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If you have sold or otherwise transferred all your Safeland Ordinary Shares, please forward 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 as soon as possible for onward transmission to the purchaser or transferee. If you have sold only part of your holding of Safeland Ordinary Shares you should retain these documents.

The distribution of this document together with the accompanying Form of Proxy into jurisdictions other than the UK may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

All of the Newco Demerger Shares which are to be issued pursuant to the Demerger are to be issued to holders of Safeland Ordinary Shares on the register of members of Safeland at the Demerger Record Time.

This document has been prepared in connection with the demerger of Safeland's interest in the Safestay Business from the Safeland Group and, unless the context otherwise requires, assumes that the Resolutions in the Notice of Meeting at the end of this document will be passed at the General Meeting to be held on 20 February 2014 and that the Demerger is effected.

The Directors, whose names are set out on page 6 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

SAFELAND PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02012015)

Proposed Reduction of Capital

Demerger of Safeland's interest in the Safestay Business

and

Notice of General Meeting

You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 14 (inclusive) of this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

Notice of a General Meeting of the Company to be held at the offices of Dechert LLP, 160 Queen Victoria Street, London, EC4V 4QQ at 10.00 a.m. on 20 February 2014 is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting. To be valid the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU so as to be received as soon as possible but in any event no later than 48 hours before the time fixed for the General Meeting, being 10.00 a.m. on 20 February 2014. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

For a discussion of the risk factors relating to the Demerger, the Safeland Group (in the context of the Demerger), the Newco Group (in the context of the Demerger) and the Newco Demerger Shares please see "Risk Factors" in Part II of this document.

Westhouse Securities, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the matters described in this document. Westhouse Securities will not regard any other person (whether or not a recipient of this document) as its customer in relation to the transactions and arrangements described in this document and will not be responsible to anyone (whether or not a recipient of this document) other than the Company for providing the protections afforded to customers of Westhouse Securities or for advising any such person in connection with any transaction or arrangement referred to in this document. Westhouse Securities has not authorised the contents of, or any part of this document and no liability whatsoever is accepted by Westhouse Securities for the accuracy of any information or opinions contained in this document or for the admission of any information. No representation or warranty, express or implied, is made by Westhouse Securities as to, and no liability whatsoever is accepted by Westhouse Securities in respect of any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued)

It is the responsibility of any person receiving a copy of this document outside of the United Kingdom, to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send this document into any jurisdiction when to do so would, or might contravene local security laws or regulations.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

THE CONTENTS OF THIS DOCUMENT ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE.

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OVERSEAS SHAREHOLDERS

The implications of the Demerger for, and the distribution of this document to, Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which such Overseas Shareholders are located. Such Overseas Shareholders should inform themselves about, and observe, all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Demerger and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Demerger in their particular circumstances.

The Newco Demerger Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Newco Demerger Shares in the United States.

The Newco Demerger Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Newco Demerger Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Reduction of Capital and the Demerger, the expected timing and scope of the Reduction of Capital and the Demerger and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as “intends”, “anticipates”, “targets”, “estimates”, “believes”, “should”, “plans”, “will”, “expects” and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the assumptions and assessments by the Board of Safeland and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction or waiver of the conditions to the Demerger, local and global political and economic conditions, future revenues of Safeland being lower than expected, expected cost savings from the Reduction of Capital and the Demerger or other future transactions not being realised fully or in line with expected timeframes, competitive pressures in the industry increasing, foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

Neither Safeland, nor any of its respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules, the Disclosure and Transparency Rules of the Financial Services Authority and the City Code on Takeovers and Mergers), Safeland is not under any obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| <i>Event</i> | <i>Time and/or date 2014</i> |
|--|---------------------------------------|
| Date of this document | 31 January |
| Latest time and date for receipt of Forms of Proxy | 10.00 a.m. on 18 February |
| General Meeting | 10.00 a.m. on 20 February |
| Court hearing to confirm the Reduction of Capital | 12 March |
| Effective Date of the Reduction of Capital | 13 March |
| Demerger Record Time | 6.00 p.m. on 14 March |
| Demerger Effective Date (issue of Newco Demerger Shares) | during March* |
| Estimated date for the admission of the Newco Demerger Shares to trading on AIM and for CREST stock accounts to be credited with Newco Demerger Shares | during March* |
| Expected date for despatch of definitive share certificates for Newco Demerger Shares | within 10 days after Newco Admission* |

(1) Safeland will give notice of any change(s) to these times and dates by issuing an announcement through a Regulatory Information Service.

(2) All references in this document to times are to London time unless otherwise stated.

* These dates are indicative only and will depend, among other things, upon the dates on which the Court sanctions the Reduction of Capital and the Acquisition Agreement becomes unconditional.

DIRECTORS, SECRETARY AND ADVISERS

| | |
|---|---|
| Directors | Raymond Lipman (<i>Chairman</i>) Larry Glenn Lipman (<i>Managing Director</i>) Errol Alan Lipman (<i>Executive Director</i>) Colin Michael Stone FCCA (<i>Finance Director</i>) Edward George Young (<i>Non-Executive Director</i>) |
| Company Secretary | Colin Michael Stone FCCA |
| Registered Office, Principal Place of Business and Business Address of Directors | 1A Kingsley Way London N2 0FW |
| Nominated Adviser and Broker | Westhouse Securities Limited Heron Tower 110 Bishopsgate London EC2N 4AY |
| Legal Advisers to the Company | Dechert LLP 160 Queen Victoria Street London EC4V 4QQ |
| Registrar | Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU |

PART I

LETTER FROM THE CHAIRMAN

SAFELAND PLC

(Incorporated in England and Wales with registered number 02012015)

Directors:

Raymond Lipman (*Chairman*)
Larry Lipman (*Managing Director*)
Errol Lipman (*Executive Director*)
Colin Stone FCCA (*Finance Director*)
Edward Young (*Non-Executive Director*)

Registered Office:

1A Kingsley Way
London
N2 0FW

31 January 2014

To: Shareholders and, for information only, the holders of options to subscribe for Safeland Ordinary Shares

Dear Shareholder,

Proposed Reduction of Capital, Demerger of Safeland's interest in the Safestay Business, and Notice of General Meeting

1. Introduction

Earlier today, the Company announced that WXYZ2, a wholly owned subsidiary of the Company, has entered into a conditional purchase agreement to acquire the Moorfield Funds' interest in the Safestay Business and that the Board is proposing that WXYZ2 be demerged from Safeland to Newco, a new company incorporated in order to facilitate that demerger.

I am writing to you on behalf of the Board of Safeland to set out the background to and reasons for the Demerger and the reasons why your Board considers the Demerger to be in the best interests of Shareholders as a whole.

The Demerger requires the approval of Shareholders, and therefore Shareholders are being asked to vote in favour of the Resolutions to be proposed at the General Meeting. Notice of the General Meeting is set out at the end of this document at which the Resolutions will be proposed.

The Directors recommend that Shareholders vote in favour of the Resolutions as they have irrevocably undertaken to do in respect of a total of 953,570 Safeland Ordinary Shares, representing in aggregate 5.66 per cent. of the Company's issued share capital. In addition, Safeland Holdings, which holds 10,854,386 Safeland Ordinary Shares, representing approximately 64.41 per cent. of the Company's issued share capital, has irrevocably undertaken to vote in favour of the Resolutions.

Accordingly, the Company has received irrevocable undertakings to vote in favour of the Resolutions in relation to a total of 11,807,956 Safeland Ordinary Shares, representing in aggregate 70.07 per cent. of the Company's issued share capital.

2. The Proposals

In April 2011, the Safestay Business, a new brand of contemporary hostels, was created as a joint venture between the Moorfield Funds and the Company (through its wholly owned subsidiary, WXYZ2).

The Safestay Property, at Elephant & Castle in London, is the first hostel which has been developed, and is operated, by the Safestay Business. It is designed to appeal to a broad range of guests, from solo travellers to families and larger groups.

Safeland, through its wholly owned subsidiary, WXYZ2, holds a 20 per cent. interest in the Safestay Business at the date of this document with the Moorfield Funds holding a 80 per cent. interest (subject to the effect of the Promote which is described below).

Completion of the Moorfield Acquisition and the Demerger is conditional upon the outcome of a number of matters which are described in this document. The Directors have had detailed and satisfactory discussions with relevant third parties in relation to these matters; but at this stage it is not possible to say with any certainty that the relevant conditions will be satisfied.

Pursuant to the terms of the Acquisition Agreement, WXYZ2 has agreed to acquire the Moorfield Funds' entire interest in the Safestay Business for approximately £6.2 million in cash (subject to an adjustment if completion occurs after 14 March 2014). WXYZ2 has also agreed (pursuant to that agreement) to acquire Larry Lipman's interest in the Promote for £25,353 in cash. Following completion of the Acquisition Agreement, the Safestay Business will be wholly owned by WXYZ2. It is proposed that the consideration payable pursuant to the Acquisition Agreement will be funded using a combination of the net proceeds from the Newco Placing (further details of which are set out below) and bank financing. Further details of the Acquisition Agreement are contained in paragraph 6 of Part V of this document.

Upon completion of the Demerger, Shareholders will be issued with the Newco Demerger Shares so that Shareholders will also become shareholders in Newco. Immediately following the completion of the Demerger, the Newco Group will comprise of Newco and WXYZ2 (and its subsidiaries which form part of the Safestay Business).

Once the Newco Placing has been completed, the Newco Demerger Shares will constitute a minority of the issued share capital of Newco. However, since the terms of the Newco Placing have not yet been finalised, it is not possible to say at this stage precisely what proportion of the issued share capital the Newco Demerger Shares will then represent.

Accordingly, at Newco Admission, the proportion of the issued share capital of Newco which each Shareholder shall hold shall be smaller than the proportion of the issued share capital of Safeland which that same Shareholder shall have held on the Demerger Record Date. This reflects the fact that at Newco Admission, Newco will have undertaken the Newco Placing and WXYZ2 will hold the entire interest in the Safestay Business (whereas as at the date of this document WXYZ2 has a 20 per cent interest in the Safestay Business, excluding the Promote).

If the various transactions described in this document are completed, the Newco Ordinary Shares will be admitted to trading on AIM which will allow Newco and the Safestay Business to pursue their strategic objectives and Shareholders will benefit from the governance and transparency of an AIM quoted company and the liquidity that AIM provides. Following its publication, a copy of the AIM admission document relating to Newco and Newco Admission will be sent to all Shareholders and will be available on Safeland's website, www.safeland.co.uk.

Following completion of the Demerger, the Safeland Ordinary Shares will continue to be admitted to and traded on AIM.

In order to provide part of the consideration payable pursuant to the Acquisition Agreement and to provide additional working capital for the demerged Safestay Business, it is envisaged that Newco will raise up to approximately £7.0 million (before commission and expenses) by way of the Newco Placing of new Newco Ordinary Shares. The placing price for each Newco Ordinary Share and the number of Newco Ordinary Shares to be issued to placees pursuant to the Newco Placing will be determined by the directors of Newco in due course, assuming that the Newco Placing can be successfully implemented. The remaining funds required to complete the Acquisition Agreement are expected to be provided by way of bank finance.

3. The Promote

When the joint venture with the Moorfield Funds was established in April 2011, it was agreed by Safeland and the Moorfield Funds that WXYZ2 and Larry Lipman (who is a director of both Safeland and Newco) would be entitled to the Promote, being a priority share of the profits of the joint venture (to be shared in the proportion 83:17 by WXYZ2 and Larry Lipman respectively) if the cash returns paid to the Moorfield Funds and WXYZ2 exceeded certain levels.

The price to be paid to the Moorfield Funds for their interest in the Safestay Business has been calculated after taking into account the value of the Promote; and in order to enable WXYZ2 to own the Safestay Business outright it has also been agreed among the parties to the Acquisition Agreement that Larry Lipman will sell his right to the Promote to WXYZ2 conditional upon the completion of the acquisition of the interests of the Moorfield Funds. The price to be paid to him will be the amount to which he would be entitled under the Promote if the Moorfield Funds had received a distribution from the joint venture equal to the price to be paid for its interest by WXYZ2 and WXYZ2 had received a *pro rata* distribution. On this basis, the price to be paid to Larry Lipman by WXYZ2 in return for his share of the Promote will be £25,353 in cash.

4. Purpose of this document

The purpose of this document is to:

- (i) set out the background to and reasons for the Demerger;
- (ii) explain why the Board believes that the Demerger is in the best interests of Shareholders as a whole;
- (iii) explain the Resolutions to be put to Shareholders at the General Meeting to be held on 20 February 2014; and
- (iv) unanimously recommend that Shareholders vote in favour of the Resolutions.

Due to its nature, the Demerger to be effective requires the approval of Shareholders pursuant to Rule 15 of the AIM Rules.

5. Information on the Safestay Business

Hostels provide relatively inexpensive overnight accommodation in beds which are normally placed in dormitories. Hostels typically appeal to young travellers, for example, those who may be on school educational trips or students, or who might be on a budget. The Directors believe that there is a need for dormitory style accommodation which is of a better quality than that generally offered in traditional hostels and at more attractive rates than budget hotels. The Safestay Business is aimed at this market, which is known as the boutique hostel market.

The first Safestay hostel was opened in July 2012 in Elephant & Castle, Central London. The hostel has 413 beds in rooms ranging from 2 bed private rooms to 8 bed dormitories. Beds are sold at a rate between £12 and £72 per night, with the average rate being approximately £20 per night. Bookings are typically made online or through European group tour operators. During its first full calendar year of trading, the hostel operated in line with management's expectations.

As at 30 September 2013, the Safeland Group's 20 per cent. investment in the Safestay Business was valued by the Safeland Group in its books at £1.5 million (excluding the Promote).

On 21 January 2014, Safeland and WXYZ2 entered into the Loan Capitalisation Agreement pursuant to which in full and final satisfaction of WXYZ2's liabilities to Safeland pursuant to the WXYZ2 Loan, WXYZ2 issued to Safeland one WXYZ2 Share credited as fully paid. The effect of the Loan Capitalisation Agreement was the extinguishment of the WXYZ2 Loan and an increase in the net asset value of WXYZ2 (equal to the value of the WXYZ2 Loan) in advance of the Demerger.

6. Background to and reasons for the Demerger

The Safeland Group was founded in 1986 by Raymond Lipman and his three sons, Larry, Errol and Steven.

In addition to carrying on its own traditional activities in relation to property, Safeland has successfully demerged a number of companies in the past. These included Hercules Property Services Plc, a property services provider, which was demerged in 1996, Safestore plc, the self storage business which was demerged in 1998 and Bizspace plc, the specialty provider of managed workspace in the UK which was demerged in 2000. Each of these businesses was demerged while in its infancy and grew significantly after it was demerged by Safeland.

The Directors believe that the Demerger will increase the potential of the Safestay Business enabling it, as an independent group, to exploit more fully the opportunities available to it in the hostel chain sector.

Following the Demerger, the intention is to create a branded hostel group which provides safe, stylish and affordable accommodation and to expand the Safestay Business, by a combination of the development and acquisition of hostels.

7. Information on Newco

Newco was incorporated on 29 January 2014 in order to facilitate the demerger of WXYZ2 from the Safeland Group. Immediately following completion of the Demerger, the Newco Group will comprise of Newco, WXYZ2 and WXYZ2's subsidiaries and subsidiary undertakings (including the Safestay Limited Partnership). In order to complete the transactions described in this document, the Newco Ordinary Shares will be admitted to AIM.

8. Summary of the Demerger and the Reduction of Capital

The Demerger is conditional, *inter alia*, on:

- (a) the approval by Shareholders of the Resolutions;
- (b) the confirmation of the Reduction of Capital by the Court;
- (c) the Acquisition Agreement becoming unconditional in all respects;
- (d) arrangements, satisfactory to the Board, being made in relation to the Newco Placing;
- (e) Newco Admission; and
- (f) no other events or developments shall have occurred or shall exist that, in the judgment of the Board, in its sole and absolute discretion, would make it inadvisable to effect the Demerger.

In order to implement the Demerger, it will first be necessary for the Reduction of Capital to become effective, so that the share premium account and capital redemption reserve, which amount to £6.2 million in aggregate, will be cancelled. The effect of the Reduction of Capital will be to eliminate the deficit on the Company's profit and loss account and to create distributable reserves in the aggregate amount of £3.2 million which will enable the Company to proceed with the Demerger and have a balance of distributable reserves which can be utilised in the future.

The Demerger will be effected by Safeland declaring a special dividend equal to the market value of the WXYZ2 Shares. The Demerger Dividend will be satisfied, *in specie*, by the allotment and issue of the Newco Demerger Shares in consideration for the transfer by Safeland to Newco of the WXYZ2 Shares.

The Newco Demerger Shares will (together) have a market value equal to the market value of the WXYZ2 Shares and they will be issued to Shareholders who are registered on Safeland's register of members at the Demerger Record Time.

The Directors believe that the placing price for Newco Ordinary Shares which placees are willing to pay pursuant to the Newco Placing is the best indicator of the market value of the Newco Ordinary Shares (and, indirectly, the market value of WXYZ2). Accordingly, the Directors propose to calculate the number of Newco Demerger Shares to be issued on the basis of the placing price pursuant to the Newco Placing.

Each Shareholder shall be allotted a proportion of the Newco Demerger Shares that is as nearly as practicable equal to the proportion in nominal value of the Safeland Ordinary Shares held by him. Fractions of a Newco Ordinary Share will not be issued.

Following the Demerger, Shareholders will continue to hold their existing Safeland Ordinary Shares.

On 29 January 2014, Safeland subscribed for 50,000 Newco Preference Shares for an aggregate subscription price of £50,000. The Newco Preference Shares do not have voting rights and are entitled to a fixed cumulative preferential dividend at an annual rate of 2 per cent. per annum on the nominal amount of each Newco Preference Share. The fixed cumulative preferential dividend shall only accrue from the first anniversary of the date of issue of the Newco Preference Shares. The Newco Preference Shares may be redeemed, at any time, at the option of Newco for an amount equal to the amount paid up on the Newco Preference Shares (together with the amount of any accrued but unpaid dividends on the Newco Preference Shares) by Newco giving notice of the redemption to the holders of Newco Preference Shares. It is expected that the Newco Preference Shares will be redeemed on or immediately following Newco Admission out of the proceeds of the Newco Placing. Accordingly, as the fixed cumulative preferential dividend shall only accrue from the first anniversary of the date of issue of the Newco Preference Shares, it is expected that no dividend will actually become payable on the Newco Preference Shares.

Further details of the Demerger are set out in Part III of this document.

The Directors believe that the Demerger is likely to become effective during March 2014. However, as the Demerger is subject to a number of conditions as detailed above, such date is only indicative and may change.

If the Demerger does not complete during March 2014, then the Demerger might still complete at a subsequent date, although it should be noted that the Acquisition Agreement has a long stop date of 14 June 2014. If completion of the Acquisition Agreement occurs after 14 March 2014 the total consideration payable to the Moorfield Funds will be increased at the rate of £13,000 for every week between 14 March 2014 and completion of the Acquisition Agreement. The increase in consideration may have an effect on the market value of the WXYZ2 Shares (as determined by the Directors) and consequently on the value of the Newco Demerger Shares to be issued pursuant to the Demerger Dividend.

Although it is currently the Directors' intention that the Demerger should be concluded, they may decide not to proceed if they subsequently consider that it would not be in the best interests of Shareholders to do so or if Newco is unable to raise sufficient funds to complete the Acquisition Agreement.

In addition, the Acquisition Agreement will be terminated if both Safeland and the Moorfield Funds decide to accept a third party offer for the Safestay Business which each of them thinks is a preferable alternative to the Acquisition Agreement. Further details of these arrangements are contained in paragraph 6 of Part V of this document.

9. Current trading and prospects – Safeland and Newco

On 10 December 2013, Safeland published its unaudited interim results for the six months ended 30 September 2013.

The Safeland Group's profit for the six months ended 30 September 2013 was £215,000 (2012: £104,000). Safeland also reported that the Safeland Group had completed the development work on three projects since 31 March 2013 and that these properties were being marketed. Safeland stated that:

“The outlook remains cautiously optimistic with a number of positive signals of the continuing recovery in the London property market. The Land Registry has reported that in the year to 31 October 2013 the average property value in London has increased by 8.7 per cent. along with property sale volumes being up year on year. With Safeland plc well placed to take advantage of this growth, the Board is confident of the growth in value of its property portfolio and future operating profits of the Group.”

Safeland also reported that the Safestay Business continued to gain momentum. In the six months ended 30 September 2013, the Safestay Business achieved average occupancy of beds available of 79.2 per cent. (2012: 50.2 per cent.) and had secured a good level of reservations for 2014. It was reported that, as a result, the Safestay Business's hostel was making an operating profit in addition to revaluation gains on the underlying assets.

Newco is a company which was incorporated on 29 January 2014 and has not traded.

10. Financial effects of the Demerger

The Safeland Group holds a 20 per cent. interest in the Safestay Business, and such interest was valued by the Safeland Group at 30 September 2013 in its books at £1.5 million (excluding the Promote).

At completion of the Demerger, Safeland will transfer the WXYZ2 Shares to Newco in exchange for which Newco will issue the Newco Demerger Shares to Shareholders. The net assets of the Safeland Group will reduce by £1.5 million and it will no longer be entitled to a 20 per cent. share of the future profits generated by the Safestay Business.

11. Proposed arrangements between Safeland and Newco

The Safeland Group has a strong and experienced executive management team.

The names of the directors of Safeland are set out on page 6 of this document.

The directors of Newco are Larry Lipman, Managing Director of Safeland, and Colin Stone, Finance Director of Safeland. It is also expected that in due course an independent non-executive director will be appointed to the Newco Board. However, such appointment has not yet been confirmed.

It is proposed that at completion of the Demerger, Larry Lipman and Colin Stone will enter into service contracts with Newco for an initial term of one year during which they will be paid a nominal amount of remuneration by Newco. It is envisaged that at the end of the one year term Larry Lipman and Colin Stone will renew their service contracts with Newco on terms (including remuneration) to be agreed between them and Newco.

It is also envisaged that in recognition of the support which has been provided to date by Safeland to the Safestay Business and in the light of Safeland agreeing to allow Larry Lipman and Colin Stone to work for Newco, the Directors will seek to negotiate, as part of the arrangements for Newco Admission an option for Safeland to subscribe for new Newco Ordinary Shares at the Newco Placing price. It is also expected that Larry Lipman and Colin Stone will be granted options over Newco Ordinary Shares. It is not possible at this stage to say if any of these options will be granted or what the terms of the options will be.

The Board (excluding Larry Lipman and Colin Stone) does not consider that Larry Lipman's and Colin Stone's directorships of the Newco Group will conflict with their interests as directors of the Safeland Group. In particular, it is expected that any opportunity which Larry Lipman or Colin Stone obtains to purchase property in the course of their duties as directors of the Newco Group would not be one which the Safeland Group would wish to pursue.

12. Risk factors

Shareholders should consider carefully the risk factors and uncertainties set out in Part II of this document along with all of the information set out in the remainder of this document. If any or a combination of these risks actually occurs, the market price of the shares in Safeland and/or Newco may decline.

13. Taxation

The attention of Shareholders is drawn to Part IV of this document.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the UK should contact their professional adviser immediately. The absence of any reference to the tax consequences of the Demerger for Shareholders who are subject to tax in any other particular jurisdiction should not be taken to imply that the implantation of the Demerger might not have adverse tax consequences for such Shareholders.

14. Overseas Shareholders

The implications of the Demerger for Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident or otherwise located. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of Newco Ordinary Shares pursuant to the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

15. General Meeting

You will find set out at the end of this document a Notice of General Meeting of the Company to be held at the offices of Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ on 20 February 2014 at 10.00 a.m. at which the Resolutions will be proposed.

The resolutions that are to be proposed at the General Meeting, both of which will be proposed as special resolutions, are:

(1) ***Approve the Reduction of Capital***

Resolution 1 is to approve the cancellation of share premium account and capital redemption reserve of the Company.

(2) ***Approve the Demerger***

Resolution 2 is to approve (i) the Acquisition Agreement (ii) the Demerger for the purposes of Rule 15 of the AIM Rules and (iii) conditional on the passing of Resolution 1 above and the cancellation of share premium account and capital redemption reserve of the Company being confirmed by the Court the declaration of the Demerger Dividend to give effect to the Demerger (such dividend to be satisfied, in specie, by the transfer of the WXYZ2 Shares to Newco in consideration for the allotment and issue by Newco of such number of Newco Ordinary Share for Safeland Ordinary Share held by Shareholders as is determined by the Board (save that fractions of a Newco Ordinary Share will not be issued) at the Demerger Record Time).

The majority required to pass each of the Resolutions is not less than 75 per cent. of the votes cast.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

The attention of Shareholders is also drawn to the irrevocable undertakings given by the Directors and connected parties to the Company as set out in paragraph 16 below and in the paragraph entitled "Recommendation" below.

16. Irrevocable undertakings to vote in favour of the Resolutions

The Directors have irrevocably undertaken to vote in favour of the Resolutions in respect of a total of 953,570 Safeland Ordinary Shares, representing in aggregate 5.66 per cent. of the Company's issued share capital. In addition, Safeland Holdings, which holds 10,854,386 Safeland Ordinary Shares, representing approximately 64.41 per cent. of the Company's issued share capital, has irrevocably undertaken to vote in favour of the Resolutions.

Accordingly, the Company has received irrevocable undertakings to vote in favour of the Resolutions in relation to a total of 11,807,956 Safeland Ordinary Shares, representing in aggregate 70.07 per cent. of the Company's issued share capital.

17. Action to be taken

Set out at the end of this document you will find the Notice of General Meeting to be held at the offices of Dechert LLP, 160 Queen Victoria Street, London EC44 4QQ at 10.00 a.m. on 20 February 2014 to consider and, if thought fit, approve the Resolutions.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, not later than 48 hours before the General Meeting is scheduled to begin. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

18. Further Information

Your attention is drawn to the risk factors set out in Part II of this document, the principal terms of the Demerger set out in Part III of this document, a summary of the tax consequences of the Demerger for Shareholders set out in Part IV of this document and the additional information set out in Part V of this document.

Shareholders are advised to read the whole of this document and not only rely on the summary information contained in this letter.

19. Documents available

Copies of this document will be available to the public, free of charge, at the Company's registered office and at the offices of Westhouse Securities at Heron Tower, 110 Bishopsgate, London, EC2N 4AY during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for one month from the date of this document. The document is also available on the Company's website, www.safeland.co.uk.

20. Recommendation

The Directors consider that the Resolutions are in the best interests of the Company and would promote the success of the Company for the benefit of its Shareholders as a whole.

Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions, as each Director has undertaken to do in respect of his own beneficial shareholdings, amounting in aggregate to 953,570 Ordinary Shares, representing approximately 5.66 per cent. of the Company's issued share capital. In addition, Safeland Holdings, which holds 10,854,386 Safeland Ordinary Shares, representing approximately 64.41 per cent. of the Company's issued share capital, has irrevocably undertaken to vote in favour of the Resolutions.

Therefore, the Company has received irrevocable undertakings to vote in favour of the Resolutions in relation to a total of 11,807,956 Safeland Ordinary Shares, representing in aggregate 70.07 per cent. of the Company's issued share capital.

Yours faithfully

Raymond Lipman
Chairman

PART II

RISK FACTORS

This section addresses the existing and future material risks that relate to the Demerger, the Safeland Group (in the context of the Demerger), the Newco Group (in the context of the Demerger) and the Newco Ordinary Shares. The risks below are not the only ones that the Safeland Group and the Newco Group will face. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. All of these risks could materially affect the Safeland Group or the Newco Group, their respective incomes, operating profits, earnings, net assets, liquidity and capital resources. In such a case, the market price of the Safeland Ordinary Shares and/or the Newco Ordinary Shares may decline and Shareholders could lose all or part of their investment. Shareholders and prospective investors should read this section in conjunction with this entire document.

Risks relating to the Demerger

(A) *The Demerger may not complete*

Completion of the Demerger is subject, among other things, to the approval of the Demerger by Shareholders at the General Meeting, confirmation of the Reduction of Capital by the Court, the Acquisition Agreement being completed and Newco Admission. If completion of the Demerger does not occur, and in particular if the Acquisition Agreement is not completed, the Safeland Group will continue to hold a minority interest in the Safestay Business, which may result in a delay in the execution of the business plan of the Safestay Business and may mean that the Safestay Business will be unable to realise the benefits that the Board believes will result from the Demerger.

(B) *After the Demerger, each of the Safeland Group and the Newco Group could fail to meet the challenges involved in operating successfully as separate groups*

Although the Safeland Board expects that the Demerger will result in benefits to both of the Safeland Group and the Newco Group, either the Safeland Group and/or the Newco Group may not realise those benefits because of challenges relating to operating successfully as separate groups.

In particular, any failure of the Newco Group and/or the Safeland Group to meet the challenges involved in setting up and/or separating its systems and functions, operating as a separate group or to realise any of the anticipated benefits of the Demerger could have an adverse impact on the relevant group's business, reputation, financial condition and/or operating results.

Risks relating to Safeland (in the context of the Demerger)

The Safeland Group will be less diverse

The operations of the Safeland Group post-Demerger will be smaller and its activities less diverse than the current Safeland Group. Should any one of its operations under-perform, this could have a larger impact on the Safeland Group than it would have had on the Safeland Group prior to the Demerger.

However, the Directors believe that the increased focus of the Safeland Group following the Demerger will enable it actively to pursue growth opportunities and reduce this risk in the future.

Risks relating to Newco (in the context of the Demerger)

Effect of Demerger

The Demerger may result in additional overhead costs and disruption to the day-to-day administration of the Safestay Business. Demerging the Safeland Group's interest in the Safestay Business and the proposed Newco Admission may result in increased administrative costs and burdens that are not reflected in the historical financial statements of the Safestay Business. Further, the Safestay Business's infrastructure and day-to-day corporate governance regime will be required

to operate on a stand-alone basis. Although the Demerger is being structured with a view to ensuring that the transition to a stand-alone entity will go smoothly, these issues could adversely affect the Newco Group.

Risks relating to Newco Ordinary Shares

(A) ***There is no prior public trading of Newco Ordinary Shares***

Until completion of the Demerger, there will be no public trading market for the Newco Ordinary Shares. There can be no assurance that an active trading market for the Newco Ordinary Shares will develop or, if one does develop, that it will be sustained following Newco Admission. If an active trading market does not develop or is not maintained, the liquidity and trading price of the Newco Ordinary Shares could be adversely affected.

(B) ***Significant trading volumes of Newco Ordinary Shares on AIM could impact the share price***

Following the proposed Newco Admission there may be a period of relatively high volume of trading in the Newco Ordinary Shares as the shareholder register of Newco finds its natural composition. The Directors are unable to predict whether substantial amounts of the Newco Ordinary Shares will be sold in the open market following the proposed Newco Admission. Sales of a substantial number of the Newco Ordinary Shares on AIM after the proposed Newco Admission, or the perception that these sales might occur, could depress the market price of the Newco Ordinary Shares.

(C) ***Source of funds***

If future revenues are not sufficient to finance the Safestay Business's development and commercialisation strategies, the Newco Group may need to raise additional capital from equity or debt sources. Equity financing may be dilutive to Newco's then shareholders and/or have an adverse impact on the market price of Newco Ordinary Shares or result in the issuance of securities whose rights, preference and privileges are senior to those of the owners of Newco Ordinary Shares. If any such future funding requirements are met through debt financing, the Newco Group may be required to adhere to covenants restricting its future operational and financial activities. If the Newco Group is unable to secure additional funds when needed or cannot do so on terms it finds acceptable, it may be unable to expand its operations, take full advantage of future commercial opportunities or respond adequately to competitive pressures, any of which may have a materially adverse effect on its business and results of operations.

(D) ***There is no guarantee that dividends will be paid***

There can be no assurances that Newco will pay dividends in the future. Under United Kingdom company law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, the Newco's ability to pay dividends in the future will be affected by a number of factors, including having sufficient distributable reserves and its ability to receive sufficient dividends from subsidiaries.

PART III

FURTHER DETAILS OF THE DEMERGER

Newco has been established as the holding company to which the Safestay Business will be transferred. Newco will be an unquoted public limited company pending Newco Admission. The Demerger is conditional, among other things, upon the passing of the Resolutions (including the Demerger Resolution) to be proposed at the General Meeting and the confirmation of the Reduction of Capital by the Court. The Demerger is expected to become effective in March 2014. The notice of the General Meeting is set out at the end of this document.

1. Reduction of Capital

Pursuant to the Reduction of Capital the amount standing to the credit of Safeland's share premium account and capital redemption reserve, which is expected to amount to £6.2 million in aggregate, will be eliminated.

Upon such cancellation and reduction, the distributable reserves created will, subject to the point set out below, be used to pay a the Demerger Dividend to Shareholders, such dividend to be satisfied, in specie, by the transfer of the WXYZ2 Shares to Newco in consideration for which Newco will allot and issue such number of Newco Demerger Shares to the holders of Safeland Ordinary Shares who are registered on the Safeland Share Register at the Demerger Record Time which have a market value (by reference to the placing price pursuant to the Newco Placing) equal to the market value of the WXYZ2 Shares as determined by the Board. Each Shareholder shall be allotted a proportion of the Newco Ordinary Shares that is as nearly as practicable equal to the proportion in nominal value of the Safeland Ordinary Shares held by him. Fractions of a Newco Ordinary Share will not be issued.

The distributable reserves created following the Court's approval of the Reduction of Capital will: (a) in the first instance be offset against the existing distributable reserves deficit in Safeland; and (b) then be utilised to effect the Demerger Dividend. Any balance remaining after (a) and (b) will comprise distributable reserves of the Company going forward.

Shareholders will continue to hold their existing shares in Safeland.

The Reduction of Capital will require approval by Shareholders by way of a special resolution to be proposed at the General Meeting and will also require the confirmation of the Court. The Reduction of Capital will not become effective until registration by the Registrar of Companies of a copy of the Reduction Court Order and statement of capital confirming the Reduction of Capital.

The Reduction Court Hearing to confirm the Reduction of Capital is expected to be held on 12 March 2014, and the Reduction of Capital is expected to become effective on 13 March 2014.

In circumstances where a reduction or cancellation of a company's share premium account and capital redemption reserve creates distributable reserves (which is applicable for the Reduction of Capital) or is used to return capital directly to shareholders, the Court may require protection of those creditors of the company whose debts remain outstanding as at the date on which the reduction or cancellation of the company's share premium account and capital redemption reserve become effective, unless such creditors agree otherwise. Safeland is seeking the consent of certain of its creditors. If so required by the Court, appropriate arrangements will be made for the protection of any other creditors of Safeland whose debts will remain outstanding as at the date on which the Reduction of Capital becomes effective.

2. Dividend Demerger

The Demerger will be effected by Safeland declaring the Demerger Dividend on the Safeland Ordinary Shares which will be satisfied by the transfer to Newco of the entire issued share capital of WXYZ2. In consideration for that transfer, Newco will allot and issue Newco Ordinary Shares, credited as fully paid up, to the holders of New Safeland Ordinary Shares who are registered on the Safeland Share Register at the Demerger Record Time. Shareholders will be issued with such number of Newco Ordinary Shares

which have a market value (by reference to the placing price pursuant to the Newco Placing) equal to the market value of the WXYZ2 Shares as determined by the Board (save that fractions of a Newco Ordinary Share will not be issued).

Although the number of Newco Demerger Shares to be issued to Shareholders in connection with the Special Dividend has not yet been determined by the Board, it is possible that any Shareholder holding less than a minimum number of Safeland Ordinary Shares (to be determined by the Board) will not be allotted any Newco Demerger Shares.

The Directors intend to set the minimum number of Safeland Ordinary Shares at such number which would otherwise result in a Shareholder being entitled to less than a whole Newco Demerger Share. However, any Shareholder who at the Demerger Record Date holds less than the minimum number of Safeland Ordinary Shares will receive from the Company a cash payment equal to the value (calculated by reference to the placing price pursuant to the Newco Placing) of the relevant fraction of a Newco Demerger Share which such Shareholder would have received if no requirement to hold a minimum number of Safeland Ordinary Shares had been set. The Directors currently believe that the minimum number of Safeland Ordinary Shares which a Shareholder will need to hold in order to be entitled to a Newco Demerger Share will not be more than ten Safeland Ordinary Shares.

As fractions of a Newco Ordinary Share will not be issued, any Shareholder who receives Newco Demerger Shares but would otherwise also be entitled to fractional entitlements will not be entitled to any payment (whether cash or otherwise) in relation to their fractional entitlements.

3. Conditions

The Demerger is conditional on, *inter alia*, the following matters:

- (a) the approval by Shareholders of the Resolutions;
- (b) the confirmation of the Reduction of Capital by the Court;
- (c) the Acquisition Agreement becoming unconditional in all respects;
- (d) Newco Admission; and
- (e) no other events or developments shall have occurred or shall exist that, in the judgment of the Board, in its sole and absolute discretion, would make it inadvisable to effect the Demerger.

It should be noted that, although it is currently Safeland's intention that the Demerger should be concluded, Safeland is entitled to decide not to proceed with the Demerger at any time prior to the Board resolving to recommend the Demerger Dividend it determines that it would not be in the interests of Shareholders.

4. Dealings, share certificates and CREST

(a) *Newco Demerger Shares*

The latest time and date for lodging transfers of Safeland Ordinary Shares with Capita Registrars in order to be registered by the Demerger Record Time is 6.00 p.m. on 14 March 2014.

The entitlement to receive Newco Demerger Shares pursuant to the Demerger is not transferable.

If the Resolutions are passed, no action need be taken by Shareholders to receive Newco Ordinary Shares pursuant to the Demerger.

Shareholders who hold their Safeland Ordinary Shares in CREST are expected to have their CREST accounts credited with Newco Demerger Shares within 1 Business Day following Newco Admission.

Definitive share certificates in respect of Newco Demerger Shares are expected to be posted to Shareholders who hold their Safeland Ordinary Shares in certificated form within 10 Business Days following Newco Admission. Share certificates will be despatched at the Shareholders' risk

to their registered address on Safeland's register of members. In the case of joint holders, certificates will be despatched to the person whose name appears first on Safeland's register of members. Prior to despatch of definitive share certificates in respect of those Newco Demerger Shares, transfers of those Newco Demerger Shares will be certified against the register of members of Safeland. No temporary documents of title will be issued for Newco Demerger Shares.

5. Information for Overseas Shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Demerger. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in which they reside or are otherwise located in connection with the allotment and issue of the Newco Demerger Shares following the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document has been prepared for the purpose of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Demerger in their particular circumstances.

PART IV
UK TAXATION

Description of tax effect of Demerger for UK shareholders

The summary below does not constitute tax or legal advice. Any person who is in any doubt as to their tax position, or who is subject to taxation in any jurisdiction other than the United Kingdom, should consult their own professional adviser without delay.

The following statements are intended only as a general guide to current UK law and HMRC published practice (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK taxation treatment of Shareholders and are intended to apply only to persons who are resident and, if individuals, domiciled in the United Kingdom for UK tax purposes, who are absolute beneficial owners of Safeland Ordinary Shares (otherwise than through a self invested personal pension) and who hold them as investments (and not as securities to be realised in the course of a trade). They may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Shareholders who are exempt from taxation and Shareholders who have (or are deemed to have) acquired their Safeland Ordinary Shares by virtue of an office or employment. Such persons may be subject to special rules.

1. Taxation of income

Indirect distribution demerger

Clearance has been obtained from HMRC under section 1091 of the Corporation Tax Act 2010 that they are satisfied that the Demerger will qualify as an exempt distribution within the meaning of section 1075 of that Act. Accordingly, Shareholders should neither incur any liability to tax on income nor should they be entitled to any tax credit in respect of the Demerger.

Transactions in securities

In certain circumstances, Chapter 1 of Part 13 of the Income Tax Act 2007 may apply where a person obtains a tax advantage as a consequence of a “transaction in securities”. Under these provisions, HMRC can take steps in order to counteract a tax advantage obtained or obtainable by a person in consequence of any transaction or transactions in securities.

It is not expected that these provisions should apply to the transactions involved in the Demerger but Shareholders should note that no clearance has been sought from HMRC in this regard.

2. Taxation of chargeable gains

Reduction of Capital

Shareholders should not be treated as making a disposal or part disposal of their Safeland Ordinary Shares upon the Reduction of Capital and so no chargeable gain or allowable loss should arise.

Section 138 Taxation of Chargeable Gains Act 1992

Clearance has been obtained from HMRC under section 138 of the Taxation of Chargeable Gains Act 1992, the effect of which is that Shareholders should not be treated, by virtue of the receipt of Newco Ordinary Shares under the Demerger, as making a disposal or part disposal of their Safeland Ordinary Shares for the purposes of taxation of chargeable gains.

The Newco Ordinary Shares issued to each holder of Safeland Ordinary Shares who is registered on the Safeland Share Register at the time of the Demerger should be treated as the same asset and as having been acquired at the same time as the Safeland Ordinary Shares. On this basis, Shareholders should not incur a liability to taxation of chargeable gains in respect of the Demerger.

A Shareholder’s base cost for existing Safeland Ordinary Shares should be apportioned between his Safeland Ordinary Shares and Newco Ordinary Shares by reference to their respective market values on the first day on which the market values or prices are quoted or published for such shares.

Subsequent disposal of Safeland Ordinary Shares or Newco Ordinary Shares

A subsequent disposal or deemed disposal of Safeland Ordinary Shares or Newco Ordinary Shares by a shareholder who is resident in the United Kingdom for tax purposes may, depending on individual circumstances (including the availability of exemptions and reliefs), give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation on chargeable gains.

3. Stamp duty and stamp duty reserve tax (“SDRT”)

Paperless transfers of shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Under the CREST system, no stamp duty or SDRT should arise on a transfer of shares into the system unless such a transfer is made for a consideration in money or money’s worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise. The Finance Bill 2014 proposes to abolish stamp duty and SDRT on the transfer of, or agreement to transfer, shares traded on AIM with effect from 28 April 2014. No stamp duty or SDRT should generally arise on the issue of Newco Ordinary Shares pursuant to the Demerger.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names are set out in paragraph 3 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registered office

The Company was incorporated and registered in England and Wales as a public company limited by shares on 18 April 1986 (registered number 02012015).

The Company is domiciled in England and Wales and its registered and head office is at 1A Kingsley Way, London N2 0FW.

3. Directors of the Company

| <i>Name</i> | <i>Position</i> |
|---------------------|-------------------------------|
| Raymond Lipman | <i>Chairman</i> |
| Larry Glenn Lipman | <i>Managing Director</i> |
| Errol Alan Lipman | <i>Executive Director</i> |
| Colin Michael Stone | <i>Finance Director</i> |
| Edward George Young | <i>Non-Executive Director</i> |

4. Directors' interests in the Company

As at the date of this document, the interests of each Director in the issued share capital of the Company are:

| <i>Director</i> | <i>Number of Safeland Ordinary Shares</i> | <i>Percentage of the issued Safeland Ordinary Shares</i> |
|-----------------|---|--|
| Raymond Lipman | — | — |
| Larry Lipman | 261,128 | 1.55 |
| Errol Lipman | 692,442 | 4.11 |
| Colin Stone | — | — |
| Edward Young | — | — |
| Total | <u>953,570</u> | <u>5.66</u> |

In addition, Mr Larry Lipman and Mr Errol Lipman each owns one-third of the share capital of Safeland Holdings. Safeland Holdings holds 10,854,386 Safeland Ordinary Shares, representing 64.41 per cent. of the Company's issued share capital as detailed in paragraph 5 below.

Certain Directors have the following options to subscribe for Safeland Ordinary Shares under the Company's Unapproved Share Option Scheme:

| <i>Name</i> | <i>Date of award</i> | <i>Maximum number of Safeland Ordinary Shares awarded</i> | <i>Subscription Price (pence)</i> | <i>Period in which exercisable</i> |
|----------------|----------------------|---|---------------------------------------|------------------------------------|
| Raymond Lipman | 28/09/2011 | 5,387,675 | 9.25 | 28/09/2014 – 27/09/2021 |
| Larry Lipman | 28/09/2011 | 8,094,054 | 9.25 | 28/09/2014 – 27/09/2021 |
| Errol Lipman | 28/09/2011 | 6,383,621 | 9.25 | 28/09/2014 – 27/09/2021 |
| Total | | <u>19,865,350</u> | | |

5. Significant Shareholders

In so far as is known to the Company as at 30 January 2014 (being the latest practicable date prior to the publication of this document), the following persons are interested directly or indirectly in 3 per cent. or more of the Company's issued share capital, and the amount of such person's interest, is as follows:

| <i>Name</i> | <i>Number of Safeland Ordinary Shares</i> | <i>Percentage of issued Share Capital</i> |
|---|---|---|
| Safeland Holdings (2008) Corporation (<i>see paragraph 4 above</i>) | 10,854,386 | 64.41 |
| Errol Lipman | 692,442 | 4.11 |

None of the major Shareholders in the Company has different voting rights.

6. Summary of Acquisition Agreement

On 30 January 2014 an agreement was entered into between the Moorfield Funds, Moorfield Group Limited, WXYZ2, Larry Lipman, Newco and Safeland pursuant to which the Moorfield Funds agreed to sell to WXYZ2 their interest in the Safestay Limited Partnership and Safestay GP and WXYZ2 agreed to procure the repayment of the loans made by the Moorfield Funds to the Safestay Limited Partnership at par. The total consideration payable to the Moorfield Funds pursuant to the Acquisition Agreement is £6,151,714, save that if completion of the agreement occurs after 14 March 2014 that sum will be increased at the rate of £13,000 for every week between 14 March 2014 and completion.

Pursuant to the same agreement, WXYZ2 agreed to purchase Larry Lipman's interest in the Promote for £25,353.

Payment of these sums is to be made in cash on completion of the Acquisition Agreement and Newco has guaranteed WXYZ2's obligations pursuant to the agreement.

The Acquisition Agreement contains no warranties by the Moorfield Funds save as to capacity and to title to the interest which they are selling.

Moorfield Group Limited has agreed that it will not and it will use reasonable endeavours to procure that certain entities connected with it will not compete with the hostel at the Safestay Property for a period of 12 months.

The Moorfield Funds have agreed to contribute £100,000 towards the costs of the transactions described in this document if the Acquisition Agreement is completed and they have agreed to pay certain other costs if they fail to comply with their obligations to complete the Acquisition Agreement.

There are releases between the Moorfield Funds and Safeland from any claims which relate to the Safestay Business.

The Acquisition Agreement is conditional upon the passing of the Resolutions, the Reduction of Capital becoming effective, Newco raising adequate funds from the Newco Placing and bank finance to make the payments pursuant to that agreement and Newco Admission.

The Acquisition Agreement is also conditional on no acceptable alternative sale being completed. In order for a transaction to constitute an acceptable alternative sale, it must (among other things) (a) be acceptable to Safeland (as well as to the Moorfield Funds) (b) assume that the enterprise value of the Safestay Business (after taking into account its borrowings) is at least £13 million and (c) be the subject of an unconditional agreement which has been exchanged no later than 17 February 2014 and which is to be completed no later than 17 March 2014.

The Acquisition Agreement prohibits Moorfield Group Limited and the Moorfield Funds from marketing for sale the Safestay Business.

A copy of the Acquisition Agreement may be inspected at the offices of Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of the publication of this document until the General Meeting and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the meeting.

DEFINITIONS

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

| | |
|--|---|
| “Acquisition Agreement” | the agreement entered into by MREF II A, MREF II B, Moorfield Group Limited, WXYZ2, Larry Lipman, Newco and the Company relating to the Moorfield Acquisition and the Promote Acquisition entered into on 30 January 2014, a summary of the principal terms of which is set out in paragraph 6 Part V of this document; |
| “Act” | the Companies Act 2006; |
| “AIM” | the market of that name operated by the London Stock Exchange; |
| “AIM Rules” | the AIM Rules for Companies published by the London Stock Exchange from time to time which set out the rules and responsibilities in relation to companies whose shares are admitted to trading on AIM; |
| “Business Day” | a day, not being a Saturday, Sunday or public holiday, on which the clearing banks in London are generally open for business; |
| “Capita Asset Services” | the trading name of Capita Registrars Limited; |
| “certificated form” or “in certificated form” | an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST); |
| “Company” or “Safeland” | Safeland plc, a company incorporated in England and Wales with registered number 02012015; |
| “Court” | the High Court of Justice of England and Wales; |
| “CREST” | the relevant system (as defined in the Uncertificated Securities Regulations 2001, as amended) in respect of which Euroclear UK & Ireland Limited is the operator; |
| “Demerger” | the proposed demerger of WXYZ2 from the Safeland Group to be effected by way of a special dividend demerger; |
| “Demerger Dividend” | the proposed special dividend to be declared by Safeland in connection with the Demerger, the amount of which is equal to the market value of the Company’s interest in WXYZ2, as set out in the Demerger Resolution, and further details of which are set out in Part III of this document; |
| “Demerger Effective Date” | the time at which the Demerger becomes effective; |
| “Demerger Record Time” | 6.00 p.m. on 14 March 2014; |
| “Demerger Resolution” | the resolution numbered 2 set out in the Notice of General Meeting; |
| “Directors” or “Board” | the directors of the Company whose names are set out on page 22 of this document, or any duly authorised committee thereof, and “Director” means any one of them; |
| “FCA” | the Financial Conduct Authority; |
| “Form of Proxy” | the form of proxy accompanying this document for use in connection with the General Meeting; |

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| “General Meeting” | the general meeting (or any adjournment thereof) of Shareholders to be convened pursuant to the Notice of General Meeting set out at the end of this document; |
| “HMRC” | HM Revenue & Customs; |
| “Loan Capitalisation Agreement” | the loan capitalisation agreement dated 21 January 2014 between Safeland and WXYZ2 pursuant to which in full and final satisfaction of WXYZ2’s liabilities to Safeland pursuant to the WXYZ2 Loan, WXYZ2 issued to Safeland one WXYZ2 Share credited as fully paid; |
| “London Stock Exchange” | London Stock Exchange plc; |
| “Moorfield Acquisition” | the proposed acquisition by WXYZ2 of the Moorfield Funds’ entire interest in the Safestay Limited Partnership (including its interest in the Safestay GP and other associated entities); |
| “Moorfield Funds” | MREF II A and MREF II B; |
| “MREF II A” | Moorfield Real Estate Fund II A LP, an English limited partnership with registered number LP10437, acting by its general partner Moorfield Real Estate Fund II GP Limited (registered number 6312634); |
| “MREF II B” | Moorfield Real Estate Fund II B LP, an English limited partnership with registered number LP10438, acting by its general partner Moorfield Real Estate Fund II GP Limited (registered number 6312634); |
| “Newco” | Safestay plc, a company incorporated in England and Wales with registered number 8866498; |
| “Newco Admission” | the admission to trading on AIM of the Newco Ordinary Shares; |
| “Newco Board” | the board of directors of Newco from time to time; |
| “Newco Demerger Shares” | the Newco Ordinary Shares to be allotted and issued, credited as fully paid up, at the completion of the Demerger to Shareholders on the register of members of Safeland at the Demerger Record Time; |
| “Newco Group” | Newco and its subsidiaries and subsidiary undertakings from time to time, which immediately following completion of the Demerger will include WXYZ2; |
| “Newco Ordinary Shares” | ordinary shares of 1 pence each in the capital of Newco, which at completion of the Demerger shall comprise the Newco Demerger Shares and the Newco Placing Shares; |
| “Newco Placing” | the proposed conditional placing by Westhouse of new Newco Ordinary Shares in order to raise funds for the purposes of, <i>inter alia</i> , completion of the Acquisition Agreement further details of which are contained in paragraph 2 of Part I of this document; |
| “Newco Placing Shares” | the Newco Ordinary Shares to be issued to placees pursuant to the Newco Placing; |
| “Newco Preference Shares” | the redeemable preference shares of £1 each in the capital of Newco; |
| “Newco Shareholders” | holders of Newco Ordinary Shares from time to time; |

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| “Notice of General Meeting” | the notice convening the general meeting set out at the end of this document; |
| “Overseas Shareholders” | Shareholders with registered addresses outside the UK or who are incorporated in, registered in or otherwise resident or located in, countries outside the UK; |
| “Promote” | the priority share in a proportion of the profits generated by the Safestay Business in excess of certain thresholds which WXYZ2 and Larry Lipman are currently entitled to share in the proportion 83:17 respectively; |
| “Promote Acquisition” | the proposed acquisition by WXYZ2 of Larry Lipman’s interest in the Promote for consideration of £25,353 in cash; |
| “Reduction Court Hearing” | the hearing at which the Reduction Court Order is made; |
| “Reduction Court Order” | the order of the Court granted at the Reduction Court Hearing to confirm the Reduction of Capital; |
| “Reduction of Capital” | the proposed cancellation of the Company’s share premium account and capital redemption reserve, pursuant to Part 17 of Chapter 10 of the Act, further details of which are set out in this document; |
| “Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755); |
| “Regulatory Information Service” | has the same meaning as defined in the AIM Rules; |
| “Resolutions” | each of the resolutions which are set out in the Notice of General Meeting at the end of this document; |
| “Safeland Group” | in respect of any period prior to the Demerger Effective Date, Safeland and its subsidiaries and subsidiary undertakings including WXYZ2 and, in respect of any period following the Demerger Effective Date, Safeland and its subsidiaries and subsidiary undertakings excluding WXYZ2; |
| “Safeland Holdings” | Safeland Holdings (2008) Corporation, a corporation incorporated in Panama and of which Larry Lipman and Errol Lipman each own one third; |
| “Safeland Ordinary Shares” | ordinary shares of 5 pence each in the capital of Safeland; |
| “Safeland Share Register” | the register of members of the Company; |
| “Safestay Business” | the business carried on by the Safestay Limited Partnership, being the development and operation of hostels, as described in more detail in paragraph 5 of Part I of this document; |
| “Safestay Limited Partnership” | MREF II White Limited Partnership, a Jersey limited partnership with registered number 1278; |
| “Safestay GP” | MREF II White GP Limited, a company incorporated in Jersey with registered number 94157; |
| “Safestay Property” | the Safestay hostel at 144 Walworth Road, London SE17 1JL; |
| “SDRT” | stamp duty reserve tax; |
| “Shareholders” | holders of ordinary shares in Safeland from time to time; |

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| “subsidiary” | has the meaning given in section 1159 of the Act; |
| “subsidiary undertaking” | has the meaning given in section 1162 of the Act; |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland; |
| “uncertificated” or “in uncertificated form” | an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, as amended, may be transferred by means of CREST; |
| “US” or “United States” | the United States of America, its territories and possessions, any state of the United States and the District of Columbia; |
| “US Securities Act” | the US Securities Act of 1933, as amended; |
| “VAT” | value added tax; |
| “Westhouse Securities” | Westhouse Securities Limited, a company incorporated in England and Wales with registered number 00762818; |
| “WXYZ2” | WXYZ2 Limited, a wholly owned subsidiary of Safeland which holds the Safeland Group’s 20 per cent. interest in the Safestay Business at the date of this document; |
| “WXYZ2 Loan” | the interest-free loan made by Safeland to WXYZ2 for the purposes of investment by WXYZ2 in the Safestay Business which was cancelled pursuant to the terms of the Loan Capitalisation Agreement and in relation to which the outstanding principal amount immediately prior to the entry into of the Loan Capitalisation Agreement was £907,906; and |
| “WXYZ2 Shares” | the three ordinary shares of £1 each, comprising the entire issued share capital of WXYZ2. |

Unless otherwise indicated, all references in this document to times are to London times.

SAFELAND PLC

(the “Company”)

(Registered and incorporated in England and Wales with Company number 02012015)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at Dechert LLP, 160 Queen Victoria Street, London EC4V 4QQ on 20 February 2014 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, the following resolutions (the “**Resolutions**”) which will be proposed as special resolutions.

Special Resolutions

1. THAT the balances on the share premium account and capital redemption reserve of the Company be and are hereby cancelled.
2. THAT upon the recommendation and conditional upon the approval of the directors of the Company and notwithstanding any of the provisions of the articles of association of the Company:
 - 2.1 the Acquisition Agreement as defined in the circular of the Company dated 31 January 2014 is hereby approved and the proposed demerger (the “**Demerger**”) as described in that circular is hereby approved for the purposes of Rule 15 of the AIM Rules for Companies and generally and each and any of the directors of the Company be and are hereby authorised to conclude and implement the Acquisition Agreement and the Demerger and to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to the Acquisition Agreement and the Demerger with such amendments, modifications, variations or revisions as are not of a material nature; and
 - 2.2 subject to (i) the passing of Resolution 1 above and (ii) the cancellation of the share premium account and capital redemption reserve of the Company being confirmed by the High Court of Justice of England and Wales and becoming effective, and subject to and conditionally upon admission of all the issued ordinary shares in the capital of Safestay plc (“**Newco Shares**”) to trading on the AIM Market of London Stock Exchange plc becoming effective a special dividend on the ordinary shares of 0.5 pence each in the capital of the Company (the “**Safeland Ordinary Shares**”), equal to the market value of the Company’s interest in its wholly owned subsidiary, WXYZ2 Limited (“**WXYZ2**”), as determined by the directors of the Company in their absolute discretion (“**Demerger Dividend**”), be and is hereby declared payable to holders of Safeland Ordinary Shares on the register of members of the Company at 6.00 p.m on 14 March 2014 (the “**Demerger Record Date**”) such dividend to be satisfied by the allotment and issue of such number of ordinary shares in Safestay plc (the “**Newco Demerger Shares**”), credited as fully paid, to the holders of Safeland Ordinary Shares as shall be determined by the directors of the Company in consideration of the transfer by the Company to Safestay plc of the entire issued share capital of WXYZ2 (and each shareholder shall be allotted a proportion of the Newco Demerger Shares that is as nearly as practicable equal to the proportion in nominal value of the Safeland Ordinary Shares held by him, save that fractions of an ordinary share in Safestay plc will not be issued and all fractional entitlements will be rounded down to the nearest whole number, and any Shareholder who shall be entitled to one or more Newco Demerger Shares and who would otherwise also be entitled to fractional entitlements will not be entitled to any payment or other compensation (whether cash or otherwise) in relation to their fractional entitlements), and the Company shall make cash payments to shareholders who shall not be entitled to any

Newco Demerger Shares pursuant to the Demerger Dividend representing fractional entitlements which such shareholders would otherwise have received in an amount as determined by the directors of the Company in their absolute discretion.

BY ORDER OF THE BOARD

Colin Michael Stone FCCA
Company Secretary

Registered Office:
1A Kingsley Way
London
N2 0FW

31 January 2014

Explanatory Notes:

Entitlement to attend and vote

1. The Company specifies that only those members registered on the Company's register of members at:
 - 6.00 p.m. on 18 February 2014; or
 - if this Meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the Proxy Form.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU; and
 - received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU no later than 10.00 a.m. on 18 February 2014.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Please note that communications regarding the matters set out in this Notice of General Meeting will not be accepted in electronic form, other than as specified in the enclosed proxy form.

Appointment of proxy by joint members

6. 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).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU no later than 10.00 a.m. on 18 February 2014.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Submission of proxy electronically

9. Members can submit a proxy form electronically by accessing the Company's registrar's website www.capitashareportal.com and clicking on the link on the homepage. Electronic facilities are available to all members and those who use them will not be disadvantaged.

If you submit your proxy form via the internet it should reach the Company's registrars not less than 48 hours before the meeting. Should you complete your proxy form electronically and then post a hard copy, the form that arrives last will be counted to the exclusion of instructions received earlier, whether electronic or posted. Please refer to the terms and conditions of the service on the website.

You may not use any electronic address provided either in this proxy form or in any related documents (including the Notice) to communicate with the Company for any purposes other than those expressly stated.

10. CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

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 ('Euroclear') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Issuers Agent RA10 by the latest time(s) for receipt of proxy appointments specified in Note 5 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Issuers Agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members (and, where applicable, the CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual (available at www.euroclear.com/CREST) concerning practical limitation 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 (as amended).

Definition of Relevant Securities

11. Shares in the Company other than shares allotted pursuant to:

- an employee share scheme (as defined by section 1166 of the Act);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security.

Any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

