
TELFORD HOMES PLC

Notice of Annual General Meeting

Notice is hereby given that the fourteenth Annual General Meeting of Telford Homes Plc (the "Company") will be held at Telford House, Queensgate, Britannia Road, Waltham Cross, Hertfordshire EN8 7TF at 12.30 p.m. on 16 July 2015 to consider, and if thought fit, pass the following resolutions, of which resolutions 12 and 14 will be proposed as special resolutions and the remainder as ordinary resolutions.

- 1 To receive and adopt the audited accounts of the Company for the year ended 31 March 2015 and the reports of the directors and independent auditors thereon.
- 2 To declare a final dividend of six pence per share in respect of the year ended 31 March 2015.
- 3 To approve the Directors' remuneration report in respect of the year ended 31 March 2015 other than the part of such report containing the Directors' remuneration policy.
- 4 To approve the Directors' remuneration policy contained in the Directors' remuneration report for the year ended 31 March 2015.
- 5 To re-appoint as a director Andrew Wiseman who retires in accordance with the Company's Articles of Association and offers himself for re-appointment.
- 6 To re-appoint as a director David Durant who retires in accordance with the Company's Articles of Association and offers himself for re-appointment.
- 7 To re-appoint as a director David Campbell who retires in accordance with the Company's Articles of Association and offers himself for re-appointment.
- 8 To re-appoint as a director Frank Nelson who was appointed since the last annual general meeting and retires in accordance with the Company's Articles of Association and offers himself for re-appointment.
- 9 To re-appoint PricewaterhouseCoopers LLP as independent auditors of the Company, from the conclusion of this Annual General Meeting until the conclusion of the next general meeting of the Company at which accounts are laid, and to authorise the audit committee to determine the auditors' remuneration.
- 10 THAT the proposed sale by the Company of an apartment at its Bermondsey Works development, at a price of £351,625 less an allowance for legal costs of £1000 plus VAT, to David Campbell, a director of the Company, be and is hereby approved for the purposes of the section 190 of the Companies Act 2006.
- 11 THAT the directors be unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot relevant securities up to an aggregate nominal amount of £135,227.20 in connection with the grant of options as at 31 March 2015 under the Telford Homes Plc Employee Share Option Scheme, such authority to expire at the conclusion of the Company's next Annual General Meeting.
- 12 THAT, subject to the passing of resolution 11 above, the directors be generally and unconditionally authorised pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 11 above as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of up to 1,352,272 ordinary shares in connection with the grant of options committed to be made by the Company as at 31 March 2015 under the Telford Homes Plc Employee Share Option Scheme.

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- 13 THAT in place of all existing authorities (save to the extent set out in resolution 11 or as relied upon prior to the passing of this resolution), the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act"):
- (a) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum nominal amount of £2,011,583 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of 16 October 2016 and the end of the next Annual General Meeting of the Company, save that the Company may before expiry of this authority make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after expiry of this authority and the directors may allot shares, or grant rights to subscribe for or convert any security into shares, in pursuance of that offer or agreement as if this authority had not expired; and
 - (b) in addition, to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with treasury shares, fractional entitlements or any legal or practical problems arising under the laws or regulations of, or the requirements of any regulatory body or stock exchange in, any territory) up to a maximum nominal amount of £2,011,583 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of 16 October 2016 and the end of the next Annual General Meeting of the Company, save that the Company may before expiry of this authority make an offer or agreement which would or might require equity securities to be allotted after expiry of this authority and the directors may allot equity securities in pursuance of that offer or agreement as if this authority had not expired.
- 14 THAT, subject to the passing of resolution 13 above and in place of all existing powers (save to the extent set out in resolution 12 above), the directors be generally and unconditionally authorised pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 13 above as if section 561 of the Act did not apply to any such allotment. This power shall be limited to:
- (a) the allotment of equity securities in connection with an offer of such securities or an invitation to apply to subscribe for such securities (whether by way of rights issue, open offer or otherwise) in favour of holders of ordinary shares in proportion (as nearly as may be) to their respective holdings of ordinary shares but subject to such exclusions or other arrangements as the directors consider necessary or expedient in connection with treasury shares, fractional entitlements or legal or practical issues under the laws of any jurisdiction or territory or the regulations or requirements of any regulatory or stock exchange authority in any jurisdiction or territory; and
 - (b) the allotment (other than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £301,737.50.

This power shall expire on the earlier of 16 October 2016 and the conclusion of the next Annual General Meeting of the Company, but the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired.

This power also applies in relation to a sale of treasury shares, which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words "subject to the passing of resolution 14 above" and "pursuant to the authority granted by resolution 14 above" were omitted.

By order of the Board

Richard Ellis
Company Secretary

5 June 2015

Registered Office:
Telford House
Queensgate, Britannia Road
Waltham Cross
Hertfordshire EN8 7TF
Registered in England and Wales No. 4118370

The notes on the following pages give an explanation of the proposed resolutions.

Explanatory Notes to the Resolutions

Resolutions 1 to 11 and 13 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 12 and 14 are proposed as special resolutions. This means that for these resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1 – Report and Accounts

The directors must present the report of the directors and the accounts of the Company for the year ended 31 March 2015 to shareholders at the Annual General Meeting. The report of the directors, the accounts, and the report of the Company's auditors on the accounts are contained within the annual report and accounts.

Resolution 2 – Approval of Final Dividend

Shareholders are being asked to approve a final dividend of six pence per Ordinary Share in respect of the year ended 31 March 2015. If you approve the recommended final dividend, this will be paid on 17 July 2015 to all Shareholders who were on the register of members on 19 June 2015.

Resolution 3 – Approval of the Directors' remuneration report

Although, as an AIM company, the Company is not required to seek shareholder approval of the director's remuneration report or the directors remuneration policy, the Company has decided to seek the approval of shareholders in the interest of good governance.

As such, the Company has decided to put to Shareholders the directors' remuneration report in respect of the year ended 31 March 2015, which is set out on pages 40 and 41 of the Company's annual report for the year ended 31 March 2015. Whilst the payment of remuneration to the directors is not dependent on the passing of the resolution, your Board will take the vote into account when considering the future development and operation of the Company's remuneration policy and practice.

Resolution 4 – Approval of the Directors' remuneration policy

The Company has also decided to seek Shareholders' approval of the directors' remuneration policy as set out in the directors' remuneration report. The directors' remuneration policy will take effect from the date of approval by Shareholders. A resolution for the approval of the directors' remuneration policy will be proposed at least every three years, or in the event of a change in the policy if sooner.

Resolutions 5, 6, 7 and 8 – Directors

Under the Company's Articles of Association one third of the directors must retire by rotation each year. As such, Andrew Wiseman, David Durant and David Campbell retire from the Board by rotation in accordance with the Company's Articles of Association and seek re-election. Frank Nelson, who was appointed to the board since the last annual general meeting, also retires from the Board in accordance with the Articles and seeks re-election. These re-appointments shall take effect at the conclusion of the Annual General Meeting.

Robert Clarke has decided to retire from the Board and does not seek re-election.

Resolution 9 – Auditors

The resolution proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP, until the conclusion of the next general meeting of the Company at which accounts are laid, and gives authority to the audit committee to determine the auditors' remuneration.

Resolution 10 – Purchase of property by a Director

Section 190 of the Act provides that a Company cannot enter into an arrangement under which a director is to acquire a substantial non-cash asset (being an asset with a value exceeding £100,000.00) from the Company, unless the arrangement is conditional on approval by a resolution of the members of the Company.

Resolution 10 seeks approval for the purposes of section 190 of the Act to the proposed sale of an apartment at the Company's Bermondsey Works development, at a price of £351,625 less an allowance of £1000 plus VAT towards legal fees, to David Campbell, a director of the Company. In relation to this proposed sale, the Company has received a deposit of £35,162.50 with a further £35,162.50 due by 30 June 2016 and the balance due on legal completion.

Resolution 11 – Directors' specific authority to allot shares

Shareholders are being asked to grant the directors a specific authority to allot shares in the Company. This resolution, if passed, authorises the directors to specifically allot the Company's shares up to a maximum nominal amount of £135,227.20 in connection with the grant of options under the Telford Homes Plc Employee Share Option Scheme. This authority will expire at the next Annual General Meeting.

Resolution 12 – Specific disapplication of statutory rights of pre-emption

This resolution supplements the directors' specific authority to allot shares in the Company given to them by resolution 11. The resolution authorises the directors to allot equity ordinary shares for cash (otherwise than pro rata to existing shareholders). The directors are limited to the allotment of up to 1,352,272 ordinary shares in connection with the grant of options committed to be made by the Company as at 31 March 2015 under the Telford Homes Plc Employee Share Option Scheme.

Resolution 13 – General directors' authority to allot shares

Shareholders are being asked to grant the directors the authority to allot shares in the Company. This resolution will, if passed, authorise the directors to allot the Company's shares up to a maximum nominal amount of £2,011,583 representing approximately one-third of the issued ordinary share capital of the Company. This authority will expire at the conclusion of the Annual General Meeting of the Company next year or, if earlier, 15 months from the date of the resolution. In addition, the resolution will, if passed, authorise the directors to allot further shares of the Company up to a maximum nominal amount of £2,011,583 representing approximately a further one-third of the issued ordinary share capital of the Company in connection with a fully pre-emptive rights issue. This authority will expire at the conclusion of the Annual General Meeting of the Company next year or, if earlier, 16 October 2016.

Resolution 14 – General disapplication of statutory rights of pre-emption

This resolution supplements the directors' authority to allot shares in the Company given to them by resolution 13. The resolution, if passed, authorises the directors to issue ordinary shares for cash, either by way of a rights issue or offer to existing shareholders or to other persons on a non-pre-emptive basis, provided that any issue for cash to such persons on a non-pre-emptive basis shall not exceed £301,737.50 representing 3,017,375 new ordinary shares of 10p each (being 5 per cent of the issued ordinary share capital of the Company). The authority will be effective until the conclusion of the next Annual General Meeting of the Company or, if earlier, 16 October 2016.

Recommendation

The directors believe that the passing of all the resolutions to be proposed at the Annual General Meeting will be in the best interests of the Company and its shareholders as a whole and are unanimous in recommending that shareholders vote in favour of them, as those directors who are also shareholders intend to do in respect of their own beneficial holdings of shares.

Notes

- 1 A member entitled to attend and vote at this meeting is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend, to speak and, both on a show of hands and on a poll, to vote in his or her stead at the meeting. A proxy need not be a member of the company. The appointment of a proxy does not preclude a member from attending and voting in person at the meeting should he or she subsequently decide to do so. A Form of Proxy which may be used is enclosed.
- 2 A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him or her.
- 3 To be valid, a Form of Proxy together with, if applicable, the power of attorney or other authority under which it is signed, or a certified copy thereof, must be received by Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 12.30 p.m. on 14 July 2015.
- 4 The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the company as at 6.00 p.m. on 14 July 2015 shall be entitled to attend or vote (whether on a show of hands or on a poll) at the meeting in respect of the number of shares registered in their name at the time. Changes to entries on the register after 6.00 p.m. on 14 July 2015 (or after 6.00 p.m. on the day which is two days before any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 5 As at 5 June 2015 (being the last business day prior to the date of this notice) the Company's issued share capital consisted of 60,347,500 ordinary shares each carrying one vote per share. Accordingly the total number of voting rights in the Company as at 5 June 2015 was 60,347,500.
- 6 CREST members who wish to appoint a proxy or proxies for the meeting or any adjournment thereof by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 7 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 (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 8 CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 9 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.
- 10 A copy of this notice, and the other information required by section 311A of the Companies Act 2006, can be found at www.telfordhomes.london.
- 11 Any member attending the meeting has the right to ask questions.
- 12 If the total number of voting rights that the Chairman will be able to vote (taking into account any proxy appointments from Shareholders over which he is given discretion and any voting rights in respect of his own Shares) is such that he will have a notifiable obligation under the Disclosure and Transparency rules of the Financial Conduct Authority (the "DTRs"), the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. Therefore, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the DTRs, need not make a separate notification to the Company and to the Financial Conduct Authority. However, any member holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as proxy will need to ensure that both the member and the proxy comply with the respective disclosure obligations under the DTRs.
- 13 If a shareholder has a general query about the Annual General Meeting or wishes to give the Company prior notification of any question he wishes to ask at the Annual General Meeting, he should call our shareholder helpline on 0871 664 0300 if calling within the United Kingdom or +44 (0)203 728 5000 if calling from outside the United Kingdom. The shareholder helpline is available between 9.00 a.m. and 5.30 p.m. Monday to Friday (except public holidays). Calls to the helpline from within the United Kingdom cost 10 pence per minute (including VAT) from a BT landline. Other service providers' costs may vary. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes.