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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee.

This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for any shares or securities in Gresham House plc or an invitation to buy, acquire or subscribe for any shares or securities in Gresham House plc.

This document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies. Application(s) will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions at the General Meeting and approval of the Subscription (to the extent that it amounts to in excess of 9.9 per cent. of the enlarged issued share capital of the Company) being obtained from the FCA, Admission will occur at 8.00 a.m. on 13 March 2017. The Subscription Shares will rank *pari passu* with the existing ordinary share capital of Gresham House plc.

GRESHAM HOUSE PLC

(Incorporated in England with registered number 871)

Proposed subscription for up to 2,546,372 new Ordinary Shares by The Royal Borough of Windsor and Maidenhead acting as the Administering Authority for The Royal County of Berkshire Pension Fund and Notice of General Meeting

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of Gresham House plc on page 4. This letter explains the background to, and reasons for, the Subscription and contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

The Notice convening a General Meeting of the Company, to be held at 10.00 a.m. on 10 March 2017 at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS, is set out at the end of this document. The action to be taken by Shareholders in respect of the General Meeting is set out on page 9 of this document.

If you hold your Ordinary Shares in certificated form, whether or not you plan to attend the General Meeting, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours only, by hand by the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by no later than 10.00 a.m. on 8 March 2017 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID 7RA11) by no later than 10.00 a.m. on 8 March 2017 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and transmission of a CREST proxy instruction will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

The distribution of this document (and/or the accompanying Form of Proxy) in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Liberum Capital Limited ("**Liberum**") is acting exclusively for Gresham House plc in connection with the Subscription and the matters referred to in this document and for no-one else and will not be responsible to anyone other than Gresham House plc for providing the protections afforded to the clients of Liberum nor for providing any advice in relation to the Subscription or the contents of this document or any transaction, arrangement or matter referred to herein.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	Date
Publication of this document	21 February 2017
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 8 March 2017
General Meeting	10.00 a.m. on 10 March 2017
Expected date of Admission of the Subscription Shares* to trading on AIM	8.00 a.m. on 13 March 2017

Each of the times and dates in the above timetable is subject to change, and if the above times and/or dates change, the revised time and/or date will be notified by an announcement through a Regulatory Information Service. All times are London times unless otherwise stated.

** Note that Admission will only be in respect of up to 9.9 per cent. of the enlarged issued share capital of the Company if the FCA has not approved the Subscription prior to 13 March 2017.*

IMPORTANT INFORMATION

Forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this document and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation: ability to find appropriate investments in which to invest and to realise investments held by the Group; conditions in the public markets; the market position of the Group; the earnings, financial position, cash flows, return on capital and operating margins of the Group; the anticipated investments and capital expenditures of the Group; changing business or other market conditions; and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Prospectus Rules, the Disclosure Guidance and Transparency Rules, the AIM Rules or other applicable legislation or regulation, neither the Company nor Liberum undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on forward-looking statements, which speak only as of the date of this document.

No Profit Forecast

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company.

PART I

LETTER FROM THE CHAIRMAN OF GRESHAM HOUSE PLC

(Incorporated in England with registered number 871)

Directors:

Anthony Townsend *(Non-Executive Chairman)*
Anthony (Tony) Dalwood *(Chief Executive)*
Kevin Acton *(Finance Director)*
Richard Chadwick *(Non-Executive Director)*
Peter Moon *(Non-Executive Director)*

Registered Office:

5 New Street Square
London
EC4A 3TW

21 February 2017

To Shareholders, Warrantholders and persons with information rights

Dear Shareholders and Warrantholders

Proposed subscription for up to 2,546,372 new Ordinary Shares by The Royal Borough of Windsor and Maidenhead acting as the Administering Authority for The Royal County of Berkshire Pension Fund and Notice of General Meeting

1. Introduction

Gresham House is pleased to announce today that The Royal Borough of Windsor and Maidenhead acting as the Administering Authority for The Royal County of Berkshire Pension Fund ("**Berkshire**") intends to become a strategic investor in Gresham House, having agreed, subject to and conditional upon the passing of the Resolutions at the General Meeting and Admission occurring (in each case by the Long Stop Date), to subscribe for up to 2,546,372 new Ordinary Shares (the "**Subscription Shares**"), less such amount of Ordinary Shares as are acquired by Berkshire in the market on or prior to the date of such subscription, (representing, if subscribed for in full, 20 per cent. of the share capital of Gresham House as enlarged by the Subscription) in cash at a price of 325 pence per Subscription Share (the "**Subscription**"), which represents a premium of 7.3 per cent. to the Company's closing share price on 20 February 2017 (being the latest practicable date prior to the publication of this Circular).

The acquisition by Berkshire of 10 per cent. or more of the Ordinary Shares in Gresham House is subject to approval by the FCA as a result of the indirect interest that Berkshire will acquire in the Company's wholly owned subsidiary Gresham House Asset Management Limited ("**GHAM**"), which is authorised by the FCA.

The Company also intends to launch the Gresham House British Strategic Investment Fund ("**BSIF**" or the "**Fund**") as part of an alternative investment platform to support the investment objectives of longer term institutional investors, including private sector pension funds, endowments, local government pension scheme funds ("**LGPS**") and family offices. The Fund will be managed by GHAM, and it is proposed that Berkshire will also become a cornerstone investor in the Fund once established.

The Gresham House board believes that the strategic investment in the Company by Berkshire through the Subscription demonstrates its commitment to the BSIF and its confidence in, and alignment with, the Group's strategy, as well as being consistent with the Company's stated objectives to add long-term, supportive partners to its shareholder base.

The launch of the Fund is in line with the Company's strategy to develop its alternative asset management platform and to build assets under management both organically and through acquisitions alongside generating sustainable earnings growth. The platform will include individuals who have extensive experience of LGPS and institutional investment track records.

The purpose of this document, therefore, is to provide you with details of, and the background to, and reasons for, the Subscription and to explain why the Directors believe that it is in the best interests of Shareholders as a whole.

At the end of this document, you will find the Notice of General Meeting at which, *inter alia*, the Resolutions necessary to effect the Subscription will be proposed. The General Meeting has been convened for 10.00 a.m. on 10 March 2017 and will take place at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS.

In addition, the Company is also providing (at paragraph 5 below) an update in respect of its trading performance since the announcement of its interim results for the six month period ended 30 June 2016 on 28 September 2016.

2. Background to and reasons for the Subscription

As stated, above, Berkshire has made a commitment to subscribe for up to 2,546,372 Subscription Shares in cash pursuant to the Subscription. Berkshire has a strong belief in the Group and its investment strategy and wishes to align itself with the Group further over the longer term, demonstrating this by making a significant cash injection into the Company in return for a direct equity stake by means of the Subscription.

Whilst it is also proposed that Berkshire would become a cornerstone investor in the BSIF (see below), and the Subscription is therefore linked to the establishment of the BSIF, the Subscription is being made on a standalone basis and is not conditional upon it; the only conditions to the Subscription being the passing of the Resolutions at the General Meeting, Admission occurring and, because Gresham House is the parent company of GHAM which is authorised and regulated by the FCA, the FCA having approved the Subscription to the extent that it exceeds 9.9 per cent. of the enlarged issued share capital of the Company (or the statutory period of 60 days within which the FCA must act having expired without the FCA having approved such subscription or given a warning notice that it proposes to approve it subject to conditions or that it intends to object to such subscription). The Subscription of up to 9.9 per cent. of the enlarged issued share capital of the Company is conditional only on the passing of the Resolutions at the General Meeting and Admission occurring.

As a result, Berkshire would become another strategic investor in the Company, thereby further enhancing the Company's liquidity position, strengthening its balance sheet and bolstering its objective to continue to build its specialist and strategic asset management business both organically and through acquisition.

3. Background to and reasons for establishing the BSIF

Investors have in recent years identified benefits from employing a longer term investment horizon and the potential for generating superior returns as a result. Identifying long term assets and matching investment through "patient capital" has been shown to allow investors to benefit from an "illiquidity discount", sometimes known as "better value" assets, which subsequently enables superior investment returns to be achieved.

The board of Gresham House therefore believes that there is an opportunity to generate sustainable, and attractive returns from illiquid investments in a cost-effective manner and has identified that:

- alternative asset management seeking superior investment returns is a structural growth area;
- the need for "patient capital" when investing in areas such as infrastructure is significant and can facilitate additional benefits of social impact and local community investment; and
- attractive alternative investments in niche asset classes are often overlooked and difficult to access by larger funds.

Pension funds, endowments and family office investment platforms, which are long term in nature, provide a logical source of capital to address this market.

The ability for investors to access investment opportunities in areas of niche and specialised alternative asset management requires significant experience, process and resource. For investors with funds of a certain scale, the resource requirement, coupled with the typically smaller unit size for investment, can become prohibitive for investing in these opportunities. For example, it may become uneconomical for £25 billion pension "super-pools" to monitor and manage individual investments below the value of £25-£50 million.

Gresham House was established to manage strategic and niche investments and to provide the means for clients to address these investment opportunities, either through commitments to limited partnership funds, through structured co-investment in parallel with the funds, or more directly through partnership with Group companies themselves.

Gresham House therefore intends to establish a platform to provide solutions to longer term investors, addressing the demand for alternatives and illiquid assets in a cost-effective manner which will also facilitate structured co-investment.

As part of this platform, Gresham House, through its subsidiary, GHAM, together with Berkshire as its cornerstone investor, therefore propose to establish the BSIF.

It is intended that the BSIF will:

- have a target fund size of £300 million;
- be managed by GHAM;
- focus on investment in the three themes identified by the Chancellor in the 2016 Autumn Statement as being of strategic importance to the United Kingdom, namely Innovation, Housing and Infrastructure;
- allow LGPS, private sector pension funds, endowments, family offices and other investors to access these opportunities; and
- provide investors with the ability to address areas of specific interest, including local investment opportunities, or social and infrastructure investment initiatives, in a more focused way, by:
 - providing them with the ability to be actively involved in the investment process, or to engage directly with the manager, and hence facilitate greater transparency and discretion over capital allocation; and
 - affording them discretionary co-investment rights to allow them to “top-up” their investments in preferred sectors or localities on a deal-by-deal basis.

Initial discussions with a limited number of LGPS have confirmed interest in the objectives of the new Gresham House platform.

Further announcements relating to the BSIF are expected to be made in due course.

4. The Subscription Letter

In order to effect the Subscription, Berkshire and the Company have entered into the Subscription Letter, pursuant to which Berkshire has agreed to subscribe for, and the Company has agreed to issue to Berkshire the Subscription Shares, in each case subject to the conditions described below.

The maximum aggregate Subscription Price payable by Berkshire in respect of the Subscription Shares is £8,275,709. The Subscription Shares (if issued in their entirety) represent, in aggregate, 25 per cent. of the issued share capital of the Company as at 20 February 2017, being the latest practicable date prior to the publication of this document and 20 per cent. of the Company’s enlarged share capital following the Subscription.

The only conditions to which the Subscription is subject are the passing of the Resolutions at the General Meeting, approval being obtained from the FCA in relation to it (to the extent that it exceeds 9.9 per cent. of the enlarged issued share capital of the Company) and Admission occurring (in each case by the Long Stop Date). Subject to the passing of the Resolutions and approval of the Subscription being obtained from the FCA (to the extent that it exceeds 9.9 per cent. of the enlarged issued share capital of the Company), Admission is expected to become effective at 8.00 a.m. on 13 March 2017. The Subscription of up to 9.9 per cent. of the enlarged issued share capital of the Company is conditional only on the passing of the Resolutions at the General Meeting and Admission occurring and, therefore, in the event that the FCA does not approve the Subscription, Berkshire will, subject to the passing of the Resolutions at the General Meeting and Admission occurring, in each case by the Long Stop Date, subscribe for such number of Subscription Shares which, together with any other Ordinary Shares acquired by Berkshire at or prior to such time equates to 9.9 per cent. of the issued share capital of the Company as

enlarged by such subscription and/or acquisition(s). The subscription by Berkshire for the balance of the Subscription Shares will continue to be conditional on the FCA approval process.

In addition, Berkshire has committed not to acquire (whether pursuant to the Subscription or otherwise) any Ordinary Shares exceeding 9.9 per cent. of the then issued share capital of the Company prior to the FCA having approved the Subscription.

As Berkshire intends to be a long term investor in the Company, the Subscription Shares will be subject to a "lock-in" period, whereby Berkshire has agreed that, subject to certain customary exceptions, it will not dispose of any Subscription Shares (or any additional Ordinary Shares it receives as a consequence of its holding of the Subscription Shares) (together, the "**Restricted Shares**") for a period of 24 months from the date on which the Subscription Shares are issued to it without the Company's consent. Following the initial lock-in period, any disposals of Restricted Shares must be conducted through the Company's corporate broker for a further period of 12 months.

5. Trading Update

Since the announcement of the Company's interim results for the six-month period ended 30 June 2016 on 28 September 2016, the Company has continued its positive development. The Company expects to announce its annual results for the financial year to 31 December 2016 on 29 March 2017 which are expected to be in line with market expectations.

As a result of early repayments from the purchaser of the Newton-le-Willows site sold on 23 September 2015, the Company's borrowing facility has reduced in the period to 31 December 2016 by £0.9 million. There was a further early repayment of £0.1 million on 19 January 2017, reducing the Company's outstanding gross borrowing to £5.9 million as at 20 February 2017, being the latest practicable date prior to the date of this announcement.

The Company received a £0.6 million repayment of loan principal and interest from Atilla on 16 December 2016. The Company is also advancing its disposal of property assets with both the Southern Gateway site and remaining land at Newton-le-Willows entering active marketing processes.

6. General Meeting

The Notice of General Meeting is set out at the end of this document. Entitlement to attend and vote at the General Meeting and the number of votes which may be cast at the General Meeting will be determined by reference to holdings in Ordinary Shares at the Voting Record Time.

The General Meeting has been convened for 10.00 a.m. on 10 March 2017 at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS to enable Shareholders to consider and, if thought fit, pass the Resolutions set out in the Notice of General Meeting.

The Directors believe that the Subscription is in the best interests of Shareholders, taken as a whole, and that the Directors have the ability to issue 2,546,372 Subscription Shares in order to satisfy the Subscription. The Directors are therefore recommending that Shareholders vote in favour of the Resolutions at the General Meeting. In order to proceed, the Subscription requires the approval of Resolutions 1 and 2 at the General Meeting convened for 10.00 a.m. on 10 March 2017 and the Directors intend to vote in favour of the Resolutions in respect of their own holding of Ordinary Shares representing, together with the interest of other senior managers of the Company who have also confirmed their intention to vote, or procure the vote in respect of, their own beneficial shareholdings, in favour of the Resolutions, approximately 12.44 per cent. of the issued share capital of the Company.

Resolution 1 – Authority to allot the Subscription Shares

The Resolution asks Shareholders to grant the Directors authority under section 551 of the Companies Act 2006 to allot the Subscription Shares in connection with the Subscription up to a maximum aggregate nominal value of £636,593, being approximately 25 per cent. of the existing issued ordinary share capital of the Company and approximately 20 per cent. of the enlarged issued ordinary share capital of the Company assuming the allotment and issue of the Subscription Shares pursuant to the Subscription (as described in more detail in paragraphs 2 and 4 above).

Resolution 1 will be proposed as an ordinary resolution and the majority required for the passing of Resolution 1 at the General Meeting is 50 per cent. or more of the votes cast to be in favour.

Resolution 2 – Disapplication of pre-emption rights in connection with allotment of Subscription Shares

If the Directors of the Company wish to allot new shares or rights to subscribe for new shares for cash, the Companies Act 2006 requires that such shares or rights are offered first to existing Shareholders in proportion to their existing holdings.

Resolution 2, which is subject to and conditional upon the passing of Resolution 1, asks Shareholders to authorise the Directors of the Company to allot the Subscription Shares for cash without offering them first to existing Shareholders in proportion to their existing holdings.

Resolution 2 will be proposed as a special resolution and the majority required for the passing of Resolution 2 at the General Meeting is 75 per cent. or more of the votes cast to be in favour.

Resolution 3 – General authority to allot Ordinary Shares

Subject to and conditional upon the passing of Resolutions 1 and 2 above, the Resolution asks Shareholders to grant the Directors authority under section 551 Companies Act 2006 to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b), respectively, of the Companies Act 2006 up to a maximum aggregate nominal value of £2,121,976.50, being approximately two thirds of the nominal value of the enlarged issued ordinary share capital of the Company assuming the allotment and issue of the Subscription Shares pursuant to the Subscription (which is subject to the passing of Resolutions 1 and 2 above). As at 20 February 2017, being the latest practicable date prior to the publication of this document, the Company held no treasury shares.

£1,060,988.25 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting of the Company or the date falling 15 months from the passing of the Resolution, whichever is earlier. The Directors consider it important to have the maximum ability and flexibility commensurate with good corporate governance guidelines to raise finance to enable the Company to respond to market developments and conditions. Any allotment of, or any agreement to allot, shares entered into pursuant to previous authorities remains valid. This Resolution is intended to replace the corresponding resolution passed at the Annual General Meeting but reflecting the Company's enlarged issued share capital following the allotment and issue of the Subscription Shares pursuant to the Subscription.

The Directors have no present intention of exercising such authority.

Resolution 3 will be proposed as an ordinary resolution and the majority required for the passing of Resolution 3 at the General Meeting is 50 per cent. or more of the votes cast to be in favour.

Resolution 4 – General authority to disapply pre-emption rights

As noted above, if the Directors wish to allot new shares or other equity securities for cash, the Companies Act 2006 requires that such shares or other equity securities are offered first to existing Shareholders in proportion to their existing holdings. The allotment of equity securities as referred to in this Resolution includes the sale of any shares which the Company holds in treasury following a purchase of its own shares.

Subject to and conditional upon the passing of Resolutions 1 to 3 above, Resolution 4 asks Shareholders to grant the Directors a general authority to allot equity securities for cash up to an aggregate nominal value of £477,444.71 (being 15 per cent. of the Company's enlarged issued ordinary share capital assuming the allotment and issue of the Subscription Shares pursuant to the Subscription (which is subject to the passing of Resolutions 1 and 2 above)) without first offering the securities to existing Shareholders.

As at 20 February 2017, being the latest practicable date prior to the publication of this document, there were no treasury shares in existence.

The Resolution also disapplies the statutory pre-emption provisions in connection with a rights issue only in relation to the amount permitted under Resolution 3 allowing the Directors to make

appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise.

The authority will expire at the next annual general meeting of the Company or the date falling 15 months from the passing of the Resolution, whichever is earlier.

Resolution 4 will be proposed as a special resolution and the majority required for the passing of Resolution 4 at the General Meeting is 75 per cent. or more of the votes cast to be in favour.

Resolution 5 – General authority to make market purchases of Ordinary Shares

Subject to and conditional upon the passing of Resolutions 1 to 4 above, Resolution 5 seeks authority from Shareholders for the Company to make market purchases of its own Ordinary Shares, such authority being limited to the purchase of 10 per cent. of the Ordinary Shares in issue assuming the allotment and issue of the Subscription Shares pursuant to the Subscription (which is subject to the passing of Resolutions 1 and 2 above). The maximum and minimum prices payable are also limited in the Resolution. The authority will only be exercised if the Directors consider that there is likely to be a beneficial impact on earnings per Ordinary Share and that it is in the best interests of the Company at the time. This Resolution is intended to replace the corresponding resolution passed at the Annual General Meeting but reflecting the Company's enlarged issued share capital following the allotment and issue of the Subscription Shares pursuant to the Subscription. The Company will be able to hold the Ordinary Shares which have been repurchased as treasury shares and re-sell them for cash, cancel them or use them for the purposes of its employee share schemes.

Resolution 5 will be proposed as a special resolution and the majority required for the passing of Resolution 5 at the General Meeting is 75 per cent. or more of the votes cast to be in favour.

7. Indications of Support

In order to proceed, the Subscription requires the approval of Resolutions 1 and 2 at the General Meeting convened for 10.00 a.m. on 10 March 2017.

The Company has received written and verbal indications of support to vote (or procure the vote) in favour of the Resolutions from shareholders holding Ordinary Shares representing approximately 48.3 per cent. of the Company's issued ordinary share capital as at 20 February 2017, being the latest practicable date prior to the publication of this Circular.

Together with the Ordinary Shares held by Directors and senior managers of the Company who have declared their intention to vote, or procure the vote in respect of, their own beneficial shareholdings, in favour of the Resolutions, as set out in paragraph 6, the total declarations of support for the Resolutions received by the Company amount to approximately 60.7 per cent. of the issued share capital of the Company.

8. Action to be taken

For the reasons set out in this document, the Directors unanimously consider that the Subscription, details of which are contained in this document, is in the best interests of Shareholders. Accordingly, in order to proceed to issue the Subscription Shares to Berkshire, the Directors recommend that you vote in favour of the Resolutions, as the Directors intend to do, or to procure to be done, in respect of their own beneficial holdings of Ordinary Shares, and that you take the action described below.

If the Resolutions are not passed, the Subscription will not proceed and the cash injection represented by it will not be available to the Company to enable it to continue to pursue its strategy of building its specialist and strategic asset management business both organically and through acquisition.

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the General Meeting; and
- (if you live in the United Kingdom) a reply paid envelope for use in the United Kingdom.

If you have not received all of these documents please contact the Company's registrar, Neville Registrars Limited, on the telephone number set out at the end of this section.

To vote on the Resolutions:

Whether or not you plan to attend the General Meeting, PLEASE COMPLETE AND SIGN THE FORM OF PROXY AND RETURN IT to the Company's registrar, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 8 March 2017 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned General Meeting). The Form of Proxy has a pre-paid address for your convenience for use in the United Kingdom only. Unless the Form of Proxy is returned by the time mentioned in the instructions printed thereon, it will be invalid.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes in the Notice of General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participant ID 7RA11) must be received by the Company's registrar, Neville Registrars Limited, not later than 10.00 a.m. on 8 March 2017 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned General Meeting).

The completion and return of the Form of Proxy, or the completion and transmission of a CREST proxy instruction, will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so and are so entitled.

Helpline:

If you have any questions relating to this document or the completion, signing and return of the Form of Proxy, please call the Company's registrar, Neville Registrars Limited, on +44(0) 121 585 1131 between 9.00 a.m. and 5.00 p.m. (London time), Monday to Friday (excluding bank or public holidays). Please note that, for legal reasons, Neville Registrars Limited cannot give you any advice on the merits of the Resolutions or provide any personal financial, legal or taxation advice in connection with the Resolutions. Calls to the helpline from outside the United Kingdom are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be monitored and recorded for security and training purposes.

9. Recommendation

The Board considers the Subscription and the passing of the Resolutions to be in the best interests of the Shareholders, as a whole, and, accordingly, unanimously recommends that Shareholders vote in favour of all of the Resolutions at the General Meeting. The Company's Directors intend to vote, or procure the vote in respect of, their own beneficial shareholdings, representing approximately 2.98 per cent. of the Company's existing issued ordinary share capital as at 20 February 2017, being the latest practicable date prior to the publication of this document, in favour of the Resolutions.

Yours sincerely,

Anthony Townsend
Non-Executive Chairman

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the Form of Proxy unless the context requires otherwise:

“Act”	the Companies Act 2006, as amended from time to time
“Admission”	admission of the Subscription Shares to trading on AIM, which, subject to and conditional upon the passing of the Resolutions at the General Meeting and approval of the Subscription being obtained from the FCA (to the extent that it exceeds 9.9 per cent. of the enlarged issued share capital of the Company), is expected to occur at 8.00 a.m. on 13 March 2017
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Berkshire”	The Royal Borough of Windsor and Maidenhead acting as the Administering Authority for The Royal County of Berkshire Pension Fund
“Board” or “Directors”	the current directors of the Company whose names are set out on page 4 of this document
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (i.e. not in CREST)
“Company” or “Gresham House”	Gresham House plc, a company registered in England and Wales with registered number 871
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
“Disclosure Guidance and Transparency Rules”	<p>and (a) the disclosure guidance made by the UKLA in accordance with section 73A(3) of Part VI of FSMA relating to the disclosure of information in respect of financial instruments (and, where the context requires, the disclosure rules made by the UKLA in accordance with section 73A(3) of Part VI of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such market has been made); and</p> <p>(b) the transparency rules made by the UKLA under section 73A(6) of Part VI of FSMA in relation to major shareholdings and the notification and dissemination of information by issuers of transferable securities (and, in each case, as that guidance and those rules may be amended from time to time)</p>

“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority of the United Kingdom
“Form of Proxy”	the enclosed form of proxy for use by Shareholders who hold their Ordinary Shares in certificated form in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended, modified, consolidated, re-enacted or replaced from time to time)
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 10 March 2017 at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS, notice of which is set out at the end of this document
“GHAM”	Gresham House Asset Management Limited, a company registered in England and Wales with registered number 9447087
“Group”	the Company and its subsidiary undertakings
“LGPS”	local government pension scheme
“Liberum”	Liberum Capital Limited, the Company's financial adviser, nominated adviser and broker
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	24 March 2017
“Neville Registrars Limited”	Neville Registrars Limited, the Company's registrar
“Notice” or “Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Official List”	the official list of the Financial Conduct Authority
“Ordinary Shares”	ordinary shares of 25 pence each in the share capital of the Company
“Prospectus Rules”	the prospectus rules made by the FCA in the exercise of its function as competent authority pursuant to Part VI of the FSMA, as amended from time to time
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“Subscription”	the proposed cash subscription for Subscription Shares by Berkshire on and pursuant to the terms set out in the Subscription Letter (including the Subscription Price)
“Subscription Letter”	the letter dated 21 February 2017 from Berkshire to the Company pursuant to which, subject to and conditional upon the passing of the Resolutions at the General Meeting, approval of the Subscription being obtained from the FCA (to the extent that it exceeds 9.9 per cent. of the enlarged issued share capital of the Company) and Admission occurring (in each case by the Long Stop Date), Berkshire has agreed to subscribe for, and the Company has agreed to allot and issue to Berkshire, the

	Subscription Shares at the Subscription Price, payable in cash
"Subscription Shares"	up to 2,546,372 new Ordinary Shares, representing 25 per cent. of the issued share capital of the Company as at 20 February 2017, being the latest practicable date prior to the publication of this document and 20 per cent. of the enlarged issued share capital of the Company, in each case assuming the Subscription is completed
"subsidiary"	as defined in section 1159 and Schedule 6 of the Act
"subsidiary undertaking"	as defined in section 1162 and Schedule 6 of the Act
"UKLA"	the FCA, acting in its capacity as United Kingdom listing authority
"uncertificated" or "in uncertificated form"	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of the CREST system
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America
"Voting Record Time"	6.00 p.m. on 8 March 2017
"Warrantholders"	holders of warrants to subscribe for Ordinary Shares

NOTICE OF GENERAL MEETING

GRESHAM HOUSE PLC

(Incorporated in England with registered number 871)

NOTICE is hereby given that a General Meeting of Gresham House plc (the "**Company**") will be held at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS on 10 March 2017 at 10.00 a.m. for the purposes of considering and (if thought fit) passing the Resolutions set out below, of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2, 4 and 5 will be proposed as special resolutions.

Save where otherwise defined herein, capitalised words and expressions used in this Notice of General Meeting shall have the same meanings as given to them in the document of which this Notice of General Meeting forms part.

RESOLUTIONS

1. **THAT**, in substitution for any existing authorities to allot shares or to grant rights to subscribe for or to convert any security into shares in the Company (but without prejudice to the validity of any allotment or any agreement to allot shares entered into pursuant to such previous authorities), the Directors of the Company be and are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot ordinary shares of 25 pence each in the share capital of the Company ("**Ordinary Shares**") at a subscription price of 325 pence per Ordinary Share up to a maximum aggregate nominal amount of £636,593 in connection with the proposed subscription of Ordinary Shares by The Royal Borough of Windsor and Maidenhead acting as the Administering Authority for The Royal County of Berkshire Pension Fund ("**Berkshire**") (the "**Subscription**"), such authority to expire on the earlier of the end of the Company's next annual general meeting or the date falling 15 months after the date of passing of this Resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;
2. **THAT**, subject to and conditional upon Resolution 1 set out in this Notice of General Meeting being duly passed and in substitution for any existing authorities to disapply pre-emption rights in connection with any allotment of shares or grant of rights to subscribe for or convert any security into shares in the Company for cash, the Directors of the Company be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in Resolution 1 above as if section 561 of the Act did not apply to any such allotment, provided that the power conferred by this Resolution shall be limited to the allotment of Ordinary Shares up to a maximum aggregate nominal amount of £636,593 in connection with the Subscription, such authority to expire on the earlier of the end of the Company's next annual general meeting or the date falling 15 months after the date of passing of this Resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;
3. **THAT**, subject to and conditional upon Resolutions 1 and 2 set out in this Notice of General Meeting being duly passed and in substitution for any existing authorities to allot shares or to grant rights to subscribe for or to convert any security into shares in the Company (other than that set out in Resolution 1 above) (but without prejudice to the validity of any allotment or any agreement to allot shares entered into pursuant to such previous authorities), the Directors of the Company be and are generally and unconditionally authorised in accordance with section 551 of the Act to exercise all powers of the Company to:
 - a. allot shares or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,060,988.25; and
 - b. allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £2,121,976.50 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph (a) of this Resolution 3) in connection with an offer by way of a rights issue or other pre-emptive offering to:

- i. the holders of Ordinary Shares in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them; and
- ii. holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors of the Company otherwise consider necessary,

and so that, in each case, the Directors of the Company may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any the requirements of any regulatory body or stock exchange or any other matter,

and this authority shall take effect on the date of passing of this Resolution and shall (unless previously revoked, renewed or varied) expire on the earlier of the end of the Company's next annual general meeting or the date falling 15 months after the date of passing of this Resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;

4. **THAT**, subject to and conditional upon Resolutions 1 to 3 set out in this Notice of General Meeting being duly passed and in substitution for any existing authorities to disapply pre-emption rights in connection with any allotment of shares or grant of rights to subscribe for or convert any security into shares in the Company for cash (other than that set out in Resolution 2 above), the Directors of the Company be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred on them in Resolution 3 above as if section 561(1) of the Act did not apply to such allotment, provided that this authority shall be limited to allotments of equity securities:

- a. in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;
- b. otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £477,444.71,

and this authority shall take effect on the date of passing of this Resolution and shall (unless previously revoked, renewed or varied) expire on the earlier of the end of the Company's next annual general meeting or the date falling 15 months after the date of passing of this Resolution, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired;

5. **THAT**, subject to and conditional upon Resolutions 1 to 3 set out in this Notice of General Meeting being duly passed and in substitution for any existing authorities to make market purchases of Ordinary Shares (but without prejudice to the validity of any purchase or any agreement to purchase entered into pursuant to such previous authorities), the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (as defined in section 693(4) of the Act) of Ordinary Shares in such manner and on such terms as the Directors of the Company may from time to time determine, and where such shares are held as treasury shares, the Company may use them for the purposes set out in sections 727 or 729 of the Act, including for the purpose of its employee share schemes, provided that:

- a. the maximum number of Ordinary Shares which may be purchased is 1,273,185;
- b. the minimum purchase price which may be paid for any Ordinary Share is 25 pence (exclusive of expenses); and

- c. the maximum purchase price which may be paid for any Ordinary Share shall not be more than the higher of (in each case exclusive of expenses):
- i. 5 per cent. above the average middle market quotations for an Ordinary Share as derived from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
 - ii. an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share, as derived from the trading venue where the purchase is carried out,

and this authority shall take effect on the date of passing of this Resolution and shall (unless previously revoked, renewed or varied) expire on the earlier of the end of the Company's next annual general meeting or the date falling 15 months after the date of passing of this Resolution, save in relation to purchases of Ordinary Shares, the contract(s) for which were concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

BY ORDER OF THE BOARD

John-Paul Preston
Secretary

Registered Office:
5 New Street Square
London EC4A 3TW

Date: 21 February 2017

Notes:

- (1) A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and/or vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) Any member or his proxy attending the General Meeting has the right to ask any questions at the General Meeting relating to the business proposed at it.
- (3) A Form of Proxy is enclosed with this Notice. Instructions for use are shown on the form. Lodging a Form of Proxy will not prevent the member from attending and voting in person. To appoint a proxy you may:
 - (a) use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 10.00 a.m. on 8 March 2017 at the offices of the Company's registrar, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; or
 - (b) if you are a CREST member, appoint a proxy or proxies through the CREST electronic proxy appointment service which must be settled by 10.00 a.m. on 8 March 2017 and as detailed in notes 6 to 9 below.
- (4) The Company, pursuant to Regulation 41 of the CREST Regulations, specifies that entitlement to attend and vote at the General Meeting, or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company not more than 48 hours before the time of such meeting or adjourned meeting. Therefore, changes to the register of members after the Voting Record Time or, if the General Meeting is adjourned, after 6.00 p.m. two days prior to the day fixed for the adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- (5) If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Neville Registrars Limited. 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). If you submit more than one valid proxy appointment, the appointment executed last before the latest time for the receipt of proxies will take precedence.
- (6) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear UK & Ireland website (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 using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 7RA11), by the latest time for receipt of proxy appointments specified in this Notice of General Meeting. 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 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 Euroclear UK & Ireland 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 providers 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 CREST Regulations.

- (10) Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the members who nominated them for further information on this.
- (11) The statement of the rights of Shareholders in relation to the appointment of proxies in notes 1, 3 and 5 to 9 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders.
- (12) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (13) In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly revoking your proxy appointment to Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. 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.
- (14) You may not use any electronic address provided in this Notice or any relevant document to communicate with the Company for any purpose other than those expressly stated.
- (15) Copies of the Company's articles of association are available for inspection at www.greshamhouse.com and can be inspected at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS and at the Company's registered office at 5 New Street Square, London EC4A 3TW, until opening of business on the day on which the General Meeting is held and will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting.
- (16) As at 20 February 2017 (being the latest practicable date prior to the publication of this Notice of General Meeting), the Company's issued share capital consisted of 10,185,487 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 20 February 2017 (being the latest practicable date prior to the publication of this Notice of General Meeting) were 10,185,487.
- (17) The information required to be published by section 311A of the Act may be found at www.greshamhouse.com.