



## Notice of General Meeting 2015

7th July 2015

### **Eclectic Bar Group plc**

(Incorporated in England and Wales with registered number 08687172)

**To be held at offices of Panmure Gordon, One New Change, London EC4M 9AF at 2.30 p.m. on 30th July 2015.**

**Dear Shareholder,**

#### **Introduction**

Eclectic Bar Group plc (the 'Company') announced on 15 June 2015 that it had entered into conditional agreements, on the terms set out below, (the 'Subscription Agreements') to raise £1.65m by way of subscriptions for 3,300,000 ordinary shares of 25 pence each in the capital of the Company ('Ordinary Shares'). This will provide additional working capital to fund the development of the business. The Company also announced on 15 June 2015 that, in conjunction with one of the Subscription Agreements, Mr Luke Johnson had been appointed to the Board as Executive Chairman; and that, under the terms of that Subscription Agreement, the Company has conditionally agreed to issue warrants to subscribe for Ordinary Shares representing approximately 10 per cent. of the ordinary share capital of the Company as enlarged by the subscriptions.

The Subscription Agreements are subject to certain conditions including the granting of authority to issue shares and disapplication of pre-emption rights by shareholders of the Company ('Shareholders') at a general meeting. Shareholder approval of these resolutions set out in this notice (the 'Resolutions') are being proposed at the General Meeting.

Accordingly, you will find set out at the end of this circular a notice convening a General Meeting of the Company to be held at the offices of Panmure Gordon at One New Change, London EC4M 9AF at 2.30 p.m. on 30th July 2015. If the Resolutions are not passed by the requisite majority then none of the subscriptions under the Subscription Agreements will proceed.

The purpose of this letter is to provide further information on the Subscription Agreements and to explain why those members of the Eclectic Bar Group plc Board who are not parties to the Subscription Agreements consider them to be in the best interests of the Company and the Shareholders as a whole.

#### **Details of the conditional Subscription Agreements**

Under the Subscription Agreements:

- 1 Luke Johnson has conditionally agreed to subscribe for 3,000,000 new Ordinary Shares at a price of 50 pence per Ordinary Share (the 'Subscription Price'); and
- 2 the Self Invested Pension Plans of Reuben Harley, Eclectic's Chief Executive Officer, and John Smith, Eclectic's Chief Financial Officer, each have conditionally agreed to subscribe for 150,000 new Ordinary Shares (300,000 new Ordinary Shares in total) at the Subscription Price.

(the 'Subscriptions').

The Subscriptions will raise £1.65 million for the Company, and will provide additional working capital to fund the development of the group's business.

The Subscription Price represented a premium of 3.1 per cent. to the middle market closing price of 48.5 pence per Ordinary Share on 12 June 2015.

The Ordinary Shares to be issued under the Subscriptions to Luke Johnson will represent approximately 18.5 per cent. of the Company's issued share capital as enlarged by the Subscriptions.

On completion of the Subscriptions, Reuben Harley will be beneficially interested in 2,006,920 Ordinary Shares, representing approximately 12.4 per cent. of the issued share capital of the Company as enlarged by the Subscriptions, and John Smith will be beneficially interested in 1,253,719 Ordinary Shares, representing approximately 7.7 per cent. of the issued share capital of the Company as enlarged by the Subscriptions.

The Subscriptions are conditional upon, inter alia, the granting of authority to issue shares and disapplication of pre-emption rights by Shareholders (N.B. already defined above) at a general meeting and the admission of the Ordinary Shares issued under the Subscriptions to trading on AIM ('Admission'). The Ordinary Shares which are the subject of the Subscriptions, when issued, will be credited fully paid and will rank *pari passu* in all respects with the Company's existing Ordinary Shares.

### **Warrants**

In conjunction with the Subscriptions Luke Johnson has been appointed to the Board as Executive Chairman.

Under the Subscription Agreement entered into with Luke Johnson the Company has conditionally agreed to issue warrants to subscribe for up to 1,622,274 Ordinary Shares at a price of 60 pence per Ordinary Share (the 'Warrants') to Luke Johnson, conditional upon granting of authority to issue shares and disapplication of pre-emption rights by Shareholders at the General Meeting. The Warrants, which will represent approximately 10 per cent. of the Company's issued share capital as enlarged by the Subscriptions, can be exercised in up to two tranches, and must be exercised by 30 June 2019, failing which they will lapse. Were the Warrants to be exercised in full and assuming no other issues of new Ordinary Shares, Luke Johnson will be beneficially interested in approximately 25.9 per cent. of the Company's enlarged issued share capital.

Luke Johnson has undertaken pursuant to a deed not to dispose of any interest in any of the Subscription Shares or any Ordinary Shares granted on exercise of the Warrants for 12 months from Admission of the Ordinary Shares issued under the Subscriptions, except in certain limited circumstances.

### **Background and reasons for the Subscriptions**

Following a period of difficult market conditions which have adversely affected trading across certain areas of the business, the Board has concluded that it needs to increase its scale and continue to diversify away from the late night aspect of the bar sector. To this end it will require further capital in order to develop and grow the business.

### **Explanation of business**

The notice contains certain items of business which are of a technical nature and are therefore explained below.

### **Resolution 1 – Allotment of shares**

The Directors may only allot Ordinary Shares or grant rights over Ordinary Shares if authorised to do so by Shareholders. Accordingly, the authority in Resolution 1, paragraph (a) will allow your Directors to allot shares pursuant to the Subscriptions and the Warrants.

This authority is in addition to that given at the Annual General Meeting held on 20 November 2014 and will expire on 31 December 2015.

### **Resolution 2 – Disapplication of pre-emption rights**

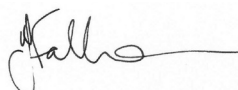
Under section 561(1) of the Companies Act 2006, if the Directors wish to allot any shares or grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing Shareholders in proportion to their holdings. Resolution 2 asks Shareholders to disapply their pre-emption rights in respect of the Subscriptions and the Warrants.

This authority is in addition to that given at the Annual General Meeting held on 20 November 2014 and will expire on 31 December 2015.

### **Recommendation**

Those members of the Eclectic Bar Group plc Board who are not parties to the Subscription Agreements believe the Subscriptions and the Warrants are in the best interests of all Shareholders. They therefore recommend that Shareholders vote in favour of the Resolutions at the General Meeting as they intend to do representing their own beneficial holdings of 566,866 Ordinary Shares representing in aggregate approximately 4.39 per cent. of the ordinary share capital in issue on 6th July 2015.

Yours faithfully



**Jim Fallon**

Non-Executive Director

## Important information for Shareholders

### Time and place of the meeting

Eclectic Bar Groups plc's General Meeting ('GM') will be held at the offices of Panmure Gordon, One New Change, London EC4M 9AF and start promptly at 2.30 p.m. on 30th July 2015. Registration for the meeting will start at 2.00 p.m.

### What you need to bring

Please keep and bring with you the attendance card which forms part of the Proxy Form. It will authenticate your right to attend, speak and vote at the GM and will speed up your admission. All joint shareholders may attend and speak at the GM. However, only the first shareholder listed on the Register of Members is entitled to vote.

### Voting arrangements

Each of the resolutions to be put to the forthcoming GM will be taken on a show of hands, unless a poll is demanded. Every shareholder who is present in person or by a duly authorised corporate representative has one vote. Every proxy who is present and has been duly appointed by a shareholder entitled to vote, has one vote, save that every proxy appointed by one or more shareholders to vote for and by one or more shareholders to vote against the resolution has one vote for and one vote against.

The Company has included on the voting cards a 'Votes Withheld' option in order for shareholders to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' or 'Against' the relevant resolution.

### General enquiries

Equiniti Limited maintain the Company's share register. If you have any enquiries about the GM or about your shareholding, you should contact Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

## Notice of General Meeting

A General Meeting ('GM') of Eclectic Bar Group plc (the 'Company') will be held at the offices of Panmure Gordon, One New Change, London EC4M 9AF on 30th July 2015 at 2.30 p.m. to consider and pass the resolutions below. Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

### Ordinary Resolution

1. THAT in addition to the authority granted at the Annual General Meeting of the Company held on 20 November 2015 the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to allot:
  - (a) shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £825,000 pursuant to the Subscriptions as defined in the circular sent to shareholders on 7th July 2015 (the 'Circular');
  - (b) shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £405,569 pursuant to the Warrants as defined in the Circular;

provided that this authority shall expire on 31 December 2015 but so that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

# Notice of General Meeting continued

## Special Resolution

2. THAT in addition to the authority granted at the Annual General Meeting of the Company held on 20 November 2014 and subject to and conditional on the passing of resolution number 1, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution number 1 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, in each case in connection with :

- (a) shares in the Company or rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £825,000 pursuant to the Subscriptions as defined in the Circular;
- (b) shares in the Company or rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £405,569 pursuant to the Warrants as defined in the Circular;

as if section 561(1) of the Act did not apply to any such allotment, such authority to expire on 31 December 2015, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

By order of the board

Secretary

Dated: 7th July 2015

Registered office: 36 Drury Lane, London, England WC2B 5RR

Registered in England and Wales with number 08687172

## Notes to Notice of General Meeting

### 1. Entitlement to vote

To be entitled to attend and vote at the GM, shareholders must be registered on the register of members of the Company at 6 p.m. on 28 July 2015 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to entries on the relevant register of securities after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the GM.

### 2. Proxy appointments

Shareholders are entitled to appoint a Proxy to exercise all or any of their rights to attend, speak and to vote on their behalf at the meeting. A shareholder may appoint more than one Proxy in relation to the GM provided that each Proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A Proxy need not be a member of the Company.

A Proxy Form is enclosed with this notice and instructions for its completion are shown on the form. To be valid any Proxy Form or other instrument appointing a Proxy must reach the Company's registrars, Equiniti Limited, by 2.30 p.m. on 28 July 2015. Completing a Proxy Form does not prevent a shareholder from attending and voting in person. A vote withheld option is provided on the Proxy Form to enable you to instruct your Proxy to abstain on any particular resolution. However, it should be noted that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

A shareholder must inform the Company's registrars in writing of any termination of the authority of a Proxy.

### 3. Voting at meeting

All resolutions will be taken on a show of hands, unless a poll is demanded.

### 4. Corporate representatives

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf of all its powers as a shareholder provided that they do not do so in relation to the same shares.

### 5. Right to ask questions at the GM

During the meeting there will be an opportunity for shareholders, proxies or corporate representatives to ask questions relevant to the business of the meeting.