

**THIS DOCUMENT AND THE ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (AGM) AND FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** It contains the resolutions to be voted on at the company's Annual General Meeting to be held on Thursday 14 June 2012 at 12.00pm. If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised or exempted under the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos 1 to 3) or the Investment Intermediaries Act, 1995, if you are resident in Ireland or who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom (or, if you are resident outside the United Kingdom, an appropriately qualified independent financial adviser). If you have sold or transferred all of your shares in Escher Group Holdings plc please forward this document, together with the accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



ESCHER GROUP™

**Annual General Meeting  
Thursday 14 June 2012**

Shelbourne Hotel  
St Stephen's Green

Notice of the Annual General Meeting of Escher Group Holdings plc, to be held at the Shelbourne Hotel, St Stephen's Green, Dublin 2, Ireland on Thursday 14 June 2012 at 12.00pm, is set out in this document, accompanied by a Form of Proxy for use in connection with the resolutions at the meeting. To be valid, the Form of Proxy must be completed and returned to or lodged at 12 Camden Row, Dublin 8 or the registered office of the company not later than 12.00pm on Tuesday 12 June 2012.



## Escher Group Holdings plc

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14 May 2012

Dear Shareholder

The Annual General Meeting (“**AGM**”) of Escher Group Holdings plc (the “**Company**”) is to be held on Thursday 14 June 2012, at the Shelbourne Hotel, St Stephen's Green, Dublin 2. The meeting will commence at 12.00pm.

I would draw your attention to the enclosed documents:

- AGM Notice with appended Summary of Share Option Plan (subject of resolution 4 below) on pages 4 to 7 of this document;
- form of proxy which can be completed and returned by you to the address stated; and
- annual report and financial statements for the year ended 31 December 2011.

This letter explains below the items of business to be transacted at the AGM. There are three items of ordinary business and three items of special business.

### Summary of the Resolutions:

#### Ordinary business

##### Resolution 1: Company's accounts and the Reports of the Directors and the Auditors

Resolution 1 is asking shareholders to consider the Company's accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2011.

##### Resolution 2: Re-election of Directors

Resolution 2 is asking shareholders to re-elect Directors. The Company's Articles of Association require that a Director appointed as an additional Director shall hold office only until the next AGM. If a Director so appointed is not re-appointed at the next AGM, such Director shall vacate office at the conclusion thereof. Accordingly, Paul Taylor and Trevor McIntyre are required to put themselves forward for re-election. Furthermore, the Company's Articles of Association also require that the number that is less than and nearest to one-third of the Directors (not including any Directors in the former category) shall retire by rotation at the Annual General Meeting in every year. The Directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment. Liam Church has put himself forward for re-election in this regard. Full biographical details of all Directors are found on pages 12 and 13 of the annual report and accounts 2011.

The Board is satisfied that all the Directors proposed for re-election continue to perform effectively and demonstrate commitment to their respective roles.

##### Resolution 3: Director's Report on remuneration

Resolution 3 is asking shareholders to authorise the Directors to fix the remuneration of the Company's auditors.

#### Special business

##### Resolution 4: Escher Group Holdings plc Share Option Plan

Resolution 4 is asking shareholders to approve the establishment of a Share Option Plan for employees (the “Plan”) and to authorise the Directors to enter into and implement the Plan. The proposed establishment of such a Plan was referred to in the Admission Document for the admission of the Company to AIM and the Directors have approved the terms and scope of the Plan. A summary of the Plan is appended to the Notice of AGM. The Plan will be available for inspection by members at North Wall Quay, Dublin 1 and at 12 Camden Row, Dublin 8 during usual business hours from the date of the Notice of AGM and at the Shelbourne Hotel, 27 St Stephen's Green, Dublin 2 for at least 15 minutes prior to and until the conclusion of the AGM.

##### Resolution 5: General authority to allot shares

Resolution 5 is asking shareholders to grant the Directors a general authority under Section 20 of the Companies (Amendment) Act, 1983 until the next AGM of the Company (to be held in 2013) to allot securities up to an aggregate nominal value of 33.33% of the existing issued ordinary share capital (together with any securities that may be issued under the Plan pursuant to the authority conferred on the Directors by resolution 4 above). This resolution, which is in line with Association of British Insurers (ABI) Guidelines, is proposed as an ordinary resolution.

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**Resolution 6: Disapplication of pre-emption provisions**

Resolution 6 is asking shareholders to grant the Directors' authority to allot equity securities for cash without the need to comply with the statutory pre-emption provisions of Section 23 of the Companies (Amendment) Act, 1983. The disapplication of the statutory pre-emption provisions will be limited to (a) the allotment of equity securities in connection with a rights issue in favour of shareholders, (b) the allotment of equity securities up to an aggregate nominal value of 5% of the Company's existing issued ordinary share capital and (c) the allotment of equity securities issued under the Plan pursuant to the authority conferred on the Directors by resolution 4 above. This resolution, which is in line with ABI Guidelines, is proposed as a special resolution.

**Recommendation**

The Board recommends voting in favour of all the resolutions proposed as, in the Board's opinion, all resolutions are in the best interests of shareholders.

We look forward to seeing you at the Annual General Meeting. If you are not able to come to the meeting in person, your vote is still important to us and I would urge you to register your proxy appointment.

Yours sincerely



**Bernard Somers**  
Chairman

# Notice of meeting

of

## Escher Group Holdings plc

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Notice is hereby given that the Annual General Meeting of Escher Group Holdings plc (the “**Company**”) will be held in the Shelbourne Hotel, 27 St Stephen’s Green, Dublin 2, at 12.00 on Thursday, 14 June 2012 for the purpose of considering and, if thought fit, passing the following resolutions:

### **Ordinary business**

- 1) To consider the Company’s accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2011.
- 2) To re-elect as Directors the following persons:
  - Liam Church
  - Paul Taylor
  - Trevor McIntyre
- 3) To authorise the Directors to fix the remuneration of the auditors.

### **Special business**

To consider and, if thought fit, to pass the following resolutions:

#### **As ordinary resolutions:**

- 4) That the Escher Group Holdings plc Share Option Plan (the “Plan”) substantially in the form described in the appendix to this notice and approved by the Directors of the Company on 24 November 2011 and produced to this meeting (and for the purposes of identification initialled by the Chairman) be and is hereby approved and that the Directors of the Company be and they are hereby authorised to enter into and implement the Plan and to grant options thereunder, and to execute such documents and do all acts or things as may be necessary or desirable to give effect to this resolution and the Directors of the Company be and they are hereby authorised to establish further schemes based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further schemes are treated as counting against any limits on individual or overall participation in the Plan.
- 5) That the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined for the purposes of Section 20 of the Companies (Amendment) Act, 1983) up to an aggregate nominal amount of €31,055.16 (together with any securities that may be issued under the Plan pursuant to the authority conferred on the Directors by resolution 4 above). The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2013) unless previously renewed, varied or revoked by the Company in general meeting save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

#### **As a special resolution:**

- 6) That the Directors be empowered pursuant to Section 24 of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of Section 23 and Section 24(1) of the Companies (Amendment) Act, 1983) for cash pursuant to the authority conferred on the Directors under Section 20 of the Companies (Amendment) Act 1983 by the resolution above as if sub-Section (1) of said Section 23 did not apply to any such allotment, provided that this power shall be limited to:
  - (a) the allotment of equity securities in connection with a rights issue in favour of shareholders where insofar as is reasonably practicable the equity securities allotted to each shareholder is proportionate to the respective numbers of shares held by them;
  - (b) the allotment (otherwise than in pursuance of sub-paragraph (a) above of this resolution) of equity securities up to an aggregate nominal value of €4,658.27; and
  - (c) the allotment of equity securities issued under the Plan pursuant to the authority conferred on the Directors by resolution 4 above.

The authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (to be held in 2013) unless previously renewed, varied or revoked by the Company in general meeting save that the Company may make an offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

**Goodbody Secretarial Limited**  
**Secretary**

#### **Registered Office**

North Wall Quay  
Dublin 1  
(Registered Number 9245 Republic of Ireland)

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**Notes:**

1. Any member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend, speak, and vote on his/her behalf in accordance with the procedures set out in this Notice of Meeting and the form of proxy.
2. A proxy need not be a member of the Company but must attend the Annual General Meeting or any adjournment thereof in person to represent you.
3. A form of proxy is enclosed with this Notice of Meeting. To be valid, the proxy must be duly completed and executed, and any authority under which it is executed or a copy of such authority (or the information contained therein) either certified notarially or in some other way authenticated in a manner approved by the Directors, and must be delivered to or lodged at 12 Camden Row, Dublin 8 or the registered office of the Company not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof or (in the case of a poll taken otherwise than at or on the same day as appointed for the Annual General Meeting or any adjournment thereof) for the taking of the poll at which it is to be used.
4. If the appointer is an individual, this form of proxy must be signed by the member or his/her attorney. If the appointer is a corporation, this form of proxy must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
5. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated. The vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority will be determined by the order in which the name stands in the register of members in respect of the joint holding.
6. The completion and return of the form of proxy will not preclude a member from attending the Annual General Meeting or any adjournment thereof and voting in person.
7. On any other business which may properly come before the Annual General Meeting or any adjournment thereof and whether procedural and/or substantive in nature (including any motion to amend a resolution or adjourn the meeting) not specified in this Notice of Meeting or the form of proxy, the proxy will act at his/her discretion.
8. There will be available for inspection by members at North Wall Quay, Dublin 1 and at 12 Camden Row, Dublin 8, during usual business hours from the date of this Notice of Meeting and at the Shelbourne Hotel, 27 St Stephen's Green, Dublin 2, for 15 minutes prior to and until the conclusion of the Annual General Meeting, copies of contracts of service of Directors with the Company or any of its subsidiaries and a copy of the Escher Group Holdings plc Share Option Plan.
9. The registers required to be maintained by the Company under Section 60 and 80 of the Companies Act, 1990 shall be available for inspection to any person attending the Annual General Meeting for 15 minutes prior to and until the conclusion of said meeting.

# Appendix

## Summary of Escher Group Holdings plc Share Option Plan

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### **Principal features of the Escher Group Holdings plc Share Option Plan**

The Escher Group Holdings plc Share Option Plan (the “Plan”) provides for the grant of share options to full-time executive Directors and employees of Escher Group Holdings plc (the “Company”) and its subsidiaries in accordance with the provisions of the Plan.

### **Basis of the Plan**

The Plan provides that the Remuneration Committee (the “Committee”) may, at any time during a grant period within ten years from 24 November 2011, grant options to persons nominated by the Committee. Options may be granted within 42 days of the dealing day following the announcement of half-yearly or annual results of the Company, or when the Committee resolves exceptional circumstances exist (with a proviso that the grant period may be extended if there is an embargo on dealings during the grant period). Each option shall be evidenced by an option certificate given to the nominated person. No consideration is payable by the nominated person in respect of the grant of an option. Options granted pursuant to the Plan shall vest and be exercisable in accordance with the terms set by the Committee and specified on the option certificate (which may include performance conditions).

Unless the Committee determines otherwise, the option price in relation to an option will not be less than the market value of a share on the day preceding the day on which an option is granted, provided that in all cases it will not be less than the nominal value of a share. Options are personal, non-transferable (except on death) and have a maximum term of ten years.

No option exercise will be permitted unless the Committee is satisfied that all conditions relating to the exercise pursuant to the Plan have been met. The Company will maintain sufficient authorised and unissued shares to enable it to satisfy the exercise in full of the options.

### **Participation in the Plan**

Any person who is a full-time executive Director or an employee of the Company or a subsidiary to which the Plan for the time being has been extended by resolution by the Board of Directors of the Company (the “Board”), and who has been nominated for that purpose by the Committee at their discretion, is eligible to participate.

### **Limits on shares available for issue**

Until otherwise resolved by the Company in general meeting, the number of shares over which options may be granted under the Plan on any day will not, when added to the number of shares which immediately prior to that day will have been or remain to be issued pursuant to options granted during the period of ten years immediately preceding that day under the Plan, exceed 10% of the number of shares for the time being in issue.

### **Cessation of service:**

If a participant ceases to be an employee or a full-time executive Director of a participating company due to:

- health reasons;
- redundancy;
- the company employing the participant ceasing to be a member of Escher Group, or the business or part thereof to which the participant’s employment or office relates ceasing to be owned by the Group; or
- any other reason in the Committee’s discretion,

the Committee may, in its absolute discretion, permit the participant to exercise the whole or a specified percentage of an unexercised option within the period of three months from cessation (or such other period as the Committee may permit), but not later than the last date for exercise, and upon the expiration of such period the option shall lapse to the extent that it has not been exercised. Where the Committee does not use its discretion to allow exercise, options lapse on the date of cessation.

### **Death**

If, upon a participant’s death, the Committee determines that either the whole or a specified percentage of any unexercised option held by such participant at the date of his death will be capable of exercise by his legal personal representative (LPR), his LPR may within the period of six months after the participant’s death (or such other period as the Committee may permit), but not later than the last date for exercise, exercise the whole or such specified percentage of such unexercised option, and upon the expiration of such period the option will lapse to the extent that it has not been so exercised.

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### **Merger, takeover, reorganisation and winding-up**

In the event of a change of control of the Company, any option may at the Committee's discretion be exercised in relation to the whole or a specified portion of the shares to which the option relates and within such time(s) and subject to any other conditions or limitations as the Committee may at its discretion determine. To the extent not so exercised such option will lapse at the expiry of the time specified for exercise by the Committee. As an alternative a participant may agree with an acquiring company to release his options in exchange for equivalent options over other shares or the Committee may determine options may be cancelled for a cash payment which the Committee in its reasonable opinion determines to be fair. The Committee may arrange for the continuation of options in certain circumstances.

In the event of a reorganisation (involving a material change in the nature of shares under option) or a winding-up, an option may be exercised within 30 days of the date of notification by the Committee to the participant that an option is exercisable as a consequence of the occurrence of such an event (or within such period before or after such date as the Board may otherwise determine), upon and subject to any conditions or limitations as the Committee may at its discretion determine.

### **Adjustments of share capital**

In the event of an alteration of the capital structure of the Company, the Committee may adjust the number of shares subject to the Plan, the definition of a share and outstanding options with (save in the case of capitalisations) confirmation in writing from the Company's auditors that such adjustment is fair and reasonable.

### **Alterations**

The Board may at any time by resolution alter, amend or revoke any of the Plan's provisions in such manner as may be thought fit, but so that:

- the Plan's purpose is not altered;
- the rules are not altered to the advantage of nominated persons or participants without the Company's prior approval in general meeting;
- no amendments are made that would adversely affect any of the subsisting rights of participants unless the Board has invited every relevant participant to give an indication as to whether or not he approves the amendment and the amendment is approved by a majority of those participants who have given such an indication; and
- the plan limits on the issue of shares pursuant to the Plan are not altered without the Company's prior approval in general meeting

except that any amendment, modification or addition that the Board considers necessary or desirable in order to benefit the Plan's administration, or comply with or take account of the provisions of any proposed or existing legislation, or obtain or maintain favourable tax, exchange control or regulatory treatment, in any jurisdiction in which the Plan is operated or is proposed to be operated, for the Company, any participating company, or any participant, may be made by resolution of the Board without the need for the Company's prior approval in general meeting or a majority of participants, provided that the basic principles of the Plan are not affected.

### **General**

Benefits obtained under the Plan are not pensionable.

Options may be accelerated in the event of the participant's death, cessation of employment or other event.

The Plan may be terminated at any time by resolution of the Board (without impacting outstanding options) and will otherwise terminate ten years from the date of adoption by the Board.

The decision of the Committee in relation to any question, dispute or interpretation of the Plan shall be final.

The Plan shall be governed by Irish law. The Company and participants submit to the non-exclusive jurisdiction of the Irish Courts in respect of Plan related disputes.

The Plan will be available for inspection by members at North Wall Quay, Dublin 1 during usual business hours from the date of the Notice of the Annual General Meeting and at the Shelbourne Hotel, 27 St Stephen's Green, Dublin 2 for at least 15 minutes prior to and until the conclusion of the Annual General Meeting.

**Escher Group Holdings plc**

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