

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the action to be taken, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000, as amended from time to time (“FSMA”) if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom without delay.

If you have sold or transferred all of your holding of Creightons plc Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted into any jurisdiction in which such an act could constitute a violation of the relevant laws in such jurisdiction. If you have sold a portion of your holding of Creightons plc Ordinary Shares, you should retain this document.

This document has been prepared in accordance with the Listing Rules made under section 73A of FSMA. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Creightons plc

(Registered in England & Wales No. 01227964)

Proposed purchase of freehold property and Notice of General Meeting

Your attention is drawn to the letter from the Managing Director of Creightons plc which is set out in Part 1 of this document and which recommends that you vote in favour of the Resolution to be proposed at the General Meeting referred to below. You should read the whole of this document.

Notice convening a General Meeting of Creightons plc to be held at Potter & Moore Innovations Limited, 1210 Lincoln Road, Peterborough, PE4 6ND at 12.00 noon on 10 October 2019 is set out at the end of this document.

You are requested to complete and return the enclosed Form of Proxy, whether or not you intend to be present at the General Meeting, as soon as possible and, in any event, in order to be valid, so as to be received by the Company’s registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 12.00 noon on 08 October 2019. Completion and return of a form of proxy or CREST Proxy Instruction will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Beaumont Cornish Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as Sponsor for Creightons plc and for no one else in relation to the matters set out in this document and is not advising any other person and accordingly will not be responsible to anyone other than Creightons plc for providing the protections afforded to the customers of Beaumont Cornish Limited or for providing advice in relation to the contents of this document or any other matter referred to herein, but not to the extent that its responsibilities and liabilities which may arise under FSMA or the regulatory regime established thereunder are limited or excluded.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	20 September 2019
Latest time and date for receipt of Forms of Proxy	12.00 noon on 08 October 2019
General Meeting	12.00 noon on 10 October 2019
Expected date of Completion	11 October 2019

DEFINITIONS

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

“the Act”	the Companies Act 2006, as amended from time to time
“Bank Loan”	the term loan to be taken by the Company from HSBC UK Bank plc, to assist in financing the Purchase
“Barker Storey Matthews”	Eddisons Commercial Limited, trading as “Barker Storey Matthews”, commercial property agents
“Beaumont Cornish”	Beaumont Cornish Limited
“Completion”	completion of the Purchase
“Creightons” or “the Company”	Creightons plc
“Directors” or “the Board”	the directors of Creightons whose names are listed on page 4 of this document
“FCA”	the UK Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“General Meeting”	the general meeting of the Company to be held at 12.00 noon on 10 October 2019 for the purpose of considering the Resolution
“Form of Proxy”	the form of proxy accompanying for use by Shareholders in connection with the General Meeting
“Group”	Creightons and its subsidiaries
“Independent Directors”	the directors of the Company other than William McIlroy
“Interested Director”	William McIlroy
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA
“Oratorio” or “the Seller”	Oratorio Developments Limited, the present owner of the Property
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Potter & Moore”	Potter & Moore Innovations Limited, a wholly-owned subsidiary of the Company
“the Property”	the freehold land and factory, warehouse and office premises at 1210 Lincoln Road, Peterborough PE4 6ND
“the Purchase”	the purchase of the Property by the Company
“the Purchase Contract”	the conditional contract dated 20 September 2019 and made between (1) Oratorio and (2) the Company for the sale and purchase of the Property
“Related Party Transaction”	a related party transaction under the Listing Rules
“the Resolution”	the ordinary resolution to be proposed at the General Meeting to approve the Purchase
“Shareholder”	a holder of the Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000.

PART 1

LETTER FROM THE MANAGING DIRECTOR OF CREIGHTONS PLC

Creightons plc

(Incorporated in England and Wales, company number 01227964)

Directors:

William McIlroy (Chairman)
Bernard Johnson
Martin Stevens
Pippa Clark
Paul Forster
Nicholas O'Shea
Mary Carney
William Glencross

Registered Office:

1210 Lincoln Road
Peterborough,
PE4 6ND

20 September 2019

Dear Shareholder,

Proposed purchase of freehold property

Introduction

On 20 September 2019, the Company announced that it had entered into a conditional contract with Oratorio Developments Limited ("the Purchase Contract") to purchase the Group's principal trading premises at 1210 Lincoln Road, Peterborough ("the Property") for the purchase price of £3,800,000 exclusive of VAT. The Purchase Contract is conditional on approval of the Purchase by the Company's Shareholders.

I am writing this letter to Shareholders as the Chairman of the Board, William McIlroy, has a personal interest in the Purchase.

Related Party Transaction and Shareholder Approval

The seller of the Property, Oratorio Developments Limited, is a company wholly-owned by William McIlroy ("the Interested Director") and his wife. Mr McIlroy is a director of the Company. He and Oratorio between them hold 16,219,275 Ordinary Shares, representing 25.7% of the Company's total issued Ordinary Shares. The Purchase is, therefore, a Related Party Transaction within the meaning of the Listing Rules, and accordingly there is a requirement to obtain Shareholders' approval for that transaction.

In addition, and for the purposes of the Act, Oratorio is a company connected with Mr McIlroy, and accordingly the Purchase will constitute a substantial property transaction with a director of the Company or person connected with a director, requiring approval by the Company's Shareholders in accordance with s.190 of the Act.

For both reasons, therefore, the Company cannot purchase the Property from Oratorio unless the Purchase is approved by Shareholders.

Under the class tests as set out under the Listing Rules, the size of the consideration payable for the purchase of the Property means that the Purchase represents a Class 2 Transaction for the Company.

A General Meeting will be held at 1210 Lincoln Road, Peterborough, PE4 6ND at 12.00 noon on 10 October 2019 for the purpose of seeking Shareholders' approval for the Purchase. A notice convening the General Meeting, at which a resolution to approve the Purchase ("the Resolution") will be proposed, is set out at the end of this document.

The purpose of this letter is to provide you with details of the Purchase, to explain why the Board considers the Purchase to be in the best interests of the Company and its Shareholders as a whole, and to recommend that Shareholders vote in favour of the Resolution.

As Mr Mcllroy has a personal interest in the sale of the Property, he has taken no part in the Board's consideration of the proposed Purchase.

Furthermore, under the Listing Rules, neither Mr Mcllroy nor Oratorio is entitled to vote on the Resolution. Both Oratorio and Mr Mcllroy have undertaken to the Independent Directors not to vote at the General Meeting, either in person, or (in the case of Oratorio) by a representative or by proxy, and to use all reasonable steps to ensure that none of their associates votes on the Resolution.

Background and reasons for the Purchase

The Property has been occupied by the Group as a tenant since March 2003, when the business which has since been operated by Potter & Moore was acquired. Apart from being the Group's principal manufacturing and storage premises, the administration of the Company is conducted from the Property.

Oratorio purchased the freehold interest in the Property from Potter & Moore's then landlord, Targetfollow (Peterborough) Limited, in July 2006 for a purchase price of £4,400,000. Mr Mcllroy has indicated to the Independent Directors that Oratorio's investment in the Property was intended to help secure the long term future of the Group's business, and that his company would be willing to sell the Property to Creightons at the appropriate time.

The Group currently leases almost the entirety of the Property for its own purposes. Two small areas of the Property are separately let to operators as the site of mobile telecommunications masts: these two lettings generate an income of approximately £12,000 per annum. The Independent Directors also believe that approximately 3 acres (1.21 ha) have potential for development without adversely affecting the Group's operational requirements.

Potter & Moore's present lease of the Property from Oratorio will expire on 23 March 2020. The current rent payable is £350,000 per annum. The Independent Directors initiated discussions with Mr Mcllroy with regard to the renewal of the lease and he indicated Oratorio's willingness to renew the lease, but also offered to sell the Property to the Company for its current market value. The recent growth of the Group has put it in a position in which the Independent Directors believed they could consider the purchase of the Property by the Company.

Accordingly, the Independent Directors obtained an independent valuation of the Property from Barker Storey Matthews, who have valued the Property at £3,800,000. Barker Storey Matthews' valuation report at an effective date of 02 September 2019, is set out in Part 2 of this document and the Company confirms that there have been no material changes since the effective date of the valuation.

The Purchase would be financed in part with a 15 year term loan of £3,040,000 from HSBC UK Bank plc, secured on the Property, with the balance of the purchase price and the associated costs provided from the Group's own resources. Further details of the financing of the Purchase are provided below.

If the Purchase is approved by Shareholders and completed, the Company intends to lease the Property to Potter & Moore on a new lease for a term of 20 years at a rent of £350,000 per annum. There will be an intercompany leasing arrangement to provide the top company with the funds to repay HSBC UK Bank plc and in overall terms the Group anticipates being able to cover the repayments out of the trading of the operating businesses.

The Independent Directors believe that purchase of the Property will enable the Group to:

- secure its tenure of the Property for its operations and so avoid the possibility of having to relocate its business elsewhere at any time in the foreseeable future;
- cease paying rent for the use of the Property to any third party;
- improve the underlying cash generation of the Group;
- invest in more modern and efficient manufacturing facilities for its own benefit rather than for the long term benefit of a landlord, whilst freeing up development land;
- invest in a tangible asset which may have potential for future growth in value; and
- provide further operational consolidation opportunities for the Group's more economical use of its resources in the future, including bringing all finished goods distribution back in house.

The major risk associated with the transaction relates to a significant fall in commercial property values which has an impact on the valuation of this site. This risk is mitigated by the relatively large proposed depreciation charge of £218,000 which reflects the age and condition of the older buildings on the site.

In the opinion of the Independent Directors, the purchase of the Property is a sound commercial and financial transaction for the benefit of the Group, its staff and its Shareholders, which will promote the success of the Company for the benefit of its Shareholders as a whole.

Accordingly, the Company has entered the Purchase Contract, which is conditional on the Resolution being passed. Further details of the Purchase Contract are set out in Part 3 of this document.

The financing of the Purchase

The Purchase will cost the Company the purchase price of £3,800,000 plus stamp duty land tax and associated legal, valuation, financing and other professional adviser costs which the Independent Directors estimate at a total additional cost of £301,000.

The Independent Directors intend that these total purchase costs will be financed by utilising a 15 years term loan of £3,040,000 (“the Bank Loan”) from HSBC UK Bank plc (“the Bank”) with the balance being provided from the Company’s existing facilities.

The principal terms of the Bank Loan are:

- a 15 years repayment term, with five yearly break clauses for both the Bank and Creightons
- a fixed interest rate for the first 10 years which will be fixed when the Bank Loan is drawn down but is expected to be 3.13% per annum
- payment of an arrangement fee of £22,800
- repayable by 120 monthly payments, covering principal and interest, which (assuming an interest rate of 3.13% p.a.) will be £21,189.79 for the first 10 years then adjusted to ensure repayment of the Bank Loan by the end of the term
- the Bank Loan will be secured by a first legal charge over the Property.

Further details of the Bank Loan are contained in Part 4 of this document.

The effect of the Purchase on the Group’s cash flow will be to eliminate the annual rent of £350,000 currently payable to Oratorio and to generate a rental income of £12,000 per annum. The loan repayments (combining principal and interest) in the first 12 months are expected to be £254,277. The Independent Directors estimate that the net effect of completing the Purchase will be to enhance Group cash flow by £95,000 in the first full year following Completion.

The impact on profit will be to replace a rental cost of £350,000 with a rental income of £12,000. The Independent Directors estimate that interest and finance costs are likely to be £99,000 in the first year. The annual depreciation charge will be £218,000. The Independent Directors estimate that the net effect of completing the Purchase will be to enhance Group profits by £45,000 in the first full year following Completion. The relatively high depreciation charge is due to the fact that the directors have chosen to depreciate the oldest building on the site over 5 years.

General Meeting

Notice of the General Meeting, which is to be held at the offices of Potter & Moore Innovations Limited, 1210 Lincoln Road, Peterborough PE4 6ND at 12.00 noon on 10 October 2019 is set out at the end of this document.

At this Meeting, the Resolution will be proposed as an ordinary resolution to approve the Purchase.

Irrevocable undertakings to vote in favour of the Resolution have been received by the Company from:

- Bernard Johnson
- Nicholas O’Shea
- William Glencross
- Martin Stevens
- Pippa Clark, and
- Paul Forster

who are the Independent Directors. Their beneficial interests together amount to 7,138,298 Ordinary Shares, representing approximately 11.4 per cent of the issued ordinary share capital of the Company.

Action to be taken

If you are a Shareholder, you will find accompanying this document a Form of Proxy for your use at the General Meeting. **Whether or not you intend to be present at the General Meeting, you are asked to complete, sign and return the Form of Proxy to the Company's Registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible but, in any event, no later than 12.00 noon on 08 October 2019.**

The completion and return of a Form of Proxy or CREST Proxy Instruction will not preclude you from attending the General Meeting and voting in person should you wish to do so. Accordingly, whether or not you intend to attend the General Meeting in person, you are urged to complete and return the Form of Proxy or CREST Proxy Instruction as soon as possible.

Further information

Your attention is drawn to the further information set out in Parts 2 to 4 of this document. You are advised to read the whole document and not merely to rely on the summarised information in this letter.

Recommendation

The Board, who have been so advised by Beaumont Cornish, believe that the terms of the Purchase Contract are fair and reasonable as far as Shareholders are concerned. The Interested Director has not taken part in the Board's consideration of the matter. Beaumont Cornish has taken into account the Board's commercial assessment of the effects of the Related Party Transaction. The Board further believe that the Purchase is in the best interests of the Company and its Shareholders as a whole.

As noted above, under the Listing Rules, neither Mr McIlroy nor Oratorio is entitled to vote on the Resolution. Both Oratorio and Mr McIlroy have undertaken to the Independent Directors not to vote at the General Meeting, either in person, or (in the case of Oratorio) by a representative or by proxy, and to use all reasonable steps to ensure that none of their associates votes on the Resolution.

Accordingly, the Board unanimously recommend that Shareholders vote in favour of the Resolution, as the Independent Directors have irrevocably undertaken to do so in respect of their own beneficial shareholdings amounting in aggregate to 7,138,298 Ordinary Shares, representing approximately 11.4 per cent of the Company's current issued share capital and approximately 15.22 per cent of the Ordinary Shares eligible to vote on the Resolution.

Yours faithfully,

Bernard Johnson
Managing Director

PART 2
PROPERTY VALUATION REPORT

The Directors
Creightons plc
1210 Lincoln Road
Peterborough
PE4 6ND

The Directors
Beaumont Cornish Limited
10th Floor,
30 Crown Place
London
EC2A 4EB

20 September 2019

Dear Sirs,

VALUATION – 1210 LINCOLN ROAD, PETERBOROUGH, PE4 6ND
MANUFACTURING, WAREHOUSE AND OFFICE BUILDINGS

1.0 INSTRUCTIONS

In accordance with your instructions we now write to provide you with our opinion of the market value of 1210 Lincoln Road, Peterborough PE4 6ND, which we inspected on 14 and 16 January, 22 May and 27 June 2019. The effective date of this Valuation is 02 September 2019 assuming there has been no material change to the buildings since our previous inspection. This valuation is required prior to the proposed purchase of the freehold interest from the company's current landlords.

The report is prepared in accordance with the Royal Institution of Chartered Surveyors Global Standards 2017 (The Red Book) on the following basis:-

Market value as defined in VPS 4.4 is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction with proper marketing and where the parties had acted knowledgably, prudently and without compulsion.

As agreed the valuation has been prepared on the assumption of vacant possession with the exception of the 2 telecom masts. We have disregarded the current lease of the property between Oratorio Developments Limited (Landlord) and Potter and Moore Innovations Limited (Tenant) dated 16 February 2007.

The valuation has been carried out by A J Barker BSC FRICS, an independent valuer who is both a member of the RICS and a RICS registered valuer who has experience and knowledge of valuing properties of this particular type specified.

As previously discussed with you this practice acted on behalf of the landlord of the property, Oratorio Developments Ltd, in respect of the letting and lease renewals in the adjacent building now demolished following fire. This advice was provided in the period 2007 to 2009. We do not believe this constitutes conflict of interest but our instructions have previously been approved by yourself and your landlords.

We can confirm that a conflict of interest check has been undertaken and that we have not identified any relevant conflicts that would prohibit us undertaking the valuation. For the sake of clarity we can confirm that we have no personal interest in the subject property or in our client's company.

2.0 LOCATION & DESCRIPTION

The property is shown identified approximately edged red on the enclosed Ordnance Survey Extract Plan (scale 1:1250) enclosed at Appendix I (as defined by the lease plan) and is situated on the western side of Lincoln Road, Werrington Parkway (A15). The property is located approximately 4 miles north of Peterborough City

Centre. Werrington is an established part of the City but was extended by the Peterborough Development Corporation in the 1980s. A Lidl supermarket has been constructed to the south of the subject site. To the north there is a static caravan site. The western boundary is defined by the main east coast railway line. The main Werrington industrial area is located to the north. Owner occupiers include Royal Mail Sorting Office, Peter Brotherhood owned by Dresser Rand Company Limited, Porcelanosa and a Bannatynes Fitness Centre.

A location plan showing the property in relation to the local road network is reproduced in Appendix I.

The property comprises a detached factory premises. The front factory section of the building is a combination of 2, 3 and 4 bays of steel frame construction under pitched asbestos sheet roofs and painted asbestos cladding and brick/blockwork to an eaves height of 4.33m with concrete floors throughout. The front 2 bay section of the building is fitted out as office accommodation. To the rear of the building is a 1980s warehouse extension of steel frame construction with profiled steel deck roof cladding with translucent panels and a combination of metal cladding and blockwork to an eaves of 7.34m and a sealed concrete floor throughout.

To the north of the warehouse extension there are two smaller linked warehouse buildings each of steel frame construction with truss roofs supporting metal clad roofs with translucent panels, a combination of metal clad and brick elevations to an eaves height of between 4.12m and 4.5m and concrete floors throughout.

3.0 ACCOMMODATION

From measurements taken at the property and measured in accordance with the RICS Property Measurement (1st Edition) incorporating the RICS Code of Measuring Practice (6th Edition), we calculate the gross internal floor areas of the property to be approximately as detailed below:

Accommodation	m²	f²
Front offices (ground & first floor)	487.56	5,248
2 bay factory section (mixing & stone)	796.61	8,574
Laboratories and R&D	185.93	2,001
4 bay section (bolting & talc store)	1,961.72	21,115
Offices	240.70	2,591
3 bay section (Production & locker rooms)	1,661.52	17,885
Alcohol Room / adjacent offices etc	277.54	2,987
Infill Workshops	62.96	678
Rear Despatch Warehouse	3,637.97	39,159
Despatch Warehouse offices (ground & first)	190.01	2,045
Compressor House	179.82	1,936
Tank Room	39.96	430
WCs	22.56	243
External boiler room	18.68	201
External store room	10.18	110
Canteen	205.51	2,212
Rear warehouse 1 and 2	1,672.01	17,997
Total Warehouse/Production	10,340.92	111,309
Total Office/Lab/R&D/ Canteen	1,309.71	14,097
Overall Total	11,650.53	125,406
Canopy	135.36	1,457

4.0 CONSTRUCTION & CONDITION

A condition survey has been prepared for you by our building surveyors and we set out below the executive summary from that report. Please note that the references to buildings A, B, C, D and E are shown on the plan attached at Appendix II.

1. Where visible the primary steel portal frame structures supporting a number of the buildings were found to be in a sound condition with no evidence of significant movement or defects noted. To various extents and in localised areas however a number of the steel frames were noted to be suffering from corrosion and although this is not expected to be symptomatic of any significant defect at present, it is recommended that these areas are monitored and in due course treated appropriately.
2. With exception to localised minor cracking noted within the external envelope of a number of the loadbearing masonry buildings walls, their structural integrity where visible appeared to be sound with no indicative signs of significant structural movement or damage evident.
3. Each individual buildings concrete floor slab where visible generally appeared to be in a sound condition albeit worn and showing signs of localised cracking which would be expected and is commensurate with the age and use of the buildings. Although the cracking appeared to be historic and not active it is recommended that these areas are visually monitored as part of a periodic maintenance inspection in order to ascertain their true nature and to determine whether or not further detailed analysis and remedial works are required.
4. Due to the age and condition of the fibre cement wall and roof cladding at some stage in the future the frequency and scope of repairs required to maintain an acceptable level of service will become uneconomic. At this stage more extensive work, possibly including either the replacement or overcladding of the existing sheeting will be required. In our opinion the wall and roof cladding is approaching this stage and wholesale replacement should be seriously considered.
5. The profile metal wall cladding weathering both units B and C was generally considered to vary in terms of condition. Building B's cladding is relatively new and although soiled was generally found to be in a fair and sound condition. Building C's wall cladding however was generally noted to be suffering from solar degradation as well as widespread delamination. The delamination of the wall cladding requires action in the short term in order to safeguard against replacement. Both buildings B and C were also noted to be suffering from impact damaged wall cladding with Building C noted to be quite severely affected.
6. The profile metal roof sheets weathering both buildings B and C were generally found to be in a poor condition with cut edge corrosion and delamination noted. The rooflights were also noted to be solar degraded limiting the amount of natural light into the areas below. Building C's rooflights were also noted to have been damaged by the historic fire. Although we were only made aware of minor active roof leaks by site operatives at the time of inspection it is recommended that the roofs are coated with a proprietary system in the next few years in order to safeguard against wholesale replacement as the exposed metal will be subject to corrosion in due course in turn causing roof leaks.
7. Building E's roof was noted to have received historic repairs and maintenance and was deemed to be in a poor condition. It is recommended that Building E's roof is stripped and refelted in order to prevent any water ingress to the areas below.
8. You may wish to commission qualified M and E contractors or consultants to check and test the services installations as we are neither qualified nor competent to carry out detailed examination or testing of building services installations.
9. Although the site was generally found to be in a relatively poor condition, the condition is commensurate with its age and use. Therefore, bearing in mind the comments we have made in this report and assuming that the necessary further enquiries have achieved satisfactory results, there are no significant items which would lead us to advise against acquisition."

We also recommend consideration is given to the demolition of the free standing wall which remains from the original building as these may constitute a health and safety issue on site.

5.0 SERVICES & AMENITIES

We understand that mains water, drainage, gas and electricity are connected to the property. No enquiries have been made to the relevant supply companies.

EPC reports have been obtained as follows:

Canteen

Rating: D (92)

EPC Number: 0371-0431-5909-5706-9006

Dated: 10 June 2019

Main Building

Rating: D (87)

EPC Number: 9755-3076-0910-0400-3905

Dated: 10 June 2019

We understand from the directors of Creightons Plc that this report covers the warehouse, manufacturing part and offices.

Equality Act

The Equality Act 2010, which came into effect 01 October 2010 largely replaced the Disability Discrimination Act 2005 as well as consolidated numerous other anti-discriminatory laws. With regard to disability the Act imposes a duty on employers and businesses offering a service to the public to make reasonable changes to practices and procedures to enable disabled people to do their jobs.

In addition, employers and businesses must remove or alter any feature that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services provided. The duty of compliance rests with the occupier. Although physical changes may enable a particular occupier to comply with the Act so may changes in the way it conducts its business.

We did not note any obvious issues affecting the property in respect of the Equality Act however we are not experts in this field and should further comment be required advice should be sought from a suitably qualified consultant.

Fire Safety

The Regulatory Reform (Fire Safety) Order 2005 requires the 'responsible person' to make suitable and sufficient assessment of risks, and to identify the fire precautions required to comply with the order. The order applies to all non-domestic property. Such fire precautions may include adaptation of the building and installation of fire equipment, but in all cases they must include signage, fire safety action plans, staff training, identifying duty holders and routine maintenance/monitoring via signed and dated checklists.

From enquiries made of the customer we understand that a fire risk assessment has been undertaken on the property although we stress we have not had sight of the report and recommendations.

For the purposes of this report and valuation we have assumed that all appropriate working policies, practices and procedures have been adopted and that no material works would be required to the property which would materially impact on the values reported herein.

6.0 ENVIRONMENTAL ISSUES

Contamination

Our inspection has not revealed any contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to any contaminative use, this might reduce the values now reported.

Contamination is becoming an increasing problem, with legislation making the polluter, owner or indeed the loan source responsible for remediation. Planning permissions are normally subject to contamination or remediation work. This has created a situation where contamination issues and the market perception of such issues can adversely affect the value of a property. Bearing in mind that contamination is often not evident from a visual inspection carried out for valuation purposes, any purchaser or lender wishing to be certain that contamination does not exist is recommended to obtain an environmental audit.

We are aware that an environmental report has previously been prepared on behalf of HSBC UK Bank Plc which highlighted some potential risks to the property. As a result a further report has commissioned by the bank and has now been received. The report states that the site appears to be suitable for security subject to recommendations which are as summarised below:

- (i) Ensure that any hazardous substances stored on site in either bulk or non-bulk containers of adequate storage provisions including secondary containment and are stored on good quality hard standing in order to reduce the risk of future contaminative liabilities.
- (ii) Current and historical land uses may represent a potential source of contamination to the underlying soils and/or ground water. The report recommends confirmation should be obtained of the priority status of the site on the council's contaminated land strategy or in the absence of this information the bank should investigate the potential for environmental impairment insurance. If this is required we assume that this can be obtained at a relatively modest premium and the policy would be assignable.
- (iii) The report confirms the site is located within a zone 3 fluvial flood plain. Confirmation should be obtained the site has insurance which would cover both property damage and business and interruption. As referred to below we have assumed that this can be obtained at a reasonable premium.

For the purposes of this report we assume that nothing referred to above would materially impact on the valuation figure reported herein.

Flooding

From internet enquiries made of the Environment Agency website the property is located within an area considered to be at low risk from flooding. We assume that there would be no undue difficulty in obtaining an appropriate insurance policy to include flood risk at a reasonable premium.

Asbestos & Hazardous Materials

The Control of Asbestos Regulations 2012 sets a framework for a duty to manage asbestos in non-domestic premises. An asbestos inspection should have been undertaken on all commercial buildings by 21 May 2004. Following discovery of asbestos there is a requirement for an asbestos management plan to be drawn up and implemented. The cost of maintenance, alteration and repair can be significantly increased due to the need to take appropriate precautions under the Control of Asbestos Regulations 2012. The regulations place a duty to manage asbestos containing materials in the workplace and applies to all commercial properties in the UK.

From discussions with Paul Forster we understand that an asbestos survey has been undertaken on the property although we have not had sight of the survey and recommendations in this respect. For the purposes of this report and valuation we have assumed that all appropriate actions, policies and procedures have been adopted in respect of asbestos.

We have not arranged for any investigation to be carried out to determine whether or not any other deleterious or hazardous material has been used in the construction of this property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent.

Radon

From enquiries made of www.ukradon.org we understand that less than 1% of homes are above the Action Level. Guidance is provided on the ukradon website.

Invasive Species

With regard to invasive species, we would stress that we are not experts in the identification of such species and that there are 40 species included as invasive species in the appropriate legislation. Japanese Knotweed is the main invasive species which causes particular problems. No obvious signs of this plant were noted during our inspection, but if a definitive opinion were required then an inspection and report by appropriately qualified botanist or similar professional would be required. We are unable to comment on the existence of any Japanese Knotweed or similar invasive species on adjoining property and would point out that such plants can spread by way of underground rhizomes or seeds.

A Japanese Knotweed survey dated 26 July 2019 has now been prepared by Zirkon Ltd which has confirmed that no Japanese Knotweed treatment is recommended. It does however recommend the treatment of Field Horsetail.

7.0 TENURE & TENANCIES

Title

We understand that the property is freehold. Unless otherwise stated we have assumed that no unusual or especially onerous restrictions, encumbrances or outgoing exist, that good title can be shown, that the valuation would not be affected by any matter that would be revealed by local search and replies to the usual enquiries, or by any statutory notice. Also see comments at 9.5 below.

Telecom Leases

The owners of the property have supplied us with copy lease relating to the two telecom masts as summarised below:

Mast 1 – let on a lease made between Oratorio Developments Limited and Vodafone Limited for a term of 10 years from 29 October 2010 at an initial annual rent of £4,000 per annum subject to rent review at the end of the 5th year of the term. The basis of the review is to market rent. It has not been confirmed whether this rent has been increased. This lease also provides for the landlord to receive 30% of any additional rent the tenant receives from sharing the mast with a third party operator. The lease also includes a tenant and landlord break provision upon giving 6 months' notice.

Mast 2 – originally let on a lease between Kings Grove Limited and Mercury Personnel Communications Limited for a term of 15 years from 8th July at a rent of £5,000 per annum subject to 5 yearly rent review linked to the RPI as set out in the fourth schedule. The lease is subject to a mutual break provision at the end of the 10th year by either the tenant or landlord giving 6 months' notice. We have also been supplied with a license to assign the lease dated 25 April 2000 to Crown Castle Limited together with a supplemental lease for additional land dated 13 May 2005. It would appear from the documentation supplied that mast 2 was assigned to Arqiva at some point who are now holding over on a 6 month extension at a current rent of £7,731.81 paid yearly in advance together with some additional rent payments as the mast is sublet to other operators. We do not have details of this arrangement.

8.0 NON DOMESTIC RATES

From internet enquiries made to the VOA website, we understand that the property is assessed for rating purposes with rateable value of £322,500.

9.0 PLANNING & ASSESSMENT

Online enquiries have been made to Peterborough City Council which show limited planning history but confirm the following:

98/00191/FUL – planning consent granted for use as B8 (storage/distribution).

Renew the planning permission 94/PO315 for four office units. Consent was granted under planning reference 99/00899/FUL.

One external illuminated freestanding monolith sign and one non-illuminated pole and plank sign. Permission granted under reference 17/019/12/ADV.

For the purposes of this report and valuation we have assumed that all relevant planning permissions and building regulation approvals have been obtained for the property.

Planning Policy

The property is not understood not to be listed or located in a Conservation Area

We are unaware of any road schemes or compulsory purchase orders affecting the property.

Highways

We understand the estate roadway as shaded blue on the attached plan is privately owned but assume that all relevant rights of way exist for vehicles, pedestrians and services. This should be checked by your solicitors prior to acquisition. We assume that Lincoln Road is a made up highway which is believed to be adopted.

10.0 MARKET RENT

Methods Utilised

In preparing our advice we have primarily utilised the comparable approach.

Our valuations have been undertaken in accordance with the RICS Valuation – Global Standards July 2017 incorporating IVSC International Valuation Standards. The conventional valuation methods are however dependent upon comparable evidence and where a lack of open market transactional activity causes uncertainty to exist throughout this process we have also relied upon our own market assessment/judgement based upon several considerations to include any marketing history, current equivalent sale processes, publicised indices, sector analysis, local factors and daily dialogue with the active agents.

Comparable Evidence

In undertaking our valuation we have had regard to comparable evidence. In some instances confidentiality prevents us from disclosing full details. Where there is a lack of available evidence regard has been given to valuer judgement. We have made this clear in our assessment where relevant.

Where the property/business has been subject to a recent transaction or a provisionally agreed price, enquiries have been made to ascertain the price agreed/realised and the effect of other factors including any marketing undertaken has been paid in this respect. We have also indicated the extent to which this information has been accepted as evidence of Market Value.

If our enquiries have not revealed such details or the agreed purchase price has changed and such information comes to light prior to the proposed loan being finalised, then this information should be referred back to us for further consideration.

Market Rent

The RICS definition of Market Rent is “*the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*”

We have considered the following market evidence:

Commercial Property

Address	Date	Rent (pa)	Comments
Ocean House, Newark Road	2017	The rent review was settled effective June 2017 at £205,000 pax equating to £4.93 per sq ft.	A 1980s detached warehouse extending to 44,579 sq ft occupying a self contained site with 40% site cover and 20% office content. The property was let on a 15 lease from June 2012.
Edgerley Drain Road	2017	£273,280 pax	Warehouse building of just over 48,800 sq ft was let in 2017. The transaction included the provision of racking by the landlord but we estimate the rent equates to in the order of £5.60 per sq ft.
Orton Southgate	2017	£274,950	A detached 47,000 sq ft new build factory let in 2017 on a new 15 year lease at a rent equating to £5.85 per sq ft.
Pinnacle Distribution Centre, Shrewsbury Avenue, Woodston		£400,000	Extending 87,976 sq ft let on a new 15 year lease at a rent of £400,000 (£4.54 per sq ft), subject to 5 yearly upward only rent reviews linked to RPI.

Address	Date	Rent (pa)	Comments
Fengate	2015	£223,680	Detached warehouse building of approximately 48,000 sq ft let September 2015 at a rent equating to £4.66 per sq ft.
Manor Drive, Paston	February 2015	£82,000	Modern detached factory/warehouse building extending to 27,723 sq ft with 8.5m eaves. Limited yard area but good levels of parking on a large complex. Let February 2015 on a lease to expiry 2021 with tenant only break clause at the end of the 5th year. The rent agreed was £82,000 pax equating to £2.96 per sq ft.
Morley Way, Woodston	October 2018	£523,552	Modern detached warehouse extending to 131,000 sq ft. The original previous lease was regeared with the reversionary lease commencing in October 2018 for a term of 6 years at an initial rent of £523,552 pax (£4 per sq ft).
183 Fengate		£140,000	Older style factory/offices extending to 40,172 sq ft with yard area available to let at £140,000 pax (£3.50 per sq ft). Some current interest is being shown.
Ocean House, Eastern Industry	June 2012	£205,000	1980's detached unit of 41,579 sq ft occupying a self contained site with 40% site cover and 20% office content. The property was let to the East of England Ambulance Service NHS Trust on a 15 year lease from June 2012 subject to an initial stepped rent and then subject to review June 2017. The passing rent of £170,000 pax was increased at review to £205,000 pax equating to £4.93/sq ft.
Newark East, Eastern Industry	October 2017	£166,431.25	Four adjacent brand new units merged to create a single unit of 26,629 sq ft with shallow yard and parking area to the front. Let October 2017 on a new 15 year FRI lease subject to tenant only break options at the end of the 5th and 10th years. The initial rent was then subject to 5 yearly upwards only reviews. An initial lower rent equivalent to just over 3 months rent free was granted for tenant fit out. The rent agreed of equates to £6.25/sq ft.

The bulk of the rental evidence set out above relates to better quality more modern buildings. Therefore to reflect the age, specification and state of repair for the older sections of the building we have applied a rent of £2.50/sq ft. For the rear warehouse we have applied a rent of £4/sq ft and the external storage area to the rear a rent of £15,000/acre to produce the following valuation:

Part of property	Sq ft	Rent/sq ft	Rent/sq ft (£)
Older sections including offices, R&D and canteen	84,211 sq ft	@ £2.50	£210,527
Rear warehouse & offices	41,204 sq ft	@ £4.00	£164,816
Storage land to rear	Say 3 acres	@ £15,000 per acre	£45,000
Total			£420,343
Less 5% end allowance			£21,017
Total			£399,326

Say £400,000 pax

This market rent valuation assumes the grant of the lease at no more than 5 years term certain. In the event of a longer term lease being entered into this would reduce the rental value figure reported.

11.0 MARKET VALUE VALUATION

Market Value Analysis

The RICS definition of Market Value is “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.” Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase, and without offset for any associate taxes.

We have considered the following market evidence:

Address	Date	Sale Price	Comments
Morley Way, Woodston	Unknown	£2,050,000	Detached warehouse building of 38,765 sq ft with 4,660 sq ft of mezzanines and a lean to conservatory of 2,185 sq ft. The office accommodation had been refurbished but ancillary storage and ground floor toilet facilities were in basic to poor order. Warehouse area is not clearspan and was not heated. Good profile occupying a corner position. The property is sold subject to contract at a price of £2,050,000 which equates to £52.35/sq ft on the main accommodation with £10/sq ft applied to the mezzanine storage and nil value ascribed to the lean to.
Stirling Way, Bretton	December 2018	£2,100,000	Older style detached warehouse building of 43,323 sq ft on a self contained site of 2.252 acres. The property includes integral office accommodation but of a basic standard. The property sold December 2018 on a vacant possession basis at a price of £2,100,000 which equates to £48.47/sq ft. Slightly over developed site. Duplication of offices and toilets as building had been arranged in two bays with a dividing wall and openings created between. Small car park serving part of the offices with a tarmac and concrete surfaced yard part of which is set a higher level than the balance of the site.

Address	Date	Sale Price	Comments
Wedgewood Way, Bretton	November 2015	£1,325,000	Low bay detached refurbished industrial unit of 29,824 sq ft on a site of 1.3 acres. The investment is currently available subject to the grant of a new 6 year lease with tenant break in 2021 at a stepped rent averaging but initially set at £187,295 pa. A number of offers have been received in and around £1,500,000 which would reflect a net initial yield of 11.77% after costs or alternatively 10.65% equivalent yield assuming a market rent is payable at lease expiry as the rents proposed are in excess of market rent. Alternatively a sale price at £1,500,000 would equate to just over £50.00/sq ft. Low bay building which had in part been refurbished. Semi detached rather than detached with a tight yard and car park. The property had previously sold with vacant possession November 2015 at a price of £1,325,000 equating to £44.24/sq ft.
Viking House, Eastern Industry	April 2018	£1,275,000	Detached warehouse building of 22,988 sq ft on a self contained site. Basic building with no office content and a single toilet block. The property sold April 2018 at a price equating to £1,275,000 assuming good repair as the purchaser secured a slightly reduced price to reflect items of disrepair although the vendor agreed a dilapidations cash settlement with the outgoing tenant. The price agreed equates to £55/sq ft. Smaller building but more basic and in a poorer location than the subject property.
Sturrock Way, Bretton	October 2017		Detached industrial unit of 14,892 sq ft with mezzanine storage or 1,476 sq ft. Limited yard area with canopied loading. The property sold October 2017 at a price equating to approximately £55/sq ft on the basis that the outgoing tenant had put the property in good repair.
Werrington	February 2016		Confidential sale of a high quality detached building of just over 54,000 sq ft with additional mezzanine storage on a large self-contained site. Good quality offices and showroom accommodation with 8.8m eaves to warehouse. Short term lease granted to the vendor on part of the accommodation. Sale agreed in February 2016 equates to a price of approximately £53.50/sq ft. This property is superior to the subject property and the other transactions identified in terms of age, specification, eaves height etc. however sold three years ago.

Our approach to this valuation is to value on a comparable basis. Most of the evidence we have identified is for more modern buildings generally with higher eaves heights and a number of them being better located.

Approximately 60% of the floor space within the building comprises a low eaves height factory probably constructed in the early 1960s with a new high bay extension warehouse to the rear. The physical constraints of the building in terms of its eaves height and loading will limit enquiries to principally those firms in manufacturing or assembly. It is unlikely to be attractive to distribution/warehousing businesses.

With the whole site included in the sale there is scope for further development and potential redevelopment of existing buildings. We feel it is likely that any future development on the northern section of the site may be constrained by the proximity to the static homes immediately on the northern boundary. We think however any constraints are likely to relate to use, noise and potentially height of the building.

We have applied a low capital value to the older section of the building at £20/sq ft to reflect age, condition (as highlighted by the condition survey), low eaves height etc. For the rear warehouse we have applied a capital value of £40/sq ft to reflect that this is a more modern building. Finally for the expansion land we have allowed a value of £225,000/acre to say 2.75 acres of the land allowing for any constraints on the northern boundary.

In terms of the 2 telecom leases these are effectively held on short term arrangements and may be terminated by the parties. The government has recently introduced new legislation which governs the basis of occupation of operators in relation to land. This new legislation known as The Code sets out the parameters of any agreement to be reached and on the basis of assessing how much an operator should now be a landowner. This used to be called rent but is now called a site payment. The site payment comprises 2 elements these being consideration and compensation. The consideration is based on the value of the underlying value whilst compensation reimburses the owner for any costs incurred. The impact of this legislation is only now filtering through but could lead to a significant decrease in rents currently received. We have therefore factored this in to our final valuation and made an allowance of £50,000 in the overall valuation.

We have then applied a 5% end allowance to reflect the difficult configuration of the buildings on site to produce a value of say £3,800,000. We understand this is in line with the price agreed with the vendors.

Our valuation is therefore as set out below:

Part of property	Sq ft	Price/sq ft	Price (£)
Older sections including offices, R&D and canteen	84,211 sq ft	@ £20	£1,684,220
Rear warehouse & offices	41,204 sq ft	@ £40	£1,648,160
Storage land to rear	Say 2.75 acres	@ £225,000 per acre	£618,750
Telecom masts	Say		£50,000
Total			£4,001,130
Less end allowance of 5%			£200,056
Total			£3,801,074

Rounded To Say £3,800,000

In our opinion the market value of the freehold interest of the property with party vacant possession and part subject to the two telecom leases is £3,800,000 (three million eight hundred thousand pounds).

12.0 FINAL REMARKS

This is a confidential report for use only by the addressees and Shareholders. Save for the inclusion within this Circular, it may not be published or disclosed to any third party without our prior written permission as to the form and context in which it may appear; otherwise, we accept no responsibility to third parties.

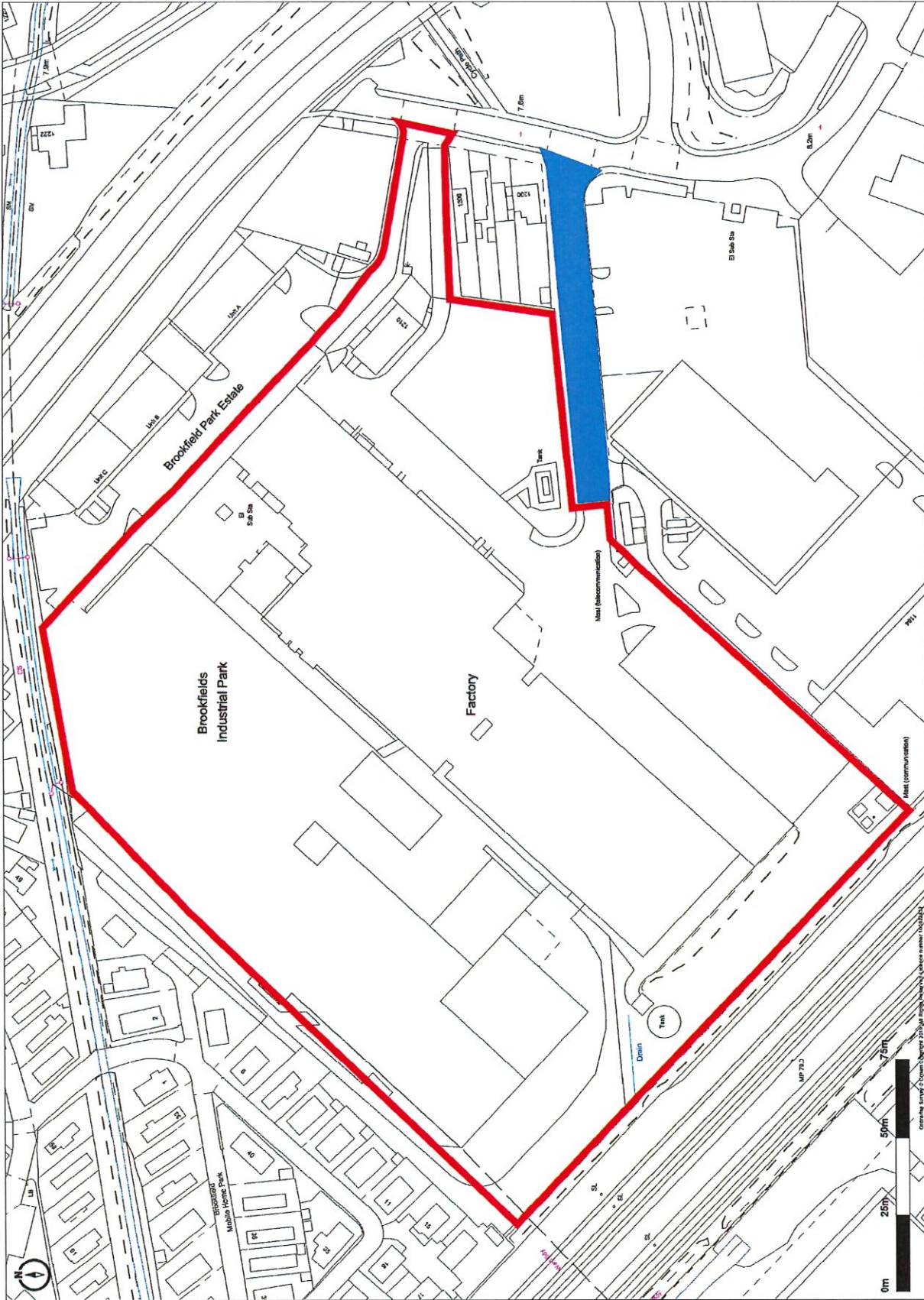
Yours faithfully

A J Barker BSc FRICS
BARKER STOREY MATTHEWS

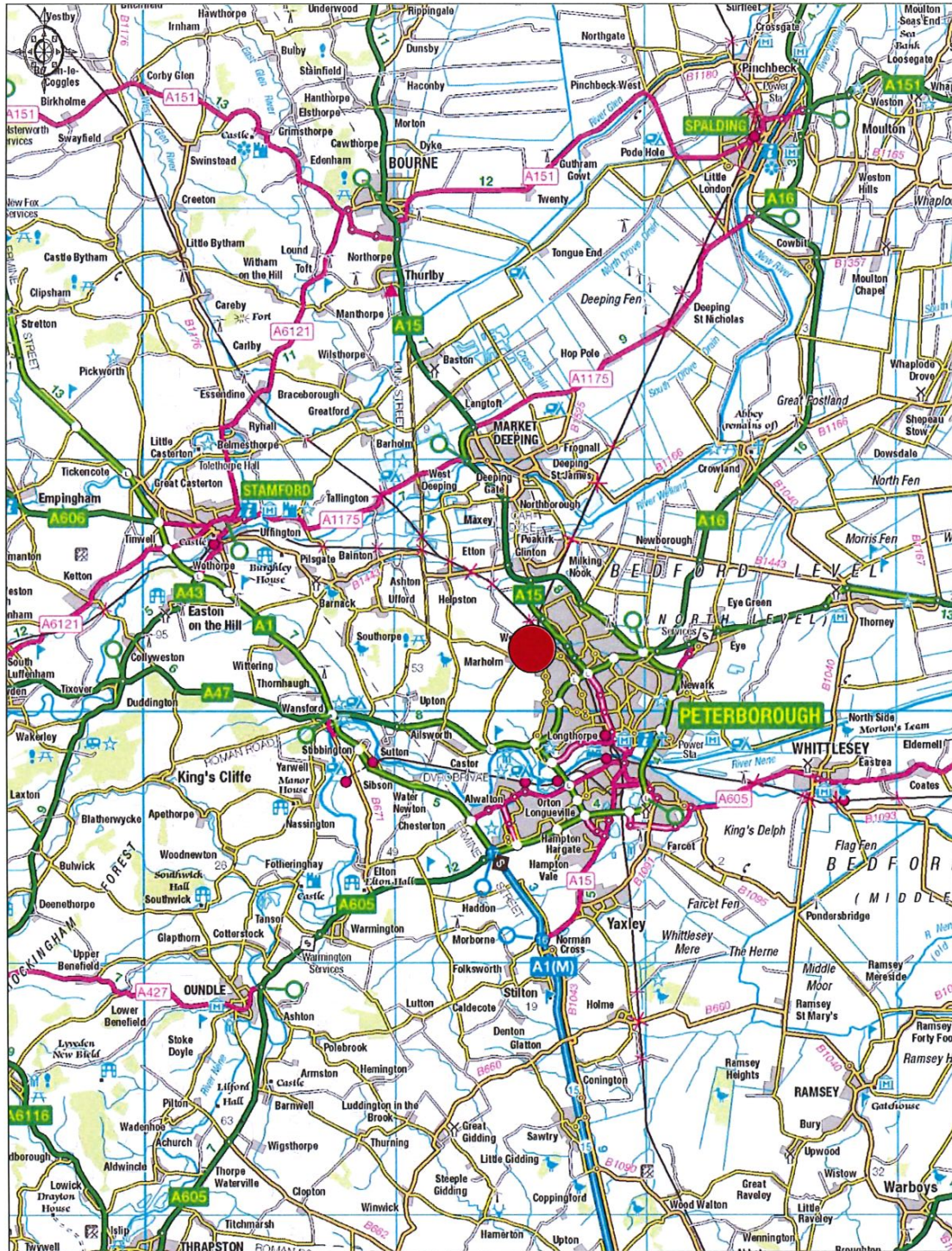
M A Hughes BSc (Hons) MRICS
BARKER STOREY MATTHEWS

APPENDIX I

Ordnance Survey Plan and Location Plan



Customer Survey © Crown Copyright, 2019. All Rights Reserved.
 Licence Number: 100029762
 Project: 2019-11250 Paper: Site - A3



ORDNANCE SURVEY PLAN

THIS PLAN IS REPRODUCED FROM THE ORDNANCE SURVEY MAP WITH THE PERMISSION OF THE CONTROLLER OF HER MAJESTY'S STATIONERY OFFICE, © CROWN COPYRIGHT RESERVED.

THIS PLAN IS PUBLISHED FOR IDENTIFICATION PURPOSES ONLY AND ALTHOUGH BELIEVED TO BE CORRECT, ITS ACCURACY IS NOT GUARANTEED AND IT DOES NOT FORM PART OF ANY CONTRACT. LICENCE No. 100003928

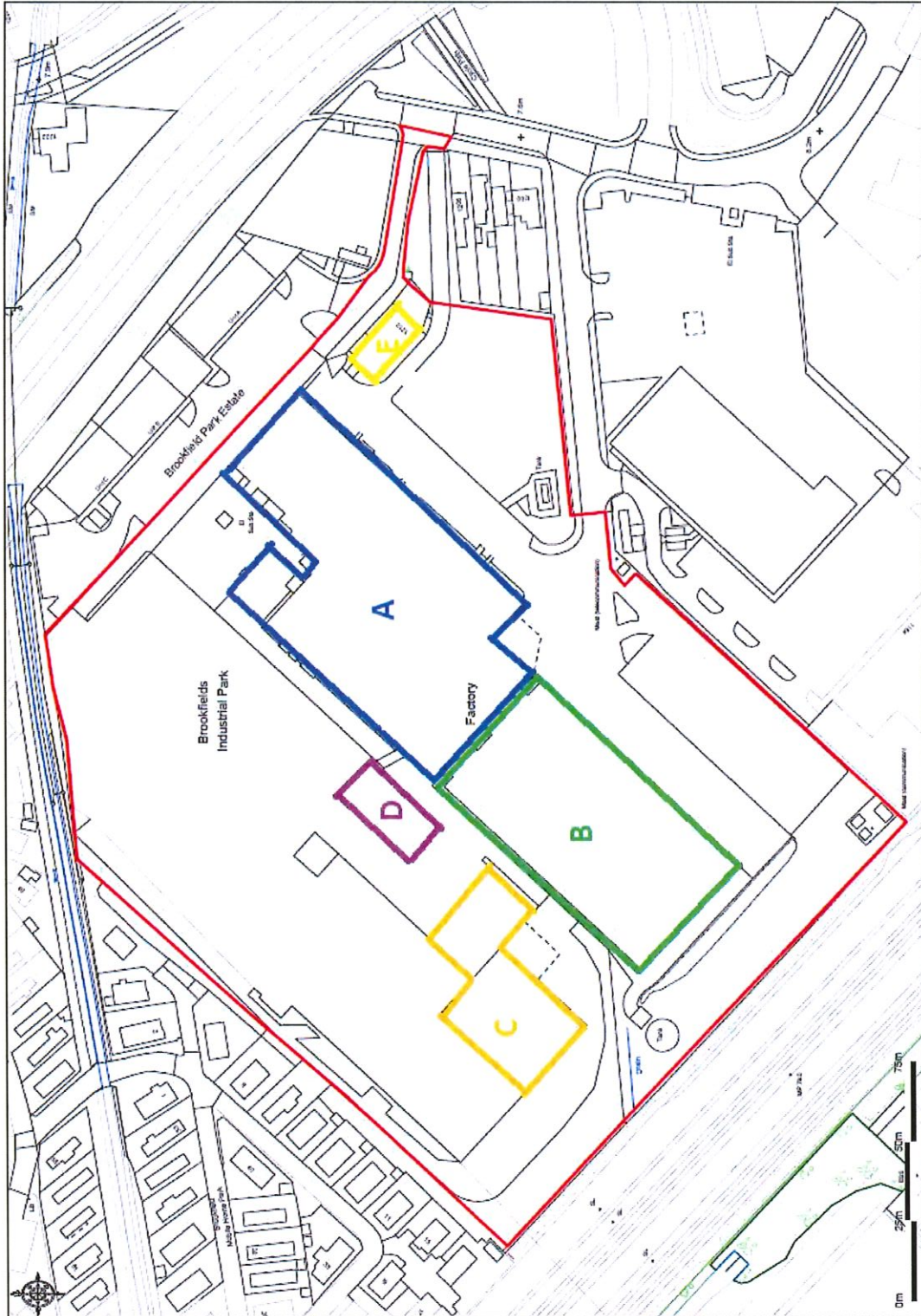
BARKER STOREY MATTHEWS

01733 897722

The Lawns, 33 Thorpe Road, Peterborough, PE3 6AB
 bsm.uk.com

APPENDIX II

Site Layout Plan



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Promap
 LAND INFORMATION GROUP

For identification only

PART 3
PRINCIPAL TERMS OF THE PURCHASE CONTRACT

The following is a summary of the principal terms of the Purchase Contract:

1. Parties

The parties to the Purchase Contract are Oratorio Developments Limited as seller, and the Company as buyer.

2. Conditions

The Purchase Contract is conditional on the passing of the Resolution. The Company's obligations are limited to the publication of this document, with the Independent Directors' recommendation that the Resolution be passed. If the Resolution is not passed at the General Meeting, either party may terminate the contract and neither party will have any further obligation to the other under the Purchase Contract.

3. Purchase price

The purchase price for the Property is £3,800,000 exclusive of VAT. The parties intend the sale and purchase of the Property to be treated as the transfer of a business as a going concern for the purposes of VAT, and accordingly do not expect VAT to be payable on Completion.

The Company has not paid a deposit, so the purchase price will be payable in full on Completion.

4. Completion

If the Resolution is passed, the Purchase will be completed within five working days after the date of the General Meeting.

5. Risk and insurance

The Property is at the Seller's risk until Completion, and the Seller will keep its insurance of the Property in place until Completion.

6. Tenancies

The Property is sold subject to:

- (a) the existing lease of the greater part of the Property to Potter & Moore; and
- (b) the existing tenancies of small parts of the Property as the site of mobile telecommunications masts of Vodafone Limited and Arqiva Services Limited.

The rents receivable under each of the leases will be apportioned between the Seller and the Company as at Completion.

7. Condition of the Property

The Company will accept the Property in its current state of repair and condition.

PART 4
ADDITIONAL INFORMATION

1. The Company's address

The registered office and the principal place of business of the Company is at 1210 Lincoln Road, Peterborough, PE4 6ND. The Company's telephone number is +44 (0) 1733 281000.

2. Directors' interests in Ordinary Shares

The interests of the Directors in the Company's Ordinary Shares as at 18 September 2019, being the latest practicable date before the posting of this document, were as follows:

Director	Number of shares	Percentage of issued share capital
Mr William O McIlroy*	16,219,275	25.7%
Mr Bernard JM Johnson	4,787,844	7.6%
Mr Nicholas DJ O'Shea	100,000	0.2%
Mr William T Glencross	67,500	0.1%
Ms M Carney	--	0.0%
Ms P Clark	451,818	0.7%
Mr M Stevens	981,818	1.6%
Mr P Forster	749,318	1.2%

*Including Ordinary Shares held by Oratorio

The Interested Director is a related party, within the meaning of the Listing Rules, in relation to the Purchase and neither he nor Oratorio is entitled to vote on the Resolution in respect of the Ordinary Shares in which they are interested.

3. Other major Shareholders

In addition to the Directors' interests shown in paragraph 2 above, the Company has been notified under Chapter 5 of the Disclosure and Transparency Rules of the following interests in 3 per cent. or more of its Ordinary Shares:

Shareholder	Number of Ordinary Shares	% held
Mr & Mrs B Geary	6,543,404	10.46%
Messrs S & A Chandaria	3,500,000	5.60%
The Estate of Mr T Amies	2,580,000	4.12%
Mr D Barry	2,500,000	4.00%
Mr B Dale	2,451,740	3.92%

4. Interested Director's service contract

The Interested Director is employed by the Company as an executive under a contract dated 06 February 2003, the terms of which provide for him to receive remuneration at the rate of £10,000 per annum for his services as an executive and to devote such time to the business of the Company as he deems necessary for the performance of his duties. The agreement may be terminated by either party on 12 months' notice.

The Interested Director's services to the other companies in the Group are provided by Oratorio under an agreement for services dated 16 January 2002, originally made with Lesmac Securities Limited (a company of which Mr McIlroy is a director and sole shareholder), the terms of which provide for Oratorio to receive payment for the Interested Director's services at the rate of £20,000 per annum. This agreement may be terminated by either party on 12 months' notice.

This agreement also provides for a performance bonus to be paid by the Company to Oratorio in respect of the Company's net profits before tax at the rate of 12.5% in respect of net profits up to £50,000, 7.5% of net profits between £50,001 and £100,000, and 5% of net profits in excess of £100,000. A further bonus of 10% of the net sale proceeds is also payable to Oratorio if the Company sells the whole of the toiletries business undertaken by the Company at 16 January 2002 for a price in excess of £1,500,000, or if the Company sells a part of that toiletries business for a price in excess of £500,000 and the net book value of the assets disposed of is less than one-third of the value of the net assets of the Company.

5. Other transactions with the Interested Director

No company in the Group has, in the past 12 months, entered into any other related party transaction with the Interested Director or with any company associated with him, other than payment of £350,000 annual rent in the ordinary course of its business by Potter & Moore to Oratorio.

6. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in connection with the Property within the two years immediately preceding the date of this document which are material to the Purchase:

- (a) the Purchase Contract, further details of which are contained in Part 3 of this document; and
- (b) a loan facility letter dated 15 August 2019 between HSBC UK Bank plc ("the Bank") and the Company, under which the Bank has offered the Company a loan of £3,040,000 ("the Loan") to assist the Company to finance the Purchase. The Loan is repayable over a term of 15 years by monthly payments combining principal and interest. Interest is payable on the principal amount of the Loan at a rate fixed for the first 10 years: the interest rate will be fixed when the Loan is drawn down but the indicative interest rate is 3.13% per annum. At this rate of interest, the monthly repayments will be £21,189.79 for the first 120 months, then adjusted to ensure repayment of the Loan by the end of the term. The Loan will be secured by a first legal charge on the Property. The Company has also undertaken to provide certain regular information to the Bank as to the financial condition, business and operations of the Group, and to comply with certain financial covenants in relation to the Loan. The Loan can be repaid by the Company at any time, but the Company must compensate the Bank for any resulting costs or expenses incurred in giving effect to the early repayment.

No other contracts (not being contracts entered into in the ordinary course of business) which are, or may be, material to the Purchase or to a Shareholder's decision how to vote on the Resolution have been entered into by any member of the Group within the two years immediately preceding the date of this document.

7. Significant changes since the last balance sheet date

There has been no significant change in the financial position of the Group since 31 March 2019, being the date to which the Company's most recent audited accounts were prepared.

8. Consents

- (a) Beaumont Cornish Limited has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are included.
- (b) Eddisons Commercial Limited, trading as "Barker Storey Matthews", has given and has not withdrawn its written consent to the inclusion of its report to the Independent Directors and to Beaumont Cornish in Part 2 of this document in the form and context in which it is included.

9. Documents available for inspection

Copies of the following documents will be available for inspection on the Company website www.creightonspic/ investors and at the offices of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including 10 October 2019, and at the General Meeting to be held on that day:

- (a) the Articles of Association of the Company;
- (b) the valuation report by Barker Storey Matthews set out in Part 2 of this document;
- (c) the Purchase Contract;
- (d) the undertakings by the Directors referred to in Part 1 of this document;
- (e) the written consents of Beaumont Cornish and Barker Storey Matthews referred to in paragraph 8 above;
and
- (f) this document.

Dated 20 September 2019

CREIGHTONS PLC (THE “COMPANY”)

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a general meeting of the Company will be held at 1210 Lincoln Road, Peterborough, PE4 6ND on 10 October 2019 at 12.00 noon for the purpose of considering and, if thought fit, passing the ordinary resolution set out below.

Ordinary Resolution

THAT the proposed purchase by the Company of the freehold property known as 1210 Lincoln Road, Peterborough from Oratorio Developments Limited (a company connected with William McIlroy, a director of the Company) pursuant to the terms and subject to the conditions of a property purchase contract dated 20 September 2019 and made between (1) Oratorio Developments Limited and (2) the Company (“the Purchase Contract”), a copy of which Purchase Contract is produced to the meeting and initialled “A” by the Chairman for the purposes of identification, be and is hereby approved and the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents as they may in their absolute discretion consider necessary and/or desirable in order to implement and complete the Purchase Contract (and any documents annexed to it or prepared for the purposes of carrying it into effect) in accordance with their respective terms.

By order of the board

N O’Shea

Company Secretary

Registered office:
1210 Lincoln Road,
Peterborough
PE4 6ND

Registered in England and Wales, Company number 01227964

20 September 2019

NOTES:

The following notes explain your general rights as a shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of trading on 08 October 2019. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
2. Shareholders, or their proxies, intending to attend the General Meeting in person are requested, if possible, to arrive at the General Meeting venue at least 20 minutes prior to the commencement of the General Meeting at 12.00 noon (UK time) on 10 October 2019 so that their shareholding may be checked against the Company’s Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the General Meeting. A Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different Ordinary Share or Ordinary Shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional Forms, please contact the Company’s Registrars, whose contact details are provided below.
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 named being the most senior.
5. 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 General Meeting.

6. To be valid, any Form of Proxy or other instrument appointing a proxy must be returned by no later than 12.00 noon on 08 October 2019 through either one of the following methods:
 - i) by post, courier or (during normal business hours only) hand to the Company's Registrars at:

Link Asset Services
PXS1
34 Beckenham Road
Beckenham
BR3 4ZF
 - ii) in the case of shares held through CREST, via the CREST system (see notes below).
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrars before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
8. The return of a completed Form of Proxy or any CREST Proxy Instruction (as described in note 11 below) will not prevent a Shareholder from attending the General Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of it) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
10. 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 UK & Ireland Limited'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 issuer's agent (ID RA10) by 12.00 noon on 08 October 2019. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer'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.
11. 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 message. 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 system 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.
12. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 18 September 2019 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 63,146,143 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 18 September 2019 are 63,146,143.
14. Any Shareholder attending the General Meeting has the right to ask questions. 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 General 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 General Meeting that the question be answered.
15. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.creightonsplc.com/investors

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