Meeting

1. Introduction

The Board today announced proposals to cancel the admission of the Ordinary Shares from the Official List and to trading on the London Stock Exchange's Main Market for listed securities and its intention to apply for the admission of the Ordinary Shares to trading on AIM. It is anticipated that the effective date of the Cancellation and Admission to trading on AIM will be 10 December 2018.

Under the Listing Rules, the Cancellation requires the Company to obtain the prior approval for such cancellation of not less than 75 per cent. of Shareholders who vote in person or by proxy at a general meeting. Therefore, the Cancellation and Admission Resolution being proposed at the General Meeting, to be held at 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ on 9 November 2018 at 11 a.m., to approve the Cancellation and Admission is being proposed as a special resolution. If the Cancellation and Admission Resolution is passed, the Board proposes to make an application to the UKLA for the Cancellation to be effected and to apply to the London Stock Exchange for Admission.

The purpose of this letter is to (i) provide you with notice of the General Meeting and details of the proposed Cancellation and Admission; (ii) explain the background to and reasons for the Move to AIM and why the Board considers the Move to AIM to be in the best interests of the Company and the Shareholders as a whole; and (iii) explain why the Directors recommend that Shareholders vote in favour of the Cancellation and Admission Resolution.

You will find set out at the end of this document the Notice of General Meeting at which the Resolution will be proposed as a special resolution to approve the Cancellation and Admission. The Notice of General Meeting also contains a Resolution which, if passed, will give the Directors the authority to allot new equity securities for cash up to a nominal value of £165,000 (representing approximately 14.9 per cent. of the issued ordinary share capital of the Company, excluding shares held in treasury, as at the date of this document) on a non-pre-emptive basis. The Directors consider that this authority, which is wider than that which shareholders approved at the last AGM, is more appropriate for an AIM quoted company and will allow the Board to issue a larger number of shares for cash on a non-pre-emptive basis, should the Board consider it beneficial in the context of the Group's growth strategy outlined below.

2. Background to and reasons for Cancellation and Admission

As set out in further detail in the Company's annual report, the Group's stated strategic objectives are as follows:

Markets: Grow market share of natural and mechanical ventilation products and window and door hardware in the residential housing markets of the UK, Europe, US and South Korea.

Employees: Provide a challenging but rewarding and supportive environment for our employees which offers them long term careers.

Products: Offer products which are of high quality and that the "as built" performance is as expected.

Shareholders: Interact with shareholders and generate rising returns through a rising share price and a progressive dividend policy on a consistent basis.

Management: Set and maintain a high standard of management and business behaviour, which will ensure that employees, customers and suppliers are treated fairly.

In light of the Group's strategic objectives, in particular with respect to the desire to grow market share and deliver long-term Shareholder returns, the Board has carefully considered whether the listing of its Ordinary Shares on the premium listing segment of the Official List and to remain admitted to trading on the Main Market is in the best interests of Shareholders. As a result of this consideration, the Board is proposing the Move to AIM and for the following reasons believes that it is in the best interests of the Company and its Shareholders as a whole:

- AIM, which is operated and regulated by the London Stock Exchange, has an established reputation with investors and analysts and is an internationally recognised market. It was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime. For smaller companies, such as Titon, AIM provides a more suitable market and environment that should simplify the ongoing administrative and regulatory requirements of the Company, which could also reduce on-going annual costs;
- AIM will offer greater flexibility with regard to corporate transactions, and should therefore enable the Company to agree and execute certain transactions more quickly and cost effectively than a company on the Official List. AIM will also provide the Company with continuing access to the public equity capital market should it be appropriate to obtain equity funding in the future. Should such opportunities or initiatives arise or become relevant to the Group, they could entail significant additional complexity and larger transaction costs if the Company were to remain on the Official List;
- the Company should continue to appeal to institutional investors following the Move to AIM and in light of the possible tax benefits mentioned below, the Directors hope that being admitted to AIM will make the Company's shares more attractive to retail investors. In particular, since 5 August 2013, shares traded on AIM can be held in ISAs;
- companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Move to AIM, individuals who hold Ordinary Shares may, after two years, therefore be eligible for certain inheritance tax benefits. Given the make-up of the Company's register of members, the Board believe that this taxation environment may be attractive for individuals who are Shareholders. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above is available to them (please see paragraph 6 below for further information); and
- the UK government's abolition of stamp duty on shares traded on AIM with effect from 28 April 2014 may help increase liquidity in the trading of the Company's Ordinary Shares.

If the Move to Aim is approved by Shareholders, the Board intends to operate the Company's business, including its reporting and governance, in substantially the same manner and with the same objectives as at present. Thus, the Board sees the Company as being attractive to specialist institutional investors while the AIM tax regime, referred to in more detail below, will also make the Company potentially attractive to AIM specific funds as well as to retail investors.

Importantly, AIM will provide current Shareholders with a continuing market quotation and represents a market on which they may potentially trade their Ordinary Shares. AIM will also provide the Company with continuing access to the public equity capital market should it be appropriate to obtain funding in the future.

Any of these initiatives may feature in the implementation of the Company's future strategy, and the Board considers that AIM represents the most appropriate financial market for the Ordinary Shares as it seeks to create value for Shareholders.

For these reasons, the Board considers that it is in the Company's interests to seek approval to effect the Cancellation and Admission. However, Shareholders should note that following the Cancellation becoming effective:

- The regulatory regime which applies solely to companies such as the Company with shares admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities will no longer apply, including the requirement for shareholder approval under the Listing Rules to approve transactions above a certain size not in the ordinary course of business or with related parties. Further details regarding certain aspects of the regulatory regime that would no longer apply to such transactions are provided in paragraph 4 of this document.
- The Cancellation may have implications for Shareholders holding Ordinary Shares in a Self-Invested Personal Pension (SIPP). For example, shares in unlisted companies may not qualify for certain SIPPs under the terms of that SIPP and, if in any doubt, Shareholders should consult with their SIPP provider immediately. Following Admission, the Company will be categorised for these purposes as unlisted.

3. Details of the Cancellation and Admission

In order to effect the Move to AIM, the Company will require, *inter alia*, Shareholder approval of the Cancellation and Admission Resolution at the General Meeting. The Cancellation and Admission Resolution, which is set out in the Notice of General Meeting at the end of this document, will authorise the Board to cancel the listing of the Ordinary Shares on the Official List, remove such Ordinary Shares from trading on the Main Market and to apply for admission of the Ordinary Shares to trading on AIM.

Conditional upon the Cancellation and Admission Resolution being approved at the General Meeting, the Company (i) will apply to cancel the listing of the Ordinary Shares on the Official List and their admission to trading on the London Stock Exchange's Main Market for listed securities; and (ii) will apply to the London Stock Exchange for the admission of the Ordinary Shares to trading on AIM. It is anticipated that the last day of dealings of the Ordinary Shares on the Main Market will be 7 December 2018. Cancellation of the listing of the Ordinary Shares on the Official List is expected to take effect at 8.00 a.m. on 10 December 2018, being not less than 20 Business Days from the passing of the Resolution.

Admission is expected to take place and dealings in Ordinary Shares are expected to commence on AIM at 8.00 a.m. on 10 December 2018. As the Ordinary Shares have been listed on the Official List for more than 18 months, the AIM Rules do not require an admission document to be published by the Company in connection with Admission. However, subject to the passing of the Cancellation and Admission Resolution at the General Meeting, the Company will publish an announcement which complies with the requirements of Schedule One to the AIM Rules for Companies, comprising information required to be disclosed by companies transferring their securities from the Official List, as an AIM Designated Market, to AIM.

Following Cancellation and Admission, Ordinary Shares that are held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Ordinary Shares held in certificated form will continue to be valid and no new Ordinary Share certificates will be issued.

In accordance with the Listing Rules, the Cancellation and Admission Resolution is subject to approval being obtained from not less than 75 per cent. of all Shareholders voting in person or by proxy. If the requisite percentage of Shareholders does not approve the Cancellation and Admission Resolution, the Ordinary Shares will not be admitted to AIM and will continue to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities.

4. Implications of the transfer to AIM

AIM is the UK's leading stock market for smaller companies. Since AIM was established in 1995, more than 3,800 companies have been admitted to AIM and over £100 billion has been raised collectively. Liquidity on AIM is in part provided by market makers, who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on Business Days.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. Shareholders should note that the protections afforded to investors in AIM companies are less rigorous than those afforded to investors in companies such as a company listed on the premium segment of the Official List. Under the AIM Rules, a Nominated Adviser and broker is required to be engaged by the Company at all times and a Nominated Adviser has ongoing responsibilities to both the Company and to the London Stock Exchange. Conditional on Admission, the Company has appointed SCC as its Nominated Adviser and SCS as its broker. The obligations of a company whose shares are traded on AIM are broadly similar to those of companies whose shares are listed on the premium segment of the Official List. However there are certain exceptions, including those referred to below:

- i. Under the Listing Rules, a company listed on the premium segment of the Official List is required to appoint a 'sponsor' for the purposes of certain corporate transactions, such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FCA when required that the responsibilities of the listed company have been met. Under the AIM Rules, a Nominated Adviser is required to be engaged by the Company at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. Conditional on Admission, the Company has appointed SCC as the Company's Nominated Adviser.
- ii. Corporate transactions for companies whose shares are listed on the premium segment of the Official List often require shareholder approval and the engagement of a sponsor to oversee the process and liaise with the UK Listing Authority. In particular, on a proposed acquisition, where the size of the target represents 25 per cent. or more of the listed company on the basis of certain comparative size tests (for example, consideration for the acquisition as a percentage of market capitalisation of the listed company), a circular to shareholders approved by the UKLA is required explaining the transaction and seeking the approval of shareholders. For the Company, such transactions may result in significant additional complexity and large transaction costs and lengthier timescales to meet the requirements of the Listing Rules and, therefore, prove prohibitive.

Under the AIM Rules, prior shareholder approval is required only for transactions with a much larger size threshold, being: (i) reverse takeovers (being an acquisition or acquisitions in a 12 month period which either (a) exceed 100 per cent. on various comparative size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company, or (b) result in a fundamental change in the Company's business, board or voting control); and ii) disposals that result in a fundamental change of business (being disposals that exceed 75 per cent. of various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company). Under the Listing Rules, companies listed on the premium segment of the Official List require shareholder approval for a broader range of transactions including related party transactions. Furthermore, the AIM Rules contain less stringent obligations with regard to a company's purchase of its own securities compared with the Listing Rules.

- iii. Unlike the Listing Rules, the AIM Rules do not specify any required structures or discount limits in relation to further issues of securities.
- iv. There is no requirement under the AIM Rules to publish a prospectus or an admission document for further issues of securities, except when the further issue of securities is deemed a public offer, when seeking admission for a new class of securities or as otherwise required by law.
- v. Whilst a company's appropriateness for AIM is, in part, dependent on it having sufficient free float in order that there is a properly functioning market in the shares, there is no specific requirement for a minimum number of shares in an AIM quoted company to be held in public hands. A company listed on the Official List must, however, maintain a minimum of 25 per cent. of its issued ordinary share capital in public hands.

- vi. Certain securities laws will no longer apply to the Company if Admission occurs, for example, certain of the Disclosure Guidance and Transparency Rules ("DTRs") (save that DTR Chapter 5 in respect of significant shareholder notifications and those DTRs applicable to issuers subject to the EU Market Abuse Regulation (EU No 596/2014) (relating to, *inter alia*, market abuse and insider dealing) will continue to apply to the Company). This is because AIM is not a regulated market for the purposes of the European Union's directives relating to securities.
- vii. The Company is currently required to comply with the UK Corporate Governance Code, or to explain any area of non-compliance. AIM companies are not required to comply with this code, but can choose to adopt an alternative recognised corporate governance code. It is the Group's intention to appoint an additional independent Non-executive Director to the Board within six months of Admission in order to increase the level of independent oversight and challenge on the Board.
- viii. The requirement under section 439A of the Act to submit a remuneration policy for a binding vote by shareholders is only applicable to companies listed on the Main Market. A company whose shares are traded on AIM is not subject to the same obligation to submit its remuneration policy to a binding vote of shareholders. However, as already stated, the Directors intend to operate the Company's business in substantially the same manner as at present.
- ix. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following Admission, individuals who hold Ordinary Shares may, in certain circumstances, therefore be eligible for certain tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether a tax benefit referred to above may be available to them.

Once admitted to AIM, Shareholders should continue to be able to trade Ordinary Shares in the usual manner through their stockbroker or other suitable intermediary.

It is emphasised that the transfer to AIM will have no impact on the assets and liabilities of the Group and it will continue to have the same business and operations following Admission. In addition, as a public limited company incorporated and registered in England and Wales, following Admission, the Company will remain subject to the applicable provisions of the Act, FSMA, the Prospectus Rules, the City Code on Takeovers and Mergers and the EU Market Abuse Regulation (EU No 596/2014).

5. Risk factors relating to the transfer to AIM

Although the Company intends to apply for all of the Ordinary Shares to be admitted to trading on AIM following the Cancellation, there can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained following Admission. AIM is a market designed primarily for emerging and smaller companies, to which a higher investment risk tends to be attached than for larger companies, and may not provide the liquidity normally associated with the London Stock Exchange's Main Market or some other stock exchanges.

AIM securities are not admitted to the Official List. The Ordinary Shares may, therefore, be more difficult to sell compared with the shares of companies listed on the Official List and their market prices may be subject to greater fluctuations than might otherwise be the case. Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on Business Days. The Directors believe that AIM can provide a sufficiently liquid trading platform for the Ordinary Shares.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules for Companies. The obligations of a company whose shares are admitted to trading on AIM are broadly similar to those of companies such as Titon whose shares are listed on the premium segment of the Official List, however Shareholders should note that the protections afforded to investors in AIM companies are in some respects less rigorous than those afforded to investors in companies whose shares are listed on the Official List, including the differences set out in paragraph 4 above.

6. Taxation

Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them. Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following Admission, under current legislation,

the Ordinary Shares in the Company should constitute 'relevant business property' in the event that they qualify for business property relief ("BPR"), a relief from UK inheritance tax. BPR can be available at up to 100 per cent. in respect of shares in an unquoted trading company. Accordingly, following Admission, individuals who hold Ordinary Shares and meet the various conditions including satisfying the two year ownership requirement, may therefore be eligible for BPR on their shares. As to the availability of the relief and to what extent BPR applies Shareholders and prospective investors should seek advice from their own professional advisers. Shareholders and prospective investors should also note that, since 5 August 2013, shares traded on AIM can be held in ISAs (in the same way as shares traded on the Main Market).

AIM qualifies as a recognised growth market for the purpose of the stamp duty and SDRT legislation and so, therefore, for so long as the Ordinary Shares are admitted to trading on AIM and are not 'listed' on any market (and being admitted to trading on AIM will not constitute a listing for these purposes), no charge to stamp duty or SDRT will arise on their subsequent transfer. If the Ordinary Shares do not qualify for this exemption their transfer on sale will be subject to ad valorem stamp duty (payable by the purchaser and generally at the rate of 0.5 per cent. of the consideration given) save in respect of shares held in a clearance service or in a depositary receipt arrangement in respect of which other provisions may apply.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for Shareholders will depend on their particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

7. Outlook and current trading

In May this year I reported that Titon had enjoyed a very good first half result with a 13 per cent. increase in profit before tax. I also commented that the outlook for the second half was positive and that I expected to see further progress in line with expectations.

I am pleased to report now that trading in the second half of the year has continued to be positive, with another strong performance from South Korea and also from UK Hardware. I am confident that the full year results will be in line with our expectations.

8. General Meeting

A notice convening the General Meeting, to be held at 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ on 9 November 2018 at 11 a.m., is set out at the end of this document, at which the Cancellation and Admission Resolution summarised below will be proposed as a special resolution:

- that the listing of the Ordinary Shares of the Company on the premium segment of the Official List and admission to trading on the London Stock Exchange's Main Market for listed securities be cancelled and application be made for admission of the Ordinary Shares to trading on AIM.

A further Resolution will also be put to the meeting, which, if passed, will give the Directors the authority to allot new equity securities for cash up to a nominal value of £165,000 on a non-pre-emptive basis. As a small company with growth ambitions, the Directors believe that the passing of this Resolution will give the Board the flexibility to take advantage of any potential equity capital fundraising or acquisition opportunities that may arise.

9. Irrevocable Undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions from those Directors who hold Ordinary Shares and certain other Shareholders holding, in total, 5,512,343 Ordinary Shares, representing, in aggregate, 49.7 per cent. of the Company's issued Ordinary Shares.

10. Other information

Shore Capital has given and not withdrawn its written consent to the publication of this document, and the inclusion of its name in the form and context in which it is included.

11. Action to be taken

Shareholders will find a Form of Proxy enclosed with this document for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11 a.m. on 7 November 2018. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

12. Recommendation

The Board considers the terms of the Move to AIM to be in the best interests of the Company and its Shareholders as a whole. It also considers that the resolution to give the Directors the authority to allot new equity securities for cash up to a nominal value of £165,000 on a non-pre-emptive basis is in the best interests of the Company and its Shareholders. Accordingly, the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as those Directors who hold Ordinary Shares have irrevocably undertaken to do in respect of their own beneficial holdings amounting, in aggregate, to 3,496,764 Ordinary Shares and representing approximately 31.5 per cent. of the Company's issued share capital.

Yours faithfully,

Keith Ritchie
Executive Chairman

NOTICE OF GENERAL MEETING

TITON HOLDINGS PLC

(Incorporated and registered in England and Wales under number 01604952)

Notice is hereby given that a General Meeting of Titon Holdings Plc (the **Company**) will be held at 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ on 9 November 2018 at 11 a.m. for the following purposes:

To consider and, if thought fit, to pass the following resolutions, which will be proposed as Special Resolutions.

SPECIAL RESOLUTIONS

1. That the Directors be and are hereby authorised to cancel the listing of the ordinary shares in the capital of the Company on the premium segment of the Official List of the Financial Conduct Authority and to cancel the admission of such ordinary shares to trading on the London Stock Exchange plc's Main Market for listed securities and to apply for admission of the said ordinary shares to trading on AIM, a market operated by London Stock Exchange plc.
2. That subject to the passing of Resolution 1 above and in place of all existing powers, the Directors be generally empowered pursuant to section 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred by Resolution 9 passed at the Company's annual general meeting on 21 February 2018, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that this power shall expire on the day 15 months after the General Meeting or, if sooner, at the end of the 2019 Annual General Meeting of the Company. This power shall be limited to the allotment of equity securities:
 - a. in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - b. otherwise than pursuant to paragraph 2(a), up to an aggregate nominal amount of £165,000, (representing approximately 15 per cent. of the nominal value of ordinary shares in issue on 10 October 2018.

but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in the first paragraph of this resolution the words "pursuant to the authority conferred by Resolution 9 passed at the Company's annual general meeting on 21 February 2018" were omitted.

By order of the Board

David Ruffell
Company Secretary

11 October 2018

Registered Office:
894 The Crescent
Colchester Business Park
Colchester
Essex, CO4 9YQ

Notes:

Rights to appoint a proxy

1. Members of the Company are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To appoint more than one proxy you may photocopy this form.
2. A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. If you do not receive a proxy form and believe that you should have one, please contact Link Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Link is open between 9.00 a.m. – 17.30 p.m., Monday to Friday excluding public holidays in England and Wales.

Procedure for appointing a proxy

3. To be valid, the proxy form must be received by post or (during normal business hours only) by hand at Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11 a.m. on 7 November 2018. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority.
4. The return of a completed proxy form will not preclude a member from attending the General Meeting and voting in person if he or she wishes to do so.

Nominated persons

5. 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 or her and the member by whom he or 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 or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
6. The statement of the rights of members in relation to the appointment of proxies in notes 1, 2 and 3 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company.

Record date

7. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at close of business on 6 November 2018, (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the General Meeting.

Corporate representatives

8. 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.

Total voting rights

9. As at 10 October 2018 (being the last business day prior to the publication of this notice) the Company's issued share capital comprised 11,133,750 ordinary shares. As at 10 October 2018 the Company held 50,000 shares as treasury shares. Each ordinary share carries the right to one vote on a poll at a general meeting of the Company and, therefore, the total voting rights in the Company as at that date are 11,083,750.

Publication on website

10. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found on the website at www.titonholdings.com.
11. Any member or his proxy attending the General Meeting has the right to ask any question at the General Meeting relating to the business of the General Meeting. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting 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 meeting that the question be answered.

Communications

12. Members who have general enquiries about the meeting should use the following means of communication. No other means of communication will be accepted. You may:
 - call the Link shareholders' helpline on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00 a.m. – 5.30 p.m. Monday to Friday excluding public holidays in England and Wales); or
 - write to Link Asset Services, Shareholder Services, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
13. You may not use any electronic address provided in this notice of General Meeting for communicating with the Company for any purposes other than those expressly stated.

TITON HOLDINGS PLC

(Incorporated in England and Wales with Registered Number 01604952)

FORM OF PROXY

for use by Shareholders at the General Meeting to be held on 9 November 2018

I/We, the undersigned shareholder(s) of **Titon Holdings plc** (the "**Company**") hereby appoint the Chairman of the Meeting
*(see note 1)

--

as my/our proxy to vote in my/our name(s) and on my/our behalf at the Meeting of the Company to be held at 894 The Crescent, Colchester Business Park, Colchester, Essex CO4 9YQ at 11 a.m. on 9 November 2018 and at any adjournment thereof.

Please indicate with an "X" in the appropriate boxes below how the proxy should vote and then sign in the space provided below. If no specific direction as to voting is given, the proxy may vote or abstain at their discretion.

SPECIAL RESOLUTIONS	For	Against	Withheld
Resolution 1 – That the Directors be and are hereby authorised to cancel the listing of the ordinary shares in the capital of the Company on the premium segment of the Official List of the Financial Conduct Authority and to cancel the admission of such ordinary shares to trading on the London Stock Exchange plc's Main Market for listed securities and to apply for admission of the said ordinary shares to trading on AIM, a market operated by London Stock Exchange plc.			
Resolution 2 – That subject to the passing of Resolution 1 above and in place of all existing powers, the Directors be generally empowered pursuant to section 570 and 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred by Resolution 9 passed at the Company's Annual General Meeting on 21 February 2018, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that this power shall expire on the day 15 months after the General Meeting or, if sooner, at the end of the 2019 Annual General Meeting of the Company. This power shall be limited to the allotment of equity securities: a. in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and b. otherwise than pursuant to paragraph 2(a), up to an aggregate nominal amount of £165,000, (representing approximately 15% of the nominal value of ordinary shares in issue on 10 October 2018, but the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired. This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Companies Act 2006 as if in the first paragraph of this resolution the words "pursuant to the authority conferred by Resolution 9 passed at the Company's Annual General Meeting on 21 February 2018" were omitted.			

I/We authorise my/our proxy to act at their discretion in relation to any other business arising at the meeting (including in respect of the question whether to adjourn such meeting) and at any adjournment of such meeting.

Signature(s) Dated

Name:

(IN BLOCK CAPITALS)

Address

.....

.....

Initials and surnames of joint holders if any

**SEE NOTES TO THE FORM OF PROXY OVERLEAF
PLEASE INSERT INTO PRE-PAID ENVELOPE SUPPLIED**

Notes:

1. *If you wish to appoint any person other than the Chairman of the Meeting as proxy, please delete the words "Chairman of the Meeting" and insert his or her name and address in the space provided and initial the alteration. The person appointed to act as a proxy need not be a member of the Company.
2. The Company, pursuant to the Companies Act 2006 and paragraph 18 (c) of the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, specifies that only those Shareholders registered in the Register of Members of the Company 48 hours before the meeting (excluding non business days) shall be entitled to attend or vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
3. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote instead of themselves, provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by them.
4. 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 name being the most senior).
5. In the case of a corporation, this form must be expressed to be executed by the corporation and must be executed under its common seal, on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
6. To be valid this form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified or office copy of such power or authority, should reach the offices of the registrar of the Company, Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 11 a.m. on 7 November 2018.
7. Any alteration to this form must be initialled.
8. A Shareholder may only appoint a proxy using the procedures set out in these notes. If a Shareholder wishes to terminate the authority of a person(s) to act as their proxy, they must notify Link Asset Services in writing at the address provided above no later than 48 hours excluding non business days before the meeting.
9. Completion and return of a proxy form will not prevent a shareholder from attending and voting in person. If a Shareholder has appointed a proxy and attends the meeting in person, their proxy appointment will automatically be terminated and their votes in person will stand in its place.
10. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". To abstain from voting on a resolution, select the relevant "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 their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting.
11. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent Link Asset Services (issuer's agent's ID is RA10) by 11 a.m. on 7 November 2018. For this purpose, the time of 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 issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in the Companies Act 2006. In any case your proxy form must be received by the Company's registrars no later than 11 a.m. on 7 November 2018.