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If you have sold or otherwise transferred all of your Shares in T.F. & J.H. Braime (Holdings) P.L.C. you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your holding of your Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document is being sent to the holders of A ordinary shares of 25 pence each in the capital of the Company for information purposes only. These shareholders will be entitled to attend but not vote at the General Meeting in respect of their holdings of A ordinary shares.

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## **T.F. & J.H. BRAIME (HOLDINGS) P.L.C.**

*(Incorporated and registered in England and Wales with registered number 00488001)*

### **Proposed reduction of Issued Share Capital and Notice of General Meeting**

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This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of the Company to be held at the offices of the Company, Hunslet Road, Leeds, LS10 1JZ on 21 November 2014 at 11 a.m is set out at the end of this document. A Form of Proxy for use at the meeting is enclosed with this document and should be returned as soon as possible and in any event so as to be received at the Company's registered office at Hunslet Road, Leeds, LS10 1JZ by not later than 11 a.m on 19 November 2014. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the General Meeting.

## CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS .....	3
DEFINITIONS.....	4
LETTER FROM THE CHAIRMAN.....	5
NOTICE OF GENERAL MEETING .....	9

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	28 October 2014
Latest time and date for receipt of Forms of Proxy for the General Meeting	11 a.m on 19 November 2014
General Meeting	11 a.m on 21 November 2014
Expected date of Court hearing to confirm the Capital Reduction	17 December 2014
Expected effective date for the Capital Reduction	By 31 December 2014
Expected date for payment of return of capital and accrued dividends to holder of the Preference Shares	By no later than 9 January 2015

### Notes:

- (1) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company, in which event details of the new times and dates will be notified by an appropriate announcement to a Regulatory Information Service.
- (2) References to times in this document are to London times unless otherwise stated.
- (3) All events in the above timetable following the holding of the General Meeting are conditional upon: (i) the passing of the Resolution; (ii) approval of the Capital Reduction by the High Court; and (iii) registration of the High Court Order confirming the capital reduction with the UK Registrar of Companies.

## DEFINITIONS

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

<b>Act</b>	the Companies Act 2006;
<b>AIM</b>	the AIM Market of the London Stock Exchange;
<b>AIM Rules for Companies</b>	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time;
<b>'A' Ordinary Shares</b>	the non-voting 'A' ordinary shares of 25 pence each in the capital of the Company;
<b>Articles</b>	the articles of association of the Company as adopted by special resolution passed on 16 May 2014;
<b>Board</b>	the board of directors of the Company as at the date of this document;
<b>Capital Reduction</b>	the proposed reduction of the Issued Share Capital as described in paragraphs 3, 4 and 5 of the Chairman's letter in this document;
<b>Circular or this document</b>	this document;
<b>Company or Braime</b>	T.F. & J.H. Braime (Holdings) P.L.C., a company incorporated in England and Wales with registered number 00488001 and having its registered office at Hunslet Road, Leeds, LS10 1JZ;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
<b>Forms of Proxy</b>	the form or forms of proxy accompanying this document relating to the General Meeting;
<b>Issued Share Capital</b>	the issued share capital of the Company, being 180,000 Preference Shares, 960,000 non-voting 'A' Shares and 480,000 Ordinary Shares as at the date of this document;
<b>General Meeting</b>	the general meeting of the Company notice of which is set out at the end of this document, and including any adjournment(s) thereof;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Notice of General Meeting</b>	the notice of General Meeting, set out in Part II of this document;
<b>Ordinary Shares</b>	ordinary shares of 25 pence each in the capital of the Company;
<b>Preference Shares</b>	Cumulative Preference Shares of £1 each in the capital of the Company;
<b>Registrars</b>	Neville Registrars Limited of Neville House, 18 Laurel Lane, Halesowen, West Midlands, BD63 3DA;
<b>Regulatory Information Service</b>	has the meaning given in the AIM Rules for Companies;
<b>Resolution</b>	the resolution to be proposed at the General Meeting which is set out in full in the Notice of General Meeting;
<b>Shares</b>	all issued shares of each class in the capital of the Company;

**Shareholders**

holders of the Ordinary Shares and the Preference Shares; and

**UK or United Kingdom**

the United Kingdom of England, Scotland, Wales and Northern Ireland.

PART I

LETTER FROM THE CHAIRMAN

**T.F. & J.H. BRAIME (HOLDINGS) P.L.C.**

*(Incorporated and registered in England and Wales with registered number 00488001)*

*Registered office: Hunslet Road, Leeds, LS10 1JZ*

*Directors:*

O. N. A. Braime, MA, (Oxon.), M.B.I.M. (Chairman)  
P. J. O. Alcock, B. Eng. (Non-Executive Director)  
A. W. Walker MA, (Cantab.) (Non-Executive Director)  
A. Q. Braime, ACA, BA (Hons.) (Commercial Director)  
C. O. Braime, BSc, MA (Sales Director)  
M. L. Mills, ACA (Financial Director)

28 October 2014

*To Shareholders*

Dear Shareholder

**Proposed reduction of the Issued Share Capital  
and Notice of General Meeting**

**1 Introduction**

I am writing to you as the Company has today announced that it intends to seek Shareholder approval for such a return of capital and the subsequent cancellation of the Preference Shares from trading on AIM.

The purpose of this letter is to explain the background to the Capital Reduction, why the Directors unanimously consider the Capital Reduction to be in the best interests of the Company and Shareholders as a whole and to seek Shareholders' approval for the Capital Reduction.

**2 General Meeting**

The General Meeting of the Company, notice of which is set out at the end of this document, is to be held at 11 a.m on 21 November 2014 at the offices of the Company, Hunslet Road, Leeds, LS10 1JZ. The General Meeting is being held for the purpose of considering and, if thought fit, passing the Resolution to approve the Capital Reduction.

A summary and explanation of the Resolution is set out below. Please note that this is not the full text of the Resolution and you should read this section in conjunction with the Resolution contained in the Notice of General Meeting at the end of this document.

**3 Purpose of the Capital Reduction**

The Board considers it highly desirable that the Company cancels all existing Preference Shares and returns value to the holders of the Preference Shares. The Company will be required to pay £1.125 per Preference Share, in respect of the amount paid up on each Preference Share and a premium of 12.5 pence per share. In addition, the fixed cumulative preference share of 5% per annum will accrue daily from 1 July 2014 up to the date of cancellation of the Preference Shares at a rate of 0.0137 pence per Preference Shares and will be paid to the holders of the Preference Shares at the same time as the return of capital.

The Company as at 30 September 2014 had distributable reserves of £3,232,736, sufficient to discharge the premium of £22,500 payable on the return of capital to the holders of the Preference Shares.

The purpose of the Capital Reduction is to eliminate the Preference Shares as a class of shares in the capital of the Company.

If the Capital Reduction is approved by Shareholders at the General Meeting, it will be subject to the scrutiny of, and confirmation by, the High Court and, subject to that confirmation and registration by the Registrar of Companies of the order of the High Court, is expected to take effect by the end of December 2014.

#### **4 Capital Reduction – Procedure**

In order to effect the Capital Reduction, the Company first requires the authority of its Shareholders by the passing of a special resolution at the General Meeting. The Resolution is proposed in this regard to cancel all existing issued Preference Shares. The holder of 129,000 Preference Shares, representing 71.7 % of the issued Preference Shares, has irrevocably undertaken to vote in favour of the Resolution.

The Capital Reduction must be confirmed by the High Court, to which the Company will make an application if the special resolution is passed. If the Capital Reduction is confirmed by the High Court, admission of the Preference Shares to trading on AIM will be cancelled as approved by the passing of the Resolution.

We have provisionally scheduled the two Court hearings, at which, subject to the discretion of the High Court, the Capital Reduction will be confirmed. The actual dates of the Court hearings to confirm the Capital Reduction will be advertised in a national newspaper, as directed by the High Court, at least seven days prior to the second of these Court hearings.

The Capital Reduction will take effect when the Order of the High Court confirming it and a statement of capital approved by the High Court have been registered with the Registrar of Companies. The effective date of the Capital Reduction is currently expected to be no later than 31 December 2014. The date is likely to be within a few working days of the hearing at which the Capital Reduction is confirmed by the High Court, which is currently scheduled to be on 17 December 2014.

In order to approve the Capital Reduction, the High Court will need to be satisfied that the interests of the creditors of the Company will not be prejudiced. It is unlikely that any undertaking will be required to be given by the Company regarding the use of the reserve arising on the Capital Reduction given that the Company has been advised that the relatively small amount due to creditors and the value of the assets of the Company reduce the likelihood that such an undertaking would be required.

The Board reserves the right (where necessary by application to the High Court) to abandon, discontinue or adjourn any application to the High Court for confirmation of the Capital Reduction, and hence the Capital Reduction itself, if the Board believes that the terms required to obtain confirmation are unsatisfactory to the Company or if as the result of a material unforeseen event the Board considers that to continue with the Capital Reduction is inappropriate or inadvisable.

#### **5 The Resolution**

An explanation of the Resolution which is to be proposed as special business at the General Meeting is set out below:

##### ***Resolution: Capital Reduction***

The Resolution cancels all of the existing issued 180,000 Preference Shares with the intention that £1 per Preference Share together with a premium of 12.5 pence per Preference Share and any accrued dividends down to the date of the return of capital will be returned (and paid) to the holders of the Preference Shares and, following such cancellation, the admission of the Preference Shares to trading on the AIM Market of the London Stock Exchange be cancelled.

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

A reply-paid Form of Proxy for use in connection with the General Meeting is enclosed with this document. In the case of the Preference Shareholders, a blue Form of Proxy has been enclosed, in the case of Ordinary Shareholders, a white Form of Proxy. Those Shareholders who are the registered holder of both Ordinary Shares and Preference Shares will receive both Forms of Proxy. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign

and return the Form(s) of Proxy in accordance with the instructions printed thereon to the Company at its registered office, Hunslet Road, Leeds, LS10 1JZ as soon as possible and, in any event, not later than 11 a.m on 19 November 2014, being 48 hours before the time of the General Meeting. In the case of holders of both Preference and Ordinary Shares, please complete both the blue and white Forms of Proxy. The completion and return of the Form(s) of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

Since the proposed Resolution includes reducing the preference capital of the Company, the holders of the Preference Shares shall, in accordance with the Articles, be able to vote on the Resolution together with the holders of the Ordinary Shares. The holders of the A Ordinary Shares will be entitled to attend but not vote at the General Meeting in respect of their holdings of A Ordinary Shares.

The proposals can only be implemented if the Resolution is approved by the requisite majority at the General Meeting and the Capital Reduction is confirmed by the High Court. It is therefore important that you either vote in person or by proxy at the General Meeting.

Shareholders are reminded that, if their Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the General Meeting.

## **7 Recommendation**

Your Board considers that the passing of the Resolution to be proposed at the General Meeting is in the best interests of the Company and its Shareholders as a whole. Accordingly, your Directors unanimously recommend that you vote in favour of the Resolution set out in the Notice of General Meeting as the Directors intend to do in respect of their own (and connected persons') beneficial shareholdings totalling 214,850 Ordinary Shares and 100 Preference Shares, representing approximately 32.57 % of the Company's issued voting share capital as at the date of this document. The holder of 129,000 Preference Shares, representing 71.7 % of the Preference Shares, has also irrevocably undertaken to vote in favour of the Resolution.

Whether or not you are able to attend the General Meeting in person, please read the Notice of General Meeting set out at the end of this document and the enclosed Form or Forms of Proxy, including the notes thereto, carefully to ensure you are able to record your votes in respect of the Resolution to be proposed at the General Meeting.

Preference Shareholders are recommended to seek their own personal tax advice in relation to the Capital Reduction proposals.

Yours faithfully

**Nicholas Braime**

*Chairman*

## PART II

### NOTICE OF GENERAL MEETING

# T.F. & J.H. BRAIME (HOLDINGS) P.L.C.

*(Incorporated and registered in England and Wales with registered number 00488001)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of T.F. & J.H. Braime (Holdings) P.L.C. (the "**Company**") will be held at the offices of the Company, Hunslet Road, Leeds, LS10 1JZ at 11.00 a.m on 21 November 2014 for the purpose of considering and, if thought fit, passing the following Resolution as a Special Resolution:

#### **SPECIAL RESOLUTION**

THAT the issued share capital of the Company be reduced from £540,000 to £360,000 by cancelling and extinguishing all of the 180,000 issued Cumulative Preference Shares of £1 each in the capital of the Company and returning all the capital paid up on those shares to the holders of them together with a premium of 12.5 pence per share (rounded up, where necessary, to the nearest 1 pence in the case of fractions) and all arrears and accruals of dividend on those shares calculated to the date of the return of capital and, following such cancellation, the admission of the Preference Shares to trading on the AIM Market of the London Stock Exchange be cancelled.

By Order of the Board

**Nicholas Braime**

Chairman

28 October 2014

## NOTES:

- 1 The Resolution is proposed as a Special Resolution. This means that for the Resolution to be passed, at least three-quarters of the votes cast on such Resolution must be in favour of such Resolution.
- 2 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. 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. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Marcus Mills at the Company, Hunslet Road, Leeds, LS10 1JZ.
- 3 To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the office of the Company's registrars no later than 48 hours before the time appointed for holding the meeting.
- 4 The return of a complete proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 7 below) will not prevent a shareholder attending the meeting and voting in person if he/she wishes to do so.
- 5 To be entitled to attend and vote at the meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company 48 hours (excluding non-working days) before the time appointed for holding the meeting or adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 6 CREST members who wish to appoint a proxy or proxies 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.
- 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 instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by the latest time(s) for receipt of proxy appointments specified in the notice of 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 8 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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 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 Uncertificated Securities Regulations 2001.
- 10 Any 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 they do not do so in relation to the same shares.
- 11 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.