

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about any aspect of the proposals referred to in this document, or the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document together with the Form of Proxy, as soon as possible, to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission onto the purchaser or transferee.



---

## **BEGBIES TRAYNOR GROUP PLC**

### **Notice of Annual General Meeting**

---

Notice of the Annual General Meeting of the Company to be held at its registered office at 340 Deansgate, Manchester M3 4LY at 11.00am on Thursday 22 September 2016 is set out at the end of this document.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the AGM. Whether or not you intend to attend the AGM in person, you are requested to complete the Form of Proxy in accordance with the instructions thereon and return it signed to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and in any event, to be valid, so as to be received no later than 11.00am on Tuesday 20 September 2016. Completion of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person.

## DEFINITIONS

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

"Act"	the Companies Act 2006, as amended
"AGM Notice" or "Notice of AGM"	the notice convening the AGM set out on pages 12 to 15 of this document
"Annual General Meeting" or "AGM"	the annual general meeting of the Company convened for 11.00am on Thursday 22 September 2016 and any adjournments thereof
"A Ordinary Shares"	convertible redeemable A ordinary shares of 3p each in the capital of the Company
"Company" or "Bebgies"	Bebgies Traynor Group plc
"Deferred Shares"	deferred shares of 1p each in the capital of the Company
"Directors" or "Board"	the directors of the Company, whose names are set out on page 3 of this document
"ESS Schemes"	the employee shareholder status schemes, further details of which are set out in Part 2 of this document
"Existing Share Option Schemes"	the Bebgies Traynor Group plc Share Option Schemes and the Bebgies Traynor Group plc Employee Share Incentive Plan
"Form of Proxy"	the form of proxy for use at the AGM
"Group"	the Company and its subsidiary undertakings
"Ordinary Shares"	ordinary shares of 5p each in the capital of the Company
"Partner Share Plan"	the Bebgies Traynor Group plc 2009 Partner Share Plan
"Remuneration Committee"	the remuneration committee of the Company appointed by the Board
"Resolutions"	the resolutions set out in the Notice of AGM
"Shareholders"	holders of Ordinary Shares
"Share Options"	options to subscribe for and awards over Ordinary Shares under the Existing Share Option Schemes

## PART 1

### LETTER FROM THE CHAIRMAN



25 August 2016

*Directors:*

Richard Traynor (Executive Chairman)  
Nicholas Taylor (Group Finance Director)  
Mark Fry (Head of Insolvency and Restructuring)  
Graham McInnes (Non-Executive Director)  
John May (Non-Executive Director)

*Registered Office:*

340 Deansgate  
Manchester  
M3 4LY  
*Registered in England and Wales  
with company no. 5120043*

*To Shareholders and, for information only, to the holders of A Ordinary Shares and Deferred Shares under the Partner Share Plan and the holders of Share Options.*

Dear Shareholder

#### **2016 ANNUAL GENERAL MEETING**

I am pleased to invite you to the twelfth Annual General Meeting of our Company, which will be held at the head office, 340 Deansgate, Manchester M3 4LY on Thursday 22 September 2016. The meeting will commence at 11.00am and the doors will be open from 10.30am. You will find the AGM Notice set out at the end of this document and a Form of Proxy is enclosed.

I am writing to give you details of the items of business that will be put before the Annual General Meeting and in particular:

- (i) the renewal of the Directors' general authority to allot Ordinary Shares (Resolution 6);
- (ii) the renewal of the general disapplication of statutory pre-emption rights which would otherwise apply to the allotment of equity securities for cash which is sought at each annual general meeting (Resolution 7);
- (iii) the renewal of the Directors' authority to allot A Ordinary Shares pursuant to the Partner Share Plan and the disapplication of statutory pre-emption rights which would otherwise apply to the allotment of such A Ordinary Shares (Resolution 8); and
- (iv) The proposed adoption of the ESS Schemes (Resolution 9).

This year Shareholders will be asked to approve nine resolutions. Resolutions 1 to 6 and 9 will be proposed as ordinary resolutions. This means that more than 50% of the votes cast must support these Resolutions if they are to be passed. Resolutions 7 and 8 will be proposed as special resolutions. At least 75% of the votes cast must support these Resolutions if they are to be passed.

#### **Resolution 1: Annual report and accounts**

Each year the Directors of the Company are required to lay before the annual general meeting the annual accounts of the Company together with the strategic report, the directors' report and the auditor's report.

Enclosed is a copy of the Company's 2016 Annual Report and Accounts. Further copies of the 2016 Annual Report and Accounts will be available at the meeting venue on the day and on the Company's website at [www.begbies-traynorgroup.com/investor-relations/financial-information/financial-reports](http://www.begbies-traynorgroup.com/investor-relations/financial-information/financial-reports). As an AIM listed company there is no obligation to table and approve the directors' remuneration report.

### **Resolution 2: Final dividend**

The Directors are recommending a final cash dividend of 1.6 pence per Ordinary Share, making a total cash dividend in respect of the financial period ended 30 April 2016 of 2.2 pence per Ordinary Share. The final dividend, if approved, will be payable on 4 November 2016 to those Shareholders whose names appear on the register of members of the Company at the close of business on 7 October 2016.

### **Resolution 3: Reappointment of director**

Resolution 3 proposes the reappointment of the Company's Head of Insolvency and Restructuring, Mark Fry, as a Director of the Company. This is in accordance with the Company's articles of association which require that one third of the Directors (rounded down) who are subject to retirement by rotation retire by rotation at each annual general meeting. The director who is retiring by rotation is the one director who has been a director for the longest period of time since last reappointed by Shareholders. Biographical details of the director who is offering himself for reappointment at the meeting are set out on the Company's website at [www.begbies-traynorgroup.com/investor-relations/company-information/directors.aspx](http://www.begbies-traynorgroup.com/investor-relations/company-information/directors.aspx) and on page 11 of the 2016 Annual Report and Accounts.

### **Resolutions 4 and 5: Reappointment of auditor and auditor's remuneration**

The Company is required to reappoint an auditor at each annual general meeting at which accounts are laid. Therefore, Resolution 4 proposes the reappointment of Deloitte LLP as auditor and Resolution 5 authorises the Directors to determine the auditor's remuneration.

### **Resolution 6: Authority to allot shares**

The directors of a company may only allot shares if they have been authorised to do so by shareholders in a general meeting. Resolution 6 renews a similar authority given at last year's annual general meeting and seeks authorisation from Shareholders to allot shares as follows:

- (a) the first part of Resolution 6 authorises the Directors to allot Ordinary Shares in the capital of the Company up to an aggregate nominal amount of £3,537,836 (representing two thirds of the issued share capital of the Company) in connection with a rights issue. The amount of this authority will reduce by the nominal value of the Ordinary Shares allotted pursuant to the authority granted by the second part of Resolution 6; and
- (b) the second part of Resolution 6 authorises the Directors to allot Ordinary Shares in the capital of the Company up to an aggregate nominal amount of £1,768,918 (which represents approximately one third of the issued share capital of the Company as at 18 August 2016, being the latest practicable date prior to publication of this document).

These limits are in line with the guidelines issued by The Investment Association. If given, these authorities will expire at the conclusion of the Company's next annual general meeting or on 22 December 2017 (whichever is earlier) and will be in addition to the specific authority sought by Resolution 8 to allot A Ordinary Shares in connection with the Partner Share Plan.

As at 18 August 2016, being the latest practicable date prior to publication of this document, 106,135,082 Ordinary Shares were in issue and no Ordinary Shares are held by the Company in treasury.

There are no present plans to allot shares in the capital of the Company, other than in connection with the Partner Share Plan, the Existing Share Option Schemes, the ESS Schemes and to satisfy consideration obligations in respect of corporate acquisitions and other commitments.

### **Resolution 7: Disapplication of pre-emption rights**

The directors of a company may only issue new shares for cash other than on a pre-emptive basis if authorised to do so by shareholders in a general meeting. Resolution 7, which will be proposed as a special resolution, accordingly seeks two disapplications of these statutory pre-emption rights:

- (a) the first part of Resolution 7, if passed, would enable the Board in the context of any rights issue, open offer or similar pre-emptive offer made pursuant to the authorities granted by Resolution 6, to apply typical exclusions, in accordance with normal practice, such as the exclusion of overseas shareholders and rounding down fractional entitlements, as it thinks fit; and
- (b) the second part of Resolution 7 would, if passed, enable the Directors to allot Ordinary Shares for cash on a non pre-emptive basis in limited circumstances pursuant to the authority being sought by the second part of Resolution 6. This part of the Resolution would enable the Directors to issue Ordinary Shares for cash up to an aggregate nominal amount of £530,675 (which represents approximately 10% of the Company's issued share capital as at 18 August 2016 (being the latest practicable date prior to publication of this document), without having to first offer them to Shareholders in proportion to their existing holdings. Whilst such authority is in excess of the 5% of existing issued ordinary share capital which is commonly accepted and recommended for larger listed companies, it will provide additional flexibility which the Directors believe is in the best interests of the Company in its present circumstances. A lower amount would, in the opinion of the Directors, be too restrictive for the Company's potential needs and render any such issue of limited value on the grounds of the relatively small net proceeds realised and the costs associated with it.

If given, these powers will expire at the conclusion of the Company's next annual general meeting or on 22 December 2017 (whichever is earlier). The intention of the Directors is to make use of these general disapplications only if it is appropriate to fund further growth and development of the Company. It is the Directors' intention to renew these powers each year.

### **Resolution 8: Allotment of A Ordinary Shares under the Partner Share Plan**

In 2009, Shareholders approved the creation of non-voting non-dividend bearing A Ordinary Shares and Deferred Shares to enable awards to be made to the Company's partners and senior employees under the Partner Share Plan. Following on from the awards made to partners and senior employees over the past four years under the Partner Share Plan, the Company intends to make further awards this year to motivate and incentivise the partners and senior employees to increase the value of the Company.

In order to make awards in the coming year, Resolution 8, which will be proposed as a special resolution, seeks the authorisations required from Shareholders to allot A Ordinary Shares pursuant to the Partner Share Plan on a non pre-emptive basis. The authorities are being sought in respect of up to approximately 5,000,000 A Ordinary Shares, which equates to the maximum number of A Ordinary Shares that the Board anticipates will be issued under any awards to be made in 2016/17. If given, these authorities will expire at the conclusion of the Company's next annual general meeting or on 22 December 2017 (whichever is earlier).

### **Resolution 9: Adoption of the ESS Schemes**

The Company proposes implementing new employee shareholder status ("ESS") arrangements for the management teams of Eddisons Commercial (Holdings) Limited ("Eddisons") and Begbies Traynor Limited ("Begbies Traynor"). The aim of such schemes is to motivate and incentivise the management teams to increase the value of the subsidiaries, thereby aligning their interests with those of the Shareholders which the Directors believe is key to the success of the business. In the case of Eddisons, the ESS Schemes are intended to supersede two existing incentive schemes and be no more expensive to the Group.

The shares in Eddisons and Begbies Traynor issued pursuant to the ESS Schemes will not carry any right to dividends or votes. The ability of the Company to settle the awards in cash allows the dilution to be

capped. The value of shares awarded under the ESS Schemes will fluctuate in line with the Company's share price.

#### Eddisons ESS Arrangements

A Senior Management Incentive Scheme ("SMIS") and a Long Term Incentive Plan ("LTIP") are currently in place to reward certain senior members of the management team in Eddisons where profits exceed agreed thresholds. It is proposed that Eddisons will create and issue new classes of "L" and "S" ordinary shares in Eddisons ("Eddisons ESS Shares"). The L and S shares are intended to deliver benefits to the employees through growth in the value of the subsidiary subject to meeting broadly the same targets in the LTIP and SMIS which they replace. Following the end of the relevant performance period, the Eddisons ESS Shares will, to the extent that the relevant profit hurdles have been achieved, be capable of being realised by the participants through the sale of their Eddisons ESS Shares to the Company. The Company has the discretion to settle the consideration due either:

- (a) by the issue of Ordinary Shares on a "one for one" basis; or
- (b) by payment of a cash amount equal to the value at that time of an equivalent number of Ordinary Shares.

#### Begbies Traynor ESS Arrangements

It is proposed that Begbies Traynor will create and issue new classes of B and C ordinary shares ("Begbies Traynor ESS Shares") which will vest subject to the satisfaction of predetermined performance thresholds. Earnings per share of the Group is likely to be used as the principal relevant performance threshold, although the Remuneration Committee shall determine the appropriate measure(s) of performance. It is anticipated that the values of the B and C shares will track the market value of the Company.

Following the end of the relevant performance period which is anticipated to be up to a maximum of 7 years for B and C shareholders, the Begbies Traynor ESS Shares will be capable of being realised by the participants through the sale of their Begbies Traynor ESS Shares to the Company. The Company has the discretion to settle the consideration due either:

- (a) by the issue of Ordinary Shares on a "one for one" basis; or
- (b) by payment of a cash amount equal to the value at that time of an equivalent number of Ordinary Shares.

Resolution 9 seeks approval of the ESS Schemes for Eddisons and Begbies Traynor. A summary of the principal terms of the proposed ESS Schemes are set out in Part 2 of this document.

#### **Action to be taken**

You will find enclosed a Form of Proxy for use in respect of the Annual General Meeting. As a member you are entitled to appoint one or more persons as proxies to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. Additional Forms of Proxy may be obtained by contacting the Company's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or you may photocopy the form. You will need to state clearly on each Form of Proxy the number of Ordinary Shares in relation to which the relevant proxy is appointed.

Please note that holders of A Ordinary Shares or Deferred Shares in the Company are not permitted to vote or submit a proxy in respect of those shares in relation to any of the Resolutions proposed at the meeting, although they are welcome to attend the meeting.

Whether or not you intend to attend the meeting, please complete and return the Form of Proxy in accordance with the instructions printed on it and return this as soon as possible but, in any event, to be

valid, so as to reach the Company's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.00am on Tuesday 20 September 2016 (or, in the event that the meeting is adjourned, no later than two working days before the time of any adjourned meeting). If you attend the meeting, you will still be able to vote but this will only be necessary if you intend to change the voting instructions given on your Form of Proxy.

**Recommendation**

Your Directors consider that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of each Resolution.

The Company would also encourage you to take advantage of the electronic and online methods of communication as it believes they will generate cost savings for the Company by reducing paper consumption, which is good for the business, shareholders and the environment.

My fellow Directors and I look forward to seeing you at the meeting.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ric Traynor', written in a cursive style.

**Ric Traynor**  
**Executive Chairman**  
**Begbies Traynor Group plc**

## PART 2

### SUMMARY OF THE PRINCIPAL FEATURES OF THE EMPLOYEE SHAREHOLDER STATUS SCHEMES

#### 1. General Features

##### Background

The Eddisons Employee Shareholder Status Scheme and the Begbies Traynor Employee Shareholder Status Scheme will be administered by the Board and are discretionary arrangements that will allow selected employees of the senior management teams and executives to be granted employee shareholder status shares ("ESS Shares") in the form of new classes of shares in Begbies Traynor Limited and Eddisons Commercial (Holdings) Limited. Participants will be able to sell their ESS Shares to the Company for Ordinary Shares, conditional on continued employment within the Group and the extent to which specified performance conditions are achieved over a prescribed period and subject to the Company having the right to acquire such ESS Shares for cash rather than by way of the issue of Ordinary Shares.

The ESS Schemes will supersede the Eddisons existing SMIS and LTIP arrangements and are anticipated to replace existing annual bonus arrangements in the case of Begbies Traynor. If the ESS Schemes are approved by the Shareholders, it is intended that the ESS Schemes will be finalised and approved by the Board, and the ESS Shares issued, as soon as reasonably practicable after the AGM by the respective subsidiary companies. Awards will be made under the ESS Schemes to selected members of the senior management team, including certain executives. A summary of the principal terms of the ESS Schemes are set out below.

##### Employee Shareholder Status Shares

ESS Shares are shares received by employees in return for giving up certain statutory employment rights. Provided certain qualifying conditions in the employment and tax legislation are satisfied, such shares can be sold free of capital gains tax up to a lifetime limit currently proposed of £100,000. Any gain arising in excess of this limit would be subject to capital gains tax under the usual regime. On issue of ESS Shares, for income tax purposes, employees will be deemed to pay £2,000 for their ESS Shares. If the shares are not worth at least £2,000 at the date of issue, then the shares will not qualify as ESS Shares. The individual must not pay anything or contribute in any way towards the ESS Shares they receive. The only consideration given by the individual is entering into the agreement to become an employee shareholder (and the loss of certain employment rights). Therefore the nominal value of the ESS Shares (which will be £0.001 per share) will be paid up by the Company or another third party.

##### Transfer of Shares

Participants in the ESS Schemes shall not be permitted to transfer any interest in the ESS Shares without the prior written consent of the Board, save in limited circumstances (including if they leave the Group or in the event of a change of control or other exit event described below).

##### Dilution Limits

Under the ESS Schemes, the Company has the discretion to decide whether to acquire vested ESS Shares for cash or for an issue of new Ordinary Shares. It has not been decided how many ESS Shares will be issued, and therefore how many new Ordinary Shares will be potentially issuable on the vesting of the ESS Shares. However, the total number of Ordinary Shares in the Company that can be issued to participants pursuant to the ESS Schemes will be limited such that, when aggregated with awards granted pursuant to the Company's Existing Share Option Schemes and Partner Share Plan in any consecutive ten year period



prior to the date of issue of the ESS Shares, that number shall not exceed ten per cent of the Ordinary Shares in issue from time to time. Lapsed and surrendered awards under the Existing Share Option Schemes and Partner Share Plan shall be disregarded for this purpose.

### **Rights not transferable**

Awards made under the ESS Schemes are personal to each participant and may not be assigned save that on death the participant's personal representatives may sell the participant's ESS Shares (to the extent vested at the date of death or deemed vested at such date) to the Company for, at the Company's discretion, cash or an issue of Ordinary Shares.

### **Income Tax, Capital Gains Tax and National Insurance Contributions**

The participants will be responsible for any income tax, capital gains tax and employee's national insurance contributions as may arise on the acquisition of ESS Shares and their subsequent disposal (whether upon sale for Ordinary Shares or otherwise).

### **Leavers**

"Good" leavers will generally be required to sell ESS Shares which have vested at the date of cessation of employment for (at the discretion of the Company) Ordinary Shares or cash within 60 days of the date of cessation of employment. However, the Company may (at its discretion) defer such sale until the earlier of an exit event or the normal vesting date for the ESS Shares. The Company also has the discretion to determine that ESS Shares that would otherwise be unvested at the date of cessation of employment be treated as vesting in part (by reference to the Remuneration Committee's assessment of progress towards the relevant hurdles and (if the Remuneration Committee decides) pro rating by reference to the portion of the vesting period that has expired at the cessation date). Otherwise, unvested ESS Shares will convert to worthless "deferred shares" in the relevant subsidiary and shall be acquired by the Company, the relevant subsidiary, or an employee trust. A "good" leaver is a participant whose employment within the Group ceases by reason of death, ill-health, retirement, the sale of his employing company or business out of the Group, whose employment is terminated by the Group other than for cause, or who is otherwise treated as a good leaver.

ESS Shares held by a participant who leaves and is not a good leaver will automatically be converted into worthless deferred shares and shall be acquired by the Company, the relevant subsidiary, or an employee trust.

### **Change of control and other exit events**

In the event of a change of control (other than by way of an internal reorganisation) of Eddisons or Begbies Traynor, or a listing or a winding up of those companies, participants in the relevant company's ESS Scheme will generally be entitled to realise the value of their ESS Shares at such time. To the extent that their respective ESS Shares have not vested at the time of the relevant event, the Remuneration Committee has discretion to provide that participants shall only be entitled to realise a proportion of the value of their ESS Shares, based on achievement of the relevant performance conditions up to that time and the time which has elapsed since the ESS Shares were issued.

### **Share Exchange**

Upon (and to the extent of) satisfaction of the relevant performance criteria under the ESS Schemes, participants will be eligible to sell their respective ESS Shares in either Begbies Traynor or Eddisons to the Company. The consideration may be satisfied, at the discretion of the Board either in the form of cash (of an amount equal to the value at that time of an equivalent number of Ordinary Shares), or by the issue of an equivalent number of listed Ordinary Shares. Following an issue of Ordinary Shares, participants will be able to retain those Ordinary Shares acquired or sell or otherwise dispose of them, without restriction.

## **2. Begbies Traynor Limited ESS Arrangements - Senior Management**

### The Senior Management Incentive Arrangement ("SMIA")

The SMIA provides for the award of fully paid up B ordinary shares with a nominal value of £0.001 ("B Shares") in the capital of Begbies Traynor which will be created and issued to members of the senior management of Begbies Traynor as ESS Shares.

### Performance Measurement Period

The performance measurement period for the proposed Begbies Traynor SMIA will run for a period of up to seven years, as determined by the Remuneration Committee.

### Financial Limits

The maximum aggregate value of the B Shares which will be awarded (assuming a maximum seven year performance period) and if calculated by reference to the share price of the Company at close on 18 August 2016 (being the latest practicable date prior to issue of this document), would not exceed £500,000.

### Performance Conditions

The vesting of B Shares will be subject to the satisfaction of predetermined performance conditions which will be agreed by the Remuneration Committee before the SMIA is established. Under this arrangement, it is anticipated that the performance condition will be based on earnings per share ("EPS") of the Group. To the extent that the B Shares vest, participants will be able to sell them to the Company for a consideration equal to the value at that time of an equivalent number of Ordinary Shares. The Company may settle this liability in either cash or by the issue of Ordinary Shares. It is anticipated that the number of B Shares which vest will be determined by the achievement of hurdles over the performance period. The amount received at each hurdle will be spread evenly over the performance period, or apportioned in agreed amounts per hurdle.

## **3. Begbies Traynor Limited ESS Arrangements - Executives**

### Nature of the Executives Incentive Arrangement ("EIA")

The Begbies Traynor EIA provides for the grant of fully paid up C ordinary shares with a nominal value of £0.001 ("C Shares") in the capital of Begbies Traynor which will be created and issued to executives as ESS Shares.

### Performance Measurement Period

The performance measurement period for the proposed Begbies Traynor EIA will run for a period of up to a maximum of seven years, as determined by the Remuneration Committee.

### Financial Limits

The maximum total amount of value which each holder of C Shares may receive in each year over the performance period will not exceed 50% of annual salary which if enacted would replace a pre-existing bonus scheme.

### Performance Conditions

The performance threshold for vesting of C Shares will be the achievement of financial targets yet to be determined by the Remuneration Committee but likely to reflect growth in the EPS of the Group. To the extent that the C Shares vest, participants will be able to sell them to the Company for a consideration equal to the value at that time of an equivalent number of Ordinary Shares. The Company may settle this liability in either cash or by the issue of Ordinary Shares. It is anticipated that the number of C Shares which

vest will be determined by the achievement of hurdles over the performance period. The amount received at each hurdle will be spread evenly over the performance period, or apportioned in agreed amounts per hurdle.

#### **4. Eddisons Commercial (Holdings) Limited - Eddisons ESS Scheme**

##### Nature of the Eddisons ESS Scheme

The Eddisons ESS Scheme provides for the grant of fully paid up S ordinary shares with a nominal value of £0.001 ("S Shares") and L ordinary shares with a nominal value of £0.001 ("L Shares") in the capital of Eddisons which will be created and issued to members of the senior management of Eddisons as ESS Shares.

The ESS Scheme relating to Eddisons consist of two separate schemes, namely the 'S' share arrangement and the 'L' share arrangement. Both arrangements provide for vesting of a participant's ESS Shares on achievement of set performance conditions and following vesting, participants will be entitled to sell their ESS Shares to the Company for a consideration equal to the value at that time of an equivalent number of Ordinary Shares. The Company may settle that liability in cash or by the issue of new Ordinary Shares.

##### Financial Limits

The maximum aggregate value of the S Shares and L Shares which will be awarded and if calculated by reference to the share price of the Company at close on 18 August 2016 (being the latest practicable date prior to issue of this document), would equate to £828,536.

##### Proposed S Share Arrangement: Performance Conditions

The S Shares will not vest unless the annual profits of the Eddisons business for each of the calendar years to 31 December 2016, 2017 and 2018 equals £2 million. One third of each participant's S Shares will vest for each of the calendar years that this target is met.

##### Proposed L Share Arrangement: Performance Conditions

The performance conditions for the L Shares follow an amended four year aggregated profit threshold for the Eddisons business which provides for vesting of the L Shares if total profits in excess of £7,292,000 are achieved over the four years to 31 December 2018 (this target reflects the bought-in profit attributed to the acquisition of Pugh & Co in June 2016). The number of L Shares which vest increases to the extent that profits exceed £7,292,000 with 100% vesting at profit of £9,173,250.

## BEGBIES TRAYNOR GROUP PLC

*(Registered in England and Wales with company no. 5120043)*

### NOTICE OF ANNUAL GENERAL MEETING

**Notice is given** that the 2016 Annual General Meeting of Begbies Traynor Group plc ('Company') will be held at the offices of the Company at 340 Deansgate, Manchester M3 4LY on Thursday 22 September 2016 at 11.00am to consider and, if thought fit, to pass the following Resolutions, of which Resolutions 1 to 6 and 9 will be proposed as ordinary resolutions and Resolutions 7 and 8 will be proposed as special resolutions:

1. To receive the Company's annual accounts, strategic report and directors' and auditor's reports for the year ended 30 April 2016.
2. To declare a final dividend for the year ended 30 April 2016 of 1.6 pence per ordinary share of 5 pence in the capital of the Company, to be paid on 4 November 2016 to shareholders whose names appear on the register of members at the close of business on 7 October 2016.
3. To reappoint Mark Fry, who retires by rotation, as a director of the Company.
4. To reappoint Deloitte LLP as auditor of the Company.
5. To authorise the directors of the Company to determine the remuneration of the auditor.
6. That, pursuant to section 551 of the Companies Act 2006 ('Act'), the directors be and are generally and unconditionally authorised to exercise all the powers of the Company to allot Relevant Securities:
  - (a) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £3,537,836 (such amount to be reduced by the aggregate nominal amount of Relevant Securities allotted pursuant to paragraph 6(b) of this resolution) in connection with a rights issue to holders of ordinary shares in the capital of the Company (but excluding the convertible redeemable A ordinary shares of 3 pence each) ('Ordinary Shares') in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - (b) otherwise than pursuant to paragraph 6(a) of this resolution, up to an aggregate nominal amount of £1,768,918,

provided that (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 22 December 2017 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, '**Relevant Securities**' means Ordinary Shares in the Company or rights to subscribe for, or to convert any security into, Ordinary Shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for, or to convert any security into,

Ordinary Shares in the Company is to the nominal amount of the Ordinary Shares which may be allotted pursuant to that right.

These authorities are in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

7. That, subject to and conditional upon the passing of resolution 6 and pursuant to section 570 of the Companies Act 2006 ('Act'), the directors be and are generally empowered to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authorities granted by resolution 6 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
- (a) the allotment of equity securities in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph (a) of resolution 6, such power shall be limited to the allotment of equity securities in connection with a rights issue) to holders of ordinary shares in the capital of the Company (excluding the convertible redeemable A ordinary shares of 3 pence each) ('Ordinary Shares') in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - (b) the allotment of equity securities pursuant to the authority granted by paragraph (b) of resolution 6 (otherwise than pursuant to paragraph 7(a) of this resolution) up to an aggregate nominal amount of £530,675,

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 22 December 2017 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

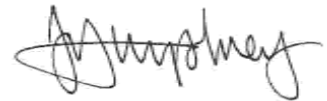
This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

8. That:
- (a) in addition to the authorisations proposed to be granted by resolution 6, pursuant to section 551 of the Companies Act 2006 ('Act'), the directors be and are unconditionally authorised to exercise all the powers of the Company to allot convertible redeemable A ordinary shares of 3 pence each ('A Ordinary Shares') in the Company or to grant rights to subscribe for A Ordinary Shares, up to an aggregate nominal amount of £150,000 pursuant to the Begbies Traynor Group plc 2009 Partner Share Plan, provided that (unless previously revoked, varied or renewed) such authority shall expire at the conclusion of the next annual general meeting of the Company or on 22 December 2017 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this authority which would or might require A Ordinary Shares to be allotted or rights to subscribe for A Ordinary Shares to be granted after such expiry and the directors may allot such shares or grant such rights pursuant to such offer or agreement as if the authority conferred by this resolution had not expired; and
  - (b) in addition to the powers proposed to be granted by resolution 7, pursuant to section 571 of the Act, the directors be and are empowered to allot A Ordinary Shares for cash pursuant to the authority conferred by resolution 8(a) as if section 561(1) of the Act did not apply to any such allotment, up to an aggregate nominal amount of £150,000, provided that (unless

previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 22 December 2017 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this power which would or might require A Ordinary Shares to be allotted for cash after such expiry and the directors may allot A Ordinary Shares for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

9. That the Rules of the Eddisons Commercial (Holdings) Limited Employee Shareholder Status Scheme and the Begbies Traynor Limited Employee Shareholder Status Scheme (the "Schemes"), a copy of the rules of such Schemes having been produced to the meeting and initialled by the Chairman for the purpose of identification, be and are approved, the Schemes be and are adopted and the directors of the Company be and are authorised to do all acts and things which they may consider necessary or desirable to give effect to the Schemes and that the directors be and are unconditionally authorised to exercise all the powers of the Company to allot Relevant Securities (within the meaning of Resolution 6 above) pursuant to the Schemes.

By order of the board



.....  
**John Humphrey**  
**Company Secretary**

25 August 2016

**Registered office:**  
**340 Deansgate**  
**Manchester**  
**M3 4LY**

**Registered in England and Wales with company no. 5120043**

## Notes

### *Entitlement to attend and vote*

1. The right to vote at the meeting is determined by reference to the register of members of the Company. Only those shareholders registered in the register of members of the Company as at 6.00pm on Tuesday 20 September 2016 (or, if the meeting is adjourned, 6.00pm on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of 5 pence ('Ordinary Shares') registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

### *Total voting rights*

2. As at 18 August 2016, (being the latest practicable date prior to the publication of this document) the issued share capital of the Company was 106,135,082 ordinary shares of 5 pence each, carrying one vote each. The total number of voting rights in the Company as at 18 August 2016 was therefore 106,135,082. No ordinary shares are held by the Company in treasury.

### *Proxies*

3. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which, when taken together with the numbers of shares set out in the other proxy appointments, is in excess of the number of Ordinary Shares held by the shareholder, may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 4, 5 and 6 below and the notes to the form of proxy.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

4. A form of proxy is enclosed. When appointing more than one proxy, please complete a separate form of proxy in relation to each appointment. Additional forms of proxy may be obtained by contacting the Company's registrars, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the form may be photocopied. State clearly on each form of proxy the number of Ordinary Shares in relation to which the proxy is appointed.

To be valid, a form of proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 11.00am on Tuesday 20 September 2016 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

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

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ('CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Computershare Investor Services PLC (CREST ID 3RA50) no later than 11.00am on Tuesday 20 September 2016 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned 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 Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her 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.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### *Electronic proxy voting through the internet*

6. You are able to appoint a proxy online by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). You will be required to enter your control number, shareholder reference number and PIN which can be found either on your proxy form or within the email notifying you of the meeting. The proxy appointment and instructions must be received by the Company's registrars no later than 11.00am on Tuesday 20 September 2016.

### *Corporate representatives*

7. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

### *Biographical details of directors*

8. Biographical details of the director who is offering himself for reappointment at the meeting are set out on the Company's website at [www.begbies-traynorgroup.com/investor-relations/company-information/directors.aspx](http://www.begbies-traynorgroup.com/investor-relations/company-information/directors.aspx) and on page 11 of the 2016 Annual Report and Accounts.

### *Documents available for inspection*

9. Copies of the following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting:

- |       |  |
|-------|--|
| 9.1.1 | copies of the service contracts of the executive directors;              |
| 9.1.2 | copies of the letters of appointment of the non-executive directors; and |
| 9.1.3 | copies of the proposed rules of the ESS Schemes.                         |

### *Electronic communications with the Company*

10. You may not use any electronic address provided in this Notice of AGM, the accompanying letter from the Company Secretary or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated. Any electronic communication sent by a shareholder to the Company or Computershare Investor Services PLC which is found to contain a virus will not be accepted by the Company.