

**Lighthouse Group plc**  
Annual General Meeting 2013

5 April 2013

Dear Shareholders,

### **Lighthouse Group plc: Annual General Meeting**

The 2013 Annual General Meeting ("**AGM**") of Lighthouse Group plc ("**Company**") will be held at 26 Throgmorton Street, London EC2N 2AN on 8 May 2013 at 10:00 am.

### **Business of the AGM**

The purpose of this document is to give you details of the business that will be proposed at the AGM. The notice of AGM is set out at the end of this document and a form of proxy for use in connection with the AGM is enclosed.

Also enclosed with this letter is a copy of the Report and Accounts of the Company for the year ended 31st December 2012. A copy of the notice and accounts can also be viewed on the Company's website: <http://www.lighthousegroup.plc.uk/>.

This year, shareholders will be asked to approve 7 Resolutions. Resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and Resolutions 6 and 7 (inclusive) will be proposed as special resolutions.

An explanation of the purpose of each of the Resolutions is set out below.

### **Explanation of Resolutions**

#### **Resolution 1: Annual Report and Accounts**

Each year the Directors of the Company are required to lay before the members in general meeting the annual accounts of the Company together with the Directors' report and Auditor's report on those accounts. Resolution 1 therefore deals with the receipt of such accounts and reports.

#### **Resolutions 2 and 3: Reappointment of directors**

Resolutions 2 and 3 propose the reappointment of Mr A Scott-Barrett and Ms F Goddard as Directors in accordance with the Company's Articles of Association.

#### **Resolution 4: Reappointment of Auditors and fixing their remuneration**

The Company is required to reappoint Auditors at each general meeting at which accounts are laid to hold office until the next such meeting. Therefore, Resolution 4 proposes the reappointment of KPMG Audit Plc as Auditor and, in accordance with normal practice, authorises the Directors to determine the Auditor's remuneration.

#### **Resolution 5: Authority to allot shares**

The directors of a public company may only allot shares if they have been authorised to do so by shareholders in general meeting. Resolution 5 renews a similar authority given at last year's Annual General Meeting and, if passed, will authorise the Directors to allot shares in the capital of the Company up to an aggregate nominal amount of £504,505.61 (which represents approximately one third of the issued share capital of the Company at the date of this notice, together with the nominal value of shares over which options are exercisable in the period to which the authority relates).



This limit is in line with the guidelines issued by the Investor Protection Committees. If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or on 1 August 2014 (whichever is earlier).

It is the Directors' intention to renew this authority each year to ensure that the Company has the flexibility to issue shares when required, although the Directors have no current plans to issue shares other than pursuant to the exercise of options. This resolution is being proposed as an ordinary resolution in accordance with the requirements of the Companies Act 2006.

#### **Resolution 6: Power to disapply pre-emption rights**

The directors of a public company may not allot shares for cash unless they have first offered them to the existing shareholders in proportion to their existing shareholdings (i.e. on a fully pre-emptive basis). Resolution 6 renews a similar authority given at last year's Annual General Meeting and, if passed, will empower the Directors to allot shares for cash on a non pre-emptive basis up to an aggregate nominal amount of £142,688.10 (which represents approximately five per cent. of the Company's issued share capital at the date of this notice, together with the nominal value of shares over which options are exercisable in the period to which the authority relates). This limit is in line with the guidelines issued by the Pre-emption Group. If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or on 1 August 2014 (whichever is earlier).

It is the Directors' intention to renew this authority each year to ensure that the Company has the flexibility to issue shares for cash on a non pre-emptive basis when required or on a pre-emptive basis in such a way which allows them to deal appropriately with overseas shareholders and fractional entitlements, although the Directors have no current plans to issue shares in this manner other than pursuant to the exercise of options. This resolution is being proposed as a special resolution in accordance with the requirements of the Companies Act 2006.

#### **Resolution 7: Purchase by the Company of its own shares**

A company may only make a market purchase of its own shares if the purchase has first been authorised by its shareholders in general meeting. Resolution 7, if passed, will allow the Company to buy back up to 12,770,029 ordinary shares in the market (representing approximately ten per cent. of the Company's issued share capital as at the date of this notice). The minimum and maximum prices for such a purchase are set out in the Resolution. If given, this authority will expire at the conclusion of the Company's next Annual General Meeting or on 1 November 2014 (whichever is earlier).

It is the Directors' intention to renew this authority each year, again to give the Company flexibility, but the Directors have no current intention of exercising this authority and would only do so if they were satisfied that the purchase would be in the best interests of shareholders generally. This resolution is being proposed as a special resolution as, whereas the Companies Act 2006 requires an ordinary resolution, institutional investor guidelines and market practice recommend a special resolution.

I look forward to welcoming you at the 2013 Annual General Meeting.

Whether or not you are able to attend the AGM in person, please read the notice of AGM set out at the end of this document and the enclosed form of proxy, including the notes thereto, carefully and complete and return that form of proxy to ensure you are able to record your votes in respect of the Resolutions to be proposed at the AGM.

Yours faithfully,



Richard Last  
Chairman

## Lighthouse Group plc

### Notice of the Annual General Meeting

---

Notice is hereby given that the Annual General Meeting of Lighthouse Group plc will be held at 26 Throgmorton Street, London EC2N 2AN on 8 May 2013 at 10:00am when the following business will be transacted:-

To consider and, if thought fit, to pass the following Resolutions, of which Resolutions 1 to 5 (inclusive) will be proposed as ordinary resolutions and Resolutions 6 and 7 (inclusive) will be proposed as special resolutions:-

#### **ORDINARY RESOLUTIONS:**

1. THAT the Report of the Directors and the Accounts of the Company for the period ended 31<sup>st</sup> December 2012 together with the Auditors' Report thereon be received.
2. THAT Mr. A Scott-Barrett, who is retiring from the Board in accordance with the Articles of Association, be reappointed as a Director of the Company.
3. THAT Ms F Goddard, who has been appointed to the Board since the last Annual General Meeting, be reappointed as a Director of the Company.
4. THAT KPMG Audit Plc be re-appointed as Auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which Accounts are laid and that the Directors be authorised to fix their remuneration.
5. THAT the Directors of the Company for the time being be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("the Act"), in substitution for all existing authorities granted under that section (to the extent unused), to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate nominal amount of £504,505.61, provided that the authority hereby conferred shall (unless previously revoked, varied or renewed by the Company) expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or on 1 August 2014 (whichever is the earlier), save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or rights to subscribe for or to convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or to convert securities into share pursuant to any such offer or agreement as if the authority hereby conferred had not expired.

#### **SPECIAL RESOLUTIONS:**

6. THAT, subject to the passing of Resolution 5 above, the Directors of the Company for the time being be and they are hereby generally and unconditionally empowered pursuant to section 570 of the Companies Act 2006 ("the Act"), in substitution for all existing authorities granted under that section (to the extent unused), to exercise all the powers of the Company to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred by Resolution 5 above as if section 561(1) of the Act did not apply to such allotment, provided that the power hereby conferred shall be limited to:
  - (i) the allotment of equity securities in connection with an offer of such securities (whether by open offer, rights issue or otherwise) to the holders of equity securities in proportion (as nearly as may be) to the respective amounts of equity securities held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange; and

- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £142,688.10,

and (unless previously revoked, varied or renewed by the Company) shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or on 1 August 2014 (whichever is the earlier), save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired.

7. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 ("the Act") to make one or more market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares of £0.01 each in the capital of the Company ("Shares") provided that:

- (a) the maximum number of Shares which is hereby authorised to be purchased is 12,770,029;
- (b) the minimum price (exclusive of expenses) which may be paid for a Share is £0.01;
- (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to 105 per cent. of the average of the middle market quotations for a Share as derived from the AIM section of the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Share is contracted to be purchased,

and (unless previously revoked, varied or renewed by the Company) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or on 1 November 2014 (whichever is the earlier), save that the Company may before such expiry enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and the Company may make a purchase of Shares pursuant to any such contract as if the authority hereby conferred had not expired.



BY ORDER OF THE BOARD

**M S Ross**

Director and Company Secretary

5 April 2013

REGISTERED OFFICE:

26 Throgmorton Street

London EC2N 2AN

REGISTERED NUMBER:

04042743

## Notes:

- 1 Only those members who are entered in the register of members of the Company as at 6.00 pm on 6 May 2013 or, in the event that the meeting is adjourned, at 6.00 pm on the day before the adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes to entries in the register of members of the Company after 6.00 pm on 6 May 2013 or, in the event that the meeting is adjourned, after 6.00 pm on the day before the adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting. This is the time specified by the Company for the purposes of Regulation 41 of the Uncertificated Securities Regulations 2001.
- 2 In the case of joint holders of shares in the Company, where more than one of the joint holders purports to tender a vote, whether by voting on a show of hands or a poll at the meeting, or by appointing a proxy, only the vote tendered or the appointment submitted by the senior joint holder will be accepted and treated as valid. For these purposes, seniority is determined by the order in which the names of the joint holders appear in the register of members of the Company in respect of the joint holding.
- 3 Any member entitled to attend and vote at the meeting may appoint one or more other person(s) as a proxy or proxies to exercise all or any of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A form of proxy ("Form of Proxy") which may be used to make such an appointment accompanies this notice. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, a separate Form of Proxy must be completed for each proxy and you may photocopy the Form of Proxy for this purpose. Please indicate the proxy's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid.
- 4 In order for a Form of Proxy to be valid, it must be lodged with the Company's registrars Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 10:00 am on 6 May 2013 (or, in the event that the meeting is adjourned, not less than 48 hours before the time of the adjourned meeting) and, in default, will not be treated as valid.
- 5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so in respect of the meeting (or any adjournment(s) thereof) by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
- 6 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. A CREST Proxy Instruction, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA 10) by no later than 10:00 am on 6 May 2013 (or, in the event that the meeting is adjourned, by not less than 48 hours before the time of the adjourned meeting). No such CREST Proxy Instruction received through the CREST system after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Proxy Instruction by the CREST Applications Host) from which Capita Registrars are able to retrieve the CREST Proxy Instruction 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.
- 7 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 CREST Proxy Instruction. Normal CREST 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 CREST Proxy Instruction is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 8 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 9 The appointment of a proxy, whether by completion and return of a Form of Proxy, or the proper authentication of a CREST Proxy Instruction, will not preclude a member from attending and voting in person at the meeting if he or she so wishes.

- 10 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.
- 11 Copies of the Directors' service agreements and letters of appointment; the rules of the Company Share Option Schemes; and the terms and conditions of appointment of the non-executive directors of the Company will be available for inspection at the registered office of the Company during business hours only on weekdays from the date of this notice until the date of the meeting and at the place of the meeting from 9:45 am until the conclusion of the meeting.
- 12 Copies of the current memorandum and articles of association of the Company will also be available for inspection at the registered office of the Company during business hours only on weekdays from the date of this notice until the date of the meeting and at the place of the meeting from 9:45 am until the conclusion of the meeting.
- 13 If you have sold or otherwise transferred all of your 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 or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

## FORM OF PROXY

for use by holders of ordinary shares in Lighthouse Group plc ("Company")

at the Annual General Meeting of the Company ("**Meeting**") to be held  
at 26 Throgmorton Street, London EC2N 2AN, on 8 May 2013 at 10:00am.

*Please read the notice of Meeting and the accompanying notes carefully before completing this Form of Proxy.*

As a shareholder of the Company you have the right to attend, speak and vote at the Meeting. If you cannot, or do not want, to attend the Meeting, but still want to vote, you can appoint one or more persons to attend, speak and vote on your behalf at the Meeting, provided that each such person is appointed to exercise the rights attached to different shares held by you. Any such person is known as a 'proxy'. You can use this Form of Proxy to appoint the Chairman of the Meeting, or someone else, as your proxy and you can photocopy this Form of Proxy if you wish to appoint more than one proxy. Your proxy does not need to be a shareholder of the Company.

I/We .....(full name(s) in block capitals)

of .....(address in block capitals)

being a member /members of the Company hereby appoint:

the Chairman of the Meeting or .....(see Note 3)

in respect of my/our entire holding of shares or .....(see Note 4) as my/our proxy to exercise all or any of my/our rights to attend, speak and vote for me/us in respect of my/our voting entitlement referred to above on my/our behalf at the meeting (and at any adjournment thereof) and, in particular, to vote in respect of the resolutions set out in the notice of Meeting as set out overleaf, and to vote (or abstain from voting) as he thinks fit on any other matter which may properly come before the Meeting (see Note 2).

Please tick here if this proxy appointment is one of multiple appointments being made



No.	Resolution	For	Against	Withheld	Discretionary
1.	THAT the Report of the Directors and the Accounts of the Company for the period ended 31 <sup>st</sup> December 2012 together with the Auditors' Report thereon be received.				
2.	THAT Mr. A Scott-Barrett, who is retiring from the Board in accordance with the Articles of Association, as a Director of the Company, be reappointed.				
3.	THAT Ms F Goddard, who has been appointed to the Board since the last Annual General Meeting, be reappointed as a Director of the Company				
4.	THAT KPMG Audit Plc be re-appointed as Auditors of the Company and that the Directors be authorised to fix their remuneration.				
5.	THAT the Directors be authorised to allot shares in accordance with section 551 of the Companies Act 2006.				
6.	THAT the Directors be authorised to allot equity securities for cash pursuant to section 570 of the Companies Act as if section 561(1) of the Act did not apply.				
7.	THAT the Company be authorised to make market purchases of shares for the purposes of section 701 of the Companies Act 2006.				

Dated .....

Member's signature .....

## Notes:

- 1 Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001, the Company has specified that only those members entered on the register of members of the Company at 6.00 p.m. on 6 May 2013 or, in the event that the meeting is adjourned, at 6.00 pm on the day before any adjourned meeting shall be entitled to attend and vote at the Meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the register of members after 6.00 p.m. on 6 May 2013 or, in the event that the meeting is adjourned, after 6.00 pm on the day before any adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
- 2 If you wish your proxy to cast all of your votes for or against a resolution, or you wish to give your proxy discretion as to how to cast all your votes, you should insert an "X" in the appropriate box. If you wish your proxy to cast only certain votes for and certain votes against, or to use his discretion to cast only certain votes, insert the relevant number of shares in the appropriate box. If you give your proxy discretion as to how to vote or in the absence of instructions as to how to vote, your proxy may vote or abstain from voting as he or she thinks fit on the specified resolutions and, unless instructed otherwise, may also vote or abstain from voting as he or she thinks fit on any other business (including on a motion to amend a resolution, to propose a new resolution or to adjourn the meeting) which may properly come before the meeting. The withheld option on this Form of Proxy is provided to enable you to instruct your proxy not to vote on any particular resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of the votes for or against a resolution.
- 3 If you wish to appoint someone other than the Chairman of the meeting as your proxy, please delete the words 'the chairman of the meeting' and insert the full name of the person you wish to appoint in the space provided.
- 4 If you wish to appoint your proxy to exercise the voting rights attached to less than your entire holding of shares, please delete the words 'my entire holding of shares' and insert the number of shares in respect of which the proxy is entitled to exercise the voting rights in the space provided.
- 5 If you wish to appoint more than one proxy, you will need to photocopy this Form of Proxy and submit separate Forms of Proxy for each proxy you wish to appoint. Please indicate on each Form of Proxy the proxy's name and the number of shares in relation to which it is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Multiple Forms of Proxy must all be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by the member may result in the proxy appointment being invalid.
- 6 This Form of Proxy must be signed by the shareholder or his/her duly appointed attorney. Where the shareholder is a corporation, this Form of Proxy must be executed under seal or signed on its behalf by a duly authorised representative. In the case of joint shareholders, any one joint shareholder may execute or sign this Form of Proxy. However, where more than one joint shareholder purports to appoint a proxy, the appointment made by the senior joint shareholder will be accepted to the exclusion of all others, seniority being determined by the order in which the names of the joint shareholders stand in the register of members in respect of the joint shareholding.
- 7 To be valid, this Form of Proxy (together with any power of attorney or other authority under which it is executed or signed or a copy of such authority certified notarially or in some other way approved by the directors of the Company) must be deposited at the offices of Capita Registrars, PXS,34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 10:00 am on 6 May 2013 or, in the event that the meeting is adjourned, not less than 48 hours before the time of the adjourned meeting.
- 8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy of an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Capita Registrars (ID RA 10) by no later than 10:00 am on 6 May 2013 or, in the event that the meeting is adjourned, not less than 48 hours before the time of the adjourned meeting. Please refer to the notes of the notice of the meeting for further information on proxy appointments through CREST.
- 9 The completion and return of this Form of Proxy, or the submission of an electronic proxy appointment through the CREST system, will not prevent you from attending in person and voting at the meeting of any adjournment thereof, should you wish to do so. However, if you appoint a proxy in respect of all or any of your shares and then attend and vote those shares at the meeting, your proxy appointment in respect of those shares will automatically be terminated.
- 10 You may not use any electronic address provided in this proxy form to communicate with the Company for any purpose other than those expressly stated.