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If you have sold or otherwise transferred all of your Ordinary Shares, please forward this Document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or any other jurisdiction where to do so may constitute a violation of local securities laws or regulations.

The Company, whose registered office appears on page 7 of this Document, and the Directors, whose names also appear on page 7 of this Document, accept responsibility for the information contained in this Document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Document does not constitute an offer of transferable securities to the public within the meaning of section 102B of FSMA. Members of the general public are not eligible to take part in the Placing. The issue of the New Ordinary Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA. This Document does not constitute a prospectus for the purpose of the Prospectus Rules of the Financial Conduct Authority or an admission document for the purposes of the AIM Rules for Companies. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

Neither this Document (nor any part of it) nor its distribution shall form the basis of, or be relied on in connection with, any contract or as an inducement to enter into any contract or commitment whatsoever. This Document is being sent to you solely for the purpose of convening the General Meeting referred to below and to provide information to you as a member of the Company to help you to decide how to cast your vote in respect of the Resolutions. No reliance may be placed on this Document for any other purpose.

An application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions, Admission will occur, and dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 22 May 2018. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

GRESHAM HOUSE PLC

(Incorporated in England with registered number 871)

Proposed acquisition of FIM Services Limited and issue of 2,390,244 Consideration Shares

Placing of 3,658,537 new Ordinary Shares at 410 pence per share and Notice of General Meeting

You are recommended to read the whole of this Document but your attention is drawn, in particular, to the letter from the Chairman of Gresham House Plc on page 7. This letter explains the background to, and reasons for, the Placing and the Acquisition and contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting as the Directors intend to do, or to procure to be done, in respect of their own beneficial holdings of Ordinary Shares.

Liberum Capital Limited ("**Liberum**"), which is a member of the London Stock Exchange, is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting as financial adviser, nominated adviser, broker and sole bookrunner for the purposes of the AIM Rules for Companies exclusively for Gresham House in connection with the matters referred to in this Document and for no-one else and will not be responsible to anyone other than Gresham House for providing the protections afforded to the clients of Liberum nor for providing any advice in relation to the contents of this Document or any transaction, arrangement or matter referred to herein. The responsibilities of Liberum, as nominated adviser, are owed solely to the London Stock

Exchange and are not owed to the Company or to any director or any other person and accordingly no duty of care is accepted in relation to them. This Document has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Liberum or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this Document or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

The Notice convening a General Meeting of the Company, to be held at 11.00 a.m. on 21 May 2018 at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS, is set out at the end of this Document. The action to be taken by Shareholders in respect of the General Meeting is set out on page 24 of this Document.

If you hold your Ordinary Shares in certificated form, whether or not you plan to attend the General Meeting, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours only, by hand by the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by no later than 11.00 a.m. on 17 May 2018 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of General Meeting set out at the end of this Document). Proxies submitted via CREST must be received by the Company's agent (ID 7RA11) by no later than 11.00 a.m. on 17 May 2018 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). The completion and transmission of a CREST proxy instruction will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

None of the New Ordinary Shares, the Form of Proxy, this Document or any other document connected with the Placing have been or will be approved by the US Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed comment upon or endorsed the merits of the offering of the New Ordinary Shares, the Form of Proxy, or the accuracy or adequacy of this Document or any other document connected with the Placing. Any representation to the contrary is a criminal offence. The distribution of this Document and the Form of Proxy in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this Document and/or the Form of Proxy come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

The New Ordinary Shares have not been, and will not be, registered under the Securities Act or under the applicable securities laws of any state or other jurisdiction of the United States or any other Restricted Jurisdiction. In the opinion of the Directors, there is a significant risk of civil, regulatory or criminal exposure to the Company and its Directors were the Placing to be made into any of the Restricted Jurisdictions. The New Ordinary Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States, or any other Restricted Jurisdiction, or to any US Person (as such term is defined in Regulation S) or to any national resident or citizen of, or any corporation, partnership or other entity created or organised under the laws of any Restricted Jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States and any relevant Restricted Jurisdiction. The New Ordinary Shares are being offered and sold outside the United States in offshore transactions within the meaning of and in accordance with Regulation S or another applicable exemption from the Securities Act. There will be no public offer of the New Ordinary Shares in the United States.

It is the responsibility of any person receiving a copy of this Document and/or the Form of Proxy outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, nominees and trustees) receiving this Document and/or the Form of Proxy should not, in connection with the Placing, distribute or send it into any jurisdiction when to do so would, or might contravene local securities laws or regulations.

In accordance with the AIM Rules, this Document will be available on the Company's website (www.greshamhouse.com) from the date of this Document, free of charge.

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

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	Date
Publication of this Document	3 May 2018
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 17 May 2018
General Meeting	11.00 a.m. on 21 May 2018
Expected Completion date of the Acquisition	21 May 2018
Expected date of admission of the New Ordinary Shares to trading on AIM	8.00 a.m. on 22 May 2018
New Ordinary Shares to be held in uncertificated Form credited to CREST stock accounts (CREST Shareholders only)	8.00 a.m. on 22 May 2018
Despatch of definitive share certificates for New Ordinary Shares to be held in certificated Form (non-CREST Shareholders only)	by 31 May 2018

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

PLACING STATISTICS

Placing Price	410p
Number of Existing Ordinary Shares	12,540,649
Number of Placing Shares to be issued pursuant to the Placing	3,658,537
Number of Consideration Shares to be issued in connection with the Acquisition	2,390,244
Number of Ordinary Shares in issue following the issue of the Placing Shares and the Consideration Shares	18,589,430
Number of Placing Shares as a percentage of the enlarged issued share capital at Admission	19.7%
Number of Consideration Shares as a percentage of the enlarged issued share capital at Admission	12.9%
Number of New Ordinary Shares as a percentage of the enlarged issued share capital at Admission	32.5%
Gross proceeds of the Placing	£15.0 million
Net proceeds of the Placing receivable by the Company ⁽¹⁾	Approximately £14.5 million

(1) Net proceeds are stated after deduction of estimated total expenses of approximately £0.5 million.

IMPORTANT INFORMATION

Forward-looking statements

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

No Profit Forecast

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

Market, economic and industry data

This Document contains information regarding the Company's business and the markets in which it operates and competes, which the Company has obtained from various third party sources. Where information has been sourced from a third party it has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information has not been audited or independently verified.

Rounding

Certain data in this Document, including financial, statistical and operating information, has been rounded. As a result of rounding, the totals of data presented in this Document may vary slightly from the actual arithmetic totals of such data. Percentages have also been rounded and accordingly may not add to 100 per cent.

PART I

LETTER FROM THE CHAIRMAN OF GRESHAM HOUSE PLC

(Incorporated in England with registered number 871)

Directors:

Anthony Townsend (*Non-Executive Chairman*)
Anthony (Tony) Dalwood (*Chief Executive*)
Kevin Acton (*Finance Director*)
Richard Chadwick (*Non-Executive Director*)
Rachel Beagles (*Non-Executive Director*)
Simon Stilwell (*Non-Executive Director*)

Registered Office:

5 New Street Square
London
EC4A 3TW

3 May 2018

To Shareholders, Warrantholders and persons with information rights

Dear Shareholders and Warrantholders

**Proposed acquisition of FIM Services Limited and issue of 2,390,244 Consideration Shares
Placing of 3,658,537 New Ordinary Shares at 410 pence per share
and
Notice of General Meeting**

1. Introduction

On 2 May 2018, Gresham House announced the proposed acquisition (the "**Acquisition**") of the entire issued share capital of FIM Services Limited ("**FIM**"), an alternative investment fund manager specialising in UK real assets, specifically sustainable forestry and renewable energy investments, by its wholly-owned subsidiary, Gresham House Holdings Limited ("**GHH**"), for a total consideration of up to £25.0 million on a cash-free, debt-free basis (subject to certain adjustments).

The Acquisition combines two leading firms in UK commercial forestry management and renewables, adding both assets under management ("**AUM**") and in-house investment expertise to Gresham House Forestry and Gresham House New Energy. Upon Completion, Gresham House's AUM will be over £1.5 billion across five specialist alternative investment strategies: forestry, new energy, UK housing and infrastructure, private assets and strategic public equity.

On Completion, Gresham House will pay initial consideration of £21.0 million, comprising £11.2 million in cash and £9.8 million in Consideration Loan Notes (to be exchanged for the Consideration Shares pursuant to the terms of the Exchange Agreement). Additional deferred consideration of up to £4.0 million will be payable in cash three months after the second anniversary of Completion, subject to the achievement of certain performance targets over that two year period.

Gresham House has a robust investment process when appraising balance sheet investments. The acquisition of FIM is expected by the Directors to provide financial returns which exceed its 15 per cent. return on capital hurdle in the short-medium term alongside material earnings enhancement before identified synergies. The historic acquisition multiple is 6.2x EBITDA, rising to 7.4x with full deferred payments, thereby accelerating the Company's profitable growth and increasing the potential to pay dividends.

The Acquisition Agreement is conditional upon, *inter alia*, the passing of the Resolutions, the Placing Agreement having become unconditional in accordance with its terms (save for any conditions relating to the completion of the Acquisition and Admission occurring) and the FCA having given notice in writing in accordance with section 189(4) of FSMA that it approves or has no objection to GHH and any other relevant person acquiring control (within the meaning of section 181 of FSMA) of FIM and such approval or non-objection not having been revoked prior to Completion.

The Placing comprises the conditional placing of 3,658,537 new Ordinary Shares (the "**Placing Shares**") in cash at a price of 410 pence per Placing Share (the "**Placing Price**"), which represents

a premium of 1.06 per cent. to the 30 day VWAP of 405.69 pence on 1 May 2018 (being the latest practicable date prior to the announcement of the Placing and Acquisition on 2 May 2018).

The Board believes that the Acquisition is in alignment with the Group's strategy as well as being consistent with the Company's stated objectives.

The purpose of this Document, therefore, is to provide you with details of, and the background to, and reasons for, the Acquisition and the Placing and to explain why the Directors believe that they are in the best interests of Shareholders as a whole.

Due to the number of Consideration Shares and Placing Shares to be allotted and issued, the approval of Shareholders will be required at the General Meeting to be held at 11.00 a.m. on 21 May 2018 at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS. The Board unanimously considers that the Resolutions to be proposed at the General Meeting are in the best interests of Gresham House and its Shareholders, as a whole, and recommends that Shareholders vote, or procure the vote, in favour of the Resolutions, as the Directors intend to do, or to procure to be done, in respect of their own beneficial holdings of Ordinary Shares. The Acquisition Agreement is conditional upon, *inter alia*, the passing of the Resolutions and the Placing Agreement having become unconditional in accordance with its terms (save for any condition relating to the completion of the Acquisition Agreement and Admission occurring) and not having been terminated. In the event that any of the Resolutions is not passed by the requisite majority, then neither the Placing nor the Acquisition will proceed.

As at the date of this Document, the Directors, other members of management and Shareholders have committed to support the proposals described above by voting (or procuring the vote) in favour of the Resolutions or agreeing to subscribe for Placing Shares in respect of Existing Ordinary Shares representing approximately 58 per cent. of the Company's issued ordinary share capital.

At the end of this Document, you will find the Notice of General Meeting at which, *inter alia*, the Resolutions necessary to effect the allotment and issue of the Consideration Shares and the Placing Shares pursuant to the Acquisition and the Placing, respectively, will be proposed.

2. Summary terms of the Acquisition

On 2 May 2018, Gresham House, GHH and the FIM Vendors, entered into the Acquisition Agreement pursuant to which GHH has agreed to acquire the entire issued share capital of FIM. The Acquisition Agreement is subject to the satisfaction or, where applicable, waiver of the conditions referred to above.

The total consideration of up to £25.0 million is on a cash-free, debt-free basis (subject to certain adjustments). The consideration for the Acquisition comprises initial consideration of £21.0 million and, subject to the "Combined Forestry Group" achieving an agreed revenue target during the two years following Completion, deferred consideration of up to £4.0 million (depending on the actual revenue of the Combined Forestry Group).

The initial consideration of £21.0 million shall be satisfied by:

- the payment of £11.2 million in cash to the FIM Vendors; and
- the issue of £9.8 million of Consideration Loan Notes, which will be exchanged for the Consideration Shares pursuant to the terms of the Exchange Agreement.

The initial consideration will be adjusted following Completion if the cash/working capital of FIM exceeds the agreed normalised level of working capital. Any such excess cash shall be acquired for 94 pence per £1.

In addition to the initial consideration, a payment of £0.5 million shall be paid in cash to the FIM Vendors at Completion in respect of certain wind energy limited partnership investments (the "**Wind LP Investments**"). An additional amount may be payable to the FIM Vendors in respect of the Wind LP Investments if, prior to the date falling 24 months after Completion, there is a disposal of the Wind LP Investments for an amount which is, after the deduction of any costs incurred in relation to the disposal of the Wind LP Investments, in excess of £0.5 million.

The amount of deferred consideration payable will depend on the actual revenue generated by the Combined Forestry Group when compared to a forecast revenue target. The full £4.0 million of deferred consideration will be payable if the actual revenue generated by the Combined Forestry Group is equal to or greater than the forecast revenue target (such forecast revenue target having been determined and agreed in advance of Completion). If the actual revenue is less than the forecast revenue target, then the deferred consideration will decrease according to an agreed scale based on the amount by which the actual revenue varies from the forecast revenue target, with no deferred consideration being payable in the event that the actual revenue achieved differs adversely from the forecast revenue target by more than £1.0 million. The deferred consideration will be satisfied entirely in cash.

The principal FIM Vendors are acting as warrantors in the context of the Acquisition Agreement and are giving customary warranties about FIM, both on the date of the Acquisition Agreement and as at completion of the Acquisition Agreement. GHH has taken out warranty and indemnity insurance in respect of the warranties in the Acquisition Agreement, which reduces the exposure of the FIM Vendors in the event of a breach of warranty. This policy provides cover in the aggregate amount of £10 million for a period of two years for certain non-fundamental warranties and seven years for fundamental warranties and tax warranties and indemnities (subject to customary exclusions and limitations), effective from Completion. In respect of certain warranties for which cover is not provided by the warranty and indemnity insurance, certain FIM Vendors have separately given specific warranties in relation to such uninsured matters (subject to customary exclusions and limitations). In addition, certain of the FIM Vendors will be subject to customer and employee non-solicit and other restrictive covenants for a period of three years from Completion. Each of the FIM Vendors has also agreed to enter into a "lock-in agreement" with the Company with effect from Admission, whereby they agree that, subject to certain customary exceptions, they will not dispose of any Consideration Shares that they receive for a period of two years from the date of Admission.

The Company may terminate the Acquisition Agreement prior to Completion if there is a matter or event which:

- causes, or is reasonably likely to cause, a material adverse change affecting FIM (not being an event affecting or likely to affect to a similar extent generally companies carrying on similar business in the United Kingdom);
- is a material breach of any provision of the Acquisition Agreement at any time prior to Completion (and such material breach is not remedied, or is not capable of remedy without material cost to FIM prior to Completion); or
- would constitute a material breach of the warranties in the Acquisition Agreement if they were repeated immediately prior to Completion.

3. Information on FIM

Founded in 1979, FIM is a UK asset manager specialising in sustainable UK real asset investments. As at 31 December 2017, it had AUM of approximately £893 million, encompassing:

- 83,000 hectares of forestry (£635 million of AUM); and
- 127MW of renewable energy generating assets in onshore wind farms and ground mounted solar parks (£258 million of AUM). FIM subsequently added a further 10MW in two ground mounted solar parks in 2018.

FIM, which has 25 employees based in Oxford, accesses a wide range of investment opportunities for its clients, actively sourcing, structuring and executing transactions and providing a full asset management service at competitive fee levels. FIM's client base is complementary to that of Gresham House, with its clients including unlisted funds (accounting for approximately 62 per cent. of FIM's AUM as at 31 December 2017), high net worth individuals (accounting for approximately 20 per cent. of FIM's AUM as at 31 December 2017) and family offices (accounting for approximately 18 per cent. of FIM's AUM as at 31 December 2017).

The existing FIM management team below will remain involved in the day-to-day operation of the business post-Completion:

Richard Crosbie Dawson (Managing Director)

Richard has guided the expansion of FIM over the past four decades. He is a chartered surveyor whose experience extends to dealing with all property issues. Richard’s expertise includes complex documentation and due diligence matters, developing and implementing investment strategies, particularly those based on tax-efficient structures, and managing a wide range of investor contacts established through FIM’s investment business.

Colin Lees-Millais (Director, Head of Forest and Land)

A chartered surveyor with 30 years’ experience of investing in commercial forestry both in the UK and internationally, Colin has a strong track record in delivering sustained, long-term performance from forestry assets. He has particular expertise in the UK forestry market, woodland management and all silviculture issues and has longstanding experience of managing relationships with large family office clients.

Edward Daniels (Director, Executive Manager)

Edward is a chartered accountant and oversees the provision of fund management services to FIM’s forestry funds and private clients. Prior to joining FIM, Edward worked for Ludgate Investments advising the Ludgate Environmental Fund, an AIM-quoted closed-ended fund, on investing development capital in cleantech and environmental technology companies. Previously, he was at Ernst & Young providing buy-side due diligence and related transaction services to private equity clients in New York and London.

Wayne Cranstone (Director, Renewables Chief Operating Officer)

Wayne is a chartered engineer and has a PhD in Engineering. He has 20 years of technical, commercial, stakeholder and general management experience in the energy sector. Prior to joining FIM, he was the Onshore Wind Development and Construction Director of RWE Innogy. He has overseen the construction of 16 wind farms (200MW) over the past eight years.

FIM is authorised and regulated by the Financial Conduct Authority in the conduct of investment business to promote and operate unregulated collective investment schemes, being managed funds in forestry and renewable energy.

FIM, under its Responsible Investment Policy, seeks to ensure that investments meet strict environmental, social and governance criteria over the long-term. FIM believes that active management of these issues will deliver long-term benefits to both investors and the company. FIM is also a member of the UK Sustainable Investment and Finance Association.

The investment performance of FIM’s two largest timber funds, FIM Sustainable Timber & Energy LP and FIM Forest Fund I LP, over their last four financial years is set out below:

	Total Return (%)				Average IRR (%)				Since inception
	2017	2016	2015	2014	2017	2016	2015	2014	
FIM Sustainable Timber & Energy LP ⁽¹⁾	10.1	5.2	10.4	15.4	11.4	11.7	13.6	15.0	11.4
FIM Forest Fund I LP ⁽²⁾	8.6	10.6	9.3	16.7	11.4	11.8	12.0	12.6	11.4

(1) Inception: June 2010. Year end: May.

(2) Inception: December 2008. Year end: November.

Source: FIM internal analysis and audited annual results for the financial years ended in 2014, 2015, 2016 and 2017.

4. Background to, and reasons for, the Acquisition and the Placing

Acquisition rationale

The Directors believe that the Acquisition would further enhance Gresham House as a significant UK specialist alternative asset manager. In addition, the Group would manage more than 100,000 hectares of high grade commercial forestry. In particular, the Directors believe that the Acquisition would have the following financial and strategic benefits:

- *Financial benefits:*
 - o Shareholder value would be created through exceeding Gresham House's return on investment capital hurdle of 15 per cent. in the short-to-medium term.
 - o The Acquisition would be expected to be immediately earnings enhancing in the first full year of Gresham House's ownership post-Completion, before any benefits of identified cost synergies are considered.
 - o Gresham House's real and strategic equity assets under management would more than double to over £1.5 billion, laying the foundation for further profit growth. Of this, £918 million will be forestry assets and £344 million will be renewable energy assets.
 - o The Acquisition would also increase Gresham House's renewable energy assets under management by approximately £258 million (to £344 million) across a range of wind and solar assets to complement its energy storage systems.

The financial benefits of the Acquisition are illustrated in the table below:

	<i>Gresham House December 2017</i>	<i>FIM September 2017</i>	<i>Pro Forma Combined 2017⁽¹⁾</i>
Turnover	£6.5m	£6.3m	£12.8m
Adjusted PBT ⁽²⁾	£(0.7)m	£3.3m	£2.6m
Adjusted operating margin	(10.8)%	51.6%	20.2%
AUM ⁽³⁾	£649m	£893m	£1,542m

(1) Pro forma combined includes Gresham House's audited annual financial results for FY2017 plus FIM's audited annual financial results for the financial year ended 30 September 2017.

(2) Profit before tax, depreciation, amortisation, exceptional items and gains and losses on investments.

(3) Fee-earning assets under management.

- *Strategic benefits:*
 - o UK forestry and renewable energy are well-proven asset classes and are relatively lowly correlated to listed mainstream investments, providing diversification within an investment portfolio.
 - o The Acquisition therefore presents an opportunity to continue the execution of Gresham House's stated strategy to grow both organically and through acquisition and to scale its existing Forestry and New Energy divisions as well as providing a platform for international expansion.
 - o FIM's forestry investment management expertise and the addition of its forestry assets will increase the Group's scale in the forestry investment management industry, creating a business of real scale in UK timber asset management with over £900 million of forestry assets under management.
 - o The combination of FIM's renewable energy expertise and Gresham House's existing management and platform should deepen Gresham House's New Energy division's in-house investment expertise, thereby creating new opportunities and strengthening fundraising potential.

- o The Acquisition should broaden the Group’s client base given the complementary nature of FIM’s unlisted fund, high net worth individual, family office and institutional clients.
- o It is expected that the Group (as enlarged by the Acquisition) will create value for clients through economies of scale:
 - as processing companies become ever larger, bringing substantial volumes of timber to market will protect forest owners from the risk of being marginalised, providing more placing power and thus higher prices than smaller scale ownership; and
 - further consolidation is expected in the forest management sector and the larger scale is expected to provide better purchasing power and help control cost for the Group’s clients.

FIM’s forestry business

As at 31 December 2017, FIM managed £635 million of forestry assets, covering 83,000 hectares.

The UK timber industry was valued at over £6.3 billion in 2015 (*Source: Office for National Statistics*). Investors in UK forest assets are able to benefit from stable and predictable returns linked to the long term biological growth of forestry assets, which has led to consistently strong returns for forestry as an asset class when compared to more “conventional” asset classes (as illustrated in the table below).

<i>Index</i>	<i>1 Year (%)</i>	<i>5 Years (%)</i>	<i>10 Years (%)</i>	<i>24 Years (%)</i>
IPD Annual UK Forestry Index	10.7	14.7	17.4	9.1
Equities	19.2	8.9	5.1	7.4
Gilts	7.9	3.9	6.5	7.0
Commercial Property	3.9	9.7	4.5	9.3

Source: MSCI, JP Morgan Cazenove, Forestry Commission, IPD UK Annual Property and Forestry Indices. Annualised rates, total return as at 31 December 2016.

In addition to the compounding returns from biological growth, the main driver of returns from forestry is rising timber prices, which, in turn, are impacted by demand for timber. Growth in timber demand has been consistent for domestic softwood from biomass and domestic sawmills with construction uses, particularly in housebuilding, expected to be a key component of growth in the next decade. The declining supply of UK domestic timber post-2030, largely due to a significant reduction in new planting since 1990, is therefore likely to cause timber prices to increase significantly, causing forestry values to rise and, in turn, enhancing the returns available to investors in forestry assets. There has also been significant investment in processing capacity by domestic sawmills and processors, which has resulted in a highly modernised and competitive industry with a large throughput of domestic timber.

Whilst not correlated to traditional asset classes, UK forestry returns are positively correlated to inflation, therefore protecting real returns. As part of a managed portfolio, UK forestry provides effective diversification and risk mitigation compared to mainstream asset classes.

Investment in commercial forestry is also currently subject to favourable taxation treatment in the UK. Under current UK tax law there is no liability to income tax, corporation tax or capital gains tax (“CGT”) arising in relation to growing timber. As a consequence, a majority of income arising in relation to a forestry investment is anticipated to be taxed at nil value. Commercial forestry should qualify for 100 per cent. relief from inheritance tax (“IHT”), through Business Property Relief (“BPR”) once held for two years.

It should be noted that HMRC is currently reviewing the simplification of the tax regime in areas including BPR and IHT. As at the date of this Document, it is not clear whether, or to what extent, this review could impact upon the tax reliefs currently available in respect of investments in forestry assets. Any adverse changes to, or the withdrawal of, the tax reliefs currently available in respect of forestry investments or other adverse

changes to HMRC practice relating thereto arising as a consequence of this review could negatively impact valuations of UK forestry investments, including those of the enlarged Group, and, as a consequence, returns to investors and Shareholders.

FIM's renewable energy business

As at 31 December 2017, FIM managed 127MW of renewable energy generating assets in onshore wind farms and ground mounted solar parks (£258 million of AUM). FIM subsequently added a further 10MW in two ground mounted solar parks in January 2018.

The renewable energy market offers long term income streams and stable, often inflation-linked, returns. It is a very significant growth sector in the UK today, currently accounting for more than 25 per cent. of all UK power generation.

Solar energy – Solar energy is the cheapest form of renewable energy in many parts of the world and becoming cheaper every year. The Directors believe that solar energy could be the world's largest energy source by 2050.

Wind energy – The UK wind energy resource is considered to be the best in Europe. High capacity factors generate high levels of electricity output associated revenue.

Energy storage – The National Grid faces a challenge to maintain network stability as renewable power generation is less predictable than traditional gas/coal plants. Utility scale batteries combined with generators and load banks, called energy storage systems, at dedicated sites are used to help manage grid stability.

The Directors consider that the combination of FIM's renewable energy assets and Gresham House's existing platform should serve to achieve institutional scale, allowing for a broader target client pool and leading to increased funding and development opportunities. In addition, the combination of the Gresham House and FIM management teams should create the expertise and management capacity required to accelerate and realise the Group's growth opportunity.

Integration approach and ongoing operation of the FIM business

Gresham House is developing a detailed integration plan in respect of FIM which will be used to track projects, actions and progress. The Group's integration-planning is already underway and will follow a similar approach to previous acquisitions made by the Group with three internal teams drawn from both businesses focused on integration of the forestry and renewable energy businesses as well as central services, finance, marketing, risk and compliance. In addition, a new governance structure will be put in place, including a management committee that will oversee the strategic development of the business and an investment committee that will have oversight and accountability.

Gresham House has demonstrated its ability to deliver its acquisition strategy successfully. The Group's current Forestry business was formed through the identification and acquisition in 2015 of Aitchesse, a specialist forestry asset manager. The Group successfully integrated and rebranded Aitchesse as Gresham House Forestry and has grown the division's AUM organically by more than £90 million (approximately 50 per cent.) between its acquisition and 31 December 2017, delivering against the Group's targeted return on capital of 15 per cent. per annum.

Gresham House Forestry managed approximately £283 million of assets as at 31 December 2017 and has a strong track record of delivering expert advice and long-term investment performance, its three client portfolios returning 18.6 per cent., 16.8 per cent. and 13.9 per cent. per annum since inception.

5. Details of the Placing and use of proceeds

Gresham House is proposing to raise gross proceeds of approximately £15.0 million (approximately £14.5 million net of expenses) through the issue of the Placing Shares pursuant to the Placing at 410 pence per Placing Share. As announced on 2 May 2018, Liberum has, as agent for the Company, conditionally placed the Placing Shares at the Placing Price with various institutional and other investors.

The proceeds of the Placing will, in addition to the Company's existing cash resources of approximately £13.5 million and cash acquired from FIM of approximately £6.0 million, be used:

- to satisfy the cash consideration payable pursuant to the Acquisition as well as restructuring costs and fees (of up to £22.8 million);
- for general corporate purposes, including seeding of new products and the provision of project development capital (approximately £5.0 million);
- to fund future acquisitions (approximately £3.7 million); and
- to provide general working capital, including satisfying regulatory and restructuring capital requirements (approximately £3.0 million).

The Placing Agreement and the issue of the Placing Shares are conditional, *inter alia*, upon:

- the passing of the Resolutions;
- the compliance by the Company with all of its obligations under the Placing Agreement to the extent that they are required to be performed on or prior to Admission;
- the Placing Agreement not having been terminated prior to Admission;
- the Acquisition Agreement becoming unconditional in all respects (save for any condition relating to the Placing Agreement having become unconditional in accordance with its terms) and not having been terminated; and
- Admission occurring by no later than 8.00 a.m. on 22 May 2018 (or such later time and date as the Company and Liberum may agree (being not later than 8.00 a.m. on the Long Stop Date)).

The Placing Agreement provides, amongst other things, for payment by the Company to Liberum of certain commissions and fees in connection with its appointment.

The Company will bear all other expenses of and incidental to the Placing, including the fees of the London Stock Exchange, printing costs, registrar's fees, all properly incurred legal and accounting fees of the Company and Liberum and any other taxes and duties payable.

The Placing Agreement contains customary warranties and indemnities from the Company in favour of Liberum.

Liberum may (after consultation with the Company) terminate the Placing Agreement prior to Admission in certain circumstances, including, amongst other things, if the Company is in material breach of any of its obligations under the Placing Agreement (including the warranties contained in the Placing Agreement) or under the Acquisition Agreement; if the Acquisition Agreement is terminated; if there is a material adverse change in the financial position or prospects of the Group; or if there is a material adverse change in national or international financial, monetary, economic, political, environmental, or stock market conditions which (in the reasonable opinion of Liberum acting in good faith) is or will be or is likely to be materially prejudicial to the Group or to the Placing or Admission.

The Placing Price represents a premium of 1.23 per cent. to the Company's closing share price on 1 May 2018 (being the latest practicable date prior to the announcement of the Placing on 2 May 2018). The Placing Shares will represent approximately 19.7 per cent. of the enlarged issued share capital of the Company following the Placing and Completion and issue of the Consideration Shares.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM and it is anticipated that dealings in the Placing Shares will commence on AIM at 8.00 a.m. on 22 May 2018.

6. Consideration Shares

In addition to the cash consideration (to be funded, in part, by the net proceeds of the Placing), the Company also intends to issue the Consideration Shares to the FIM Vendors in exchange for the

purchase by the Company from the FIM Vendors pursuant to the Exchange Agreement of the Consideration Loan Notes to be issued to them by GHH in part payment of the consideration payable to them pursuant to the Acquisition. The Consideration Shares will represent approximately 12.9 per cent. of the enlarged issued share capital of the Company following the Placing and Completion and issue of the Consideration Shares.

Application will be made to the London Stock Exchange for the Consideration Shares to be admitted to trading on AIM and it is expected that the Consideration Shares will be admitted to trading on AIM at 8.00 a.m. on 22 May 2018.

The Consideration Shares (and any additional Ordinary Shares the FIM Vendors receive as a consequence of their holding of Consideration Shares) (together, the "**Restricted Shares**") will be subject to a "lock-in" period of 24 months from the date of Admission (the "**Lock-In Period**"), during which the FIM Vendors have agreed, subject to certain customary exceptions, that they will not dispose of any Restricted Shares without the Company's consent. During the Lock-In Period, any disposals of Restricted Shares must be conducted through Liberum (or the Company's corporate broker at the relevant time).

7. Current trading and prospects

FY2017 represented a year of predominantly organic growth for Gresham House with a 79 per cent. increase in assets under management to £649 million (FY2016: £363 million) and the milestone of operating profitability being achieved in the second half of the year, ahead of expectations. In addition:

- asset management revenue increased by 85 per cent. to £6.5 million (FY 2016: £3.5 million);
- adjusted operating loss reduced to £0.7 million (FY 2016: £2.4 million loss);
- operating profitability was achieved in the second half of FY 2017;
- organic growth of £200 million (a 55 per cent. rise during the course of the year) was achieved, including the launch of the British Strategic Investment Fund and growth was also achieved across other existing strategies;
- acquisition growth of £86 million (up 24 per cent.), as a consequence of the acquisition of Hazel Capital, the renewable energy asset manager, in October 2017 was also achieved;
- the Group completed the disposal of its legacy property portfolio following the year-end, fully repaying debt in September 2017, providing it with a strong balance sheet with tangible/realisable assets of £24.4 million as at 31 December 2017. As the only investments now held are in funds managed by the Group in its capacity as an asset manager it is fully aligned with the interests of its clients. The Company has also been advised that, as a result of the above, it now qualifies for 100 per cent. BPR for inheritance tax purposes under current English tax law; and
- trading since the beginning of the year remains in line with market expectations with cash inflows from the completion of the sale of the Newton-le-Willows site (£2.0 million) in February 2018 and the scheduled repayment of £1.6 million from Persimmon Homes Limited in March 2018.

The Group continues to see institutional investors increasing their allocations to alternatives as they seek long-term investment returns as well as achieving environmental, social and governance objectives. In addition, asset valuations on almost all traditional metrics suggest that peak margins with high multiples are likely to lead to relatively low medium-term equity returns. Indeed, should bond yields rise significantly from this point, then the Directors expect volatility and a decrease in asset valuations more broadly. The Directors therefore consider that Gresham House is well-positioned for growth, as a specialist alternative asset manager with a strong net cash balance sheet (allowing further identified capital deployment to support growth), a high quality management team and long-term contracts in areas where the Directors believe that superior investment returns can be potentially generated.

The Directors remain focused on growing the business and building the Gresham House brand as an “asset to covet”. The ability to deliver on this will be determined by AUM growth, both organically and through the successful integration of acquisitions. The Group now has an offering in the new energy and infrastructure-related markets (the former being further enhanced by virtue of the Acquisition), which are some of the fastest growing and most sought-after market segments in the alternatives sector.

8. Long-term incentivisation

The Company does not currently have an annual long-term incentive plan under which to allocate share awards. Accordingly, the Company intends to introduce the Gresham House Plc Performance Share Plan 2018 (the “**Plan**”) to continue to generate Shareholder alignment and to reward performance. The Plan will, as with all the Company’s share incentive plans, be subject to the oversight and governance of the Remuneration Committee. The Company remains committed to the principle of long term incentive plans being restricted to an overall dilution of no more than 20 per cent. whilst recognising the need to generate commitment and alignment with the interests of Shareholders amongst the Company’s senior management.

9. General Meeting

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

The General Meeting has been convened for 11.00 a.m. on 21 May 2018 at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS to enable Shareholders to consider and, if thought fit, pass the Resolutions set out in the Notice of General Meeting.

The Directors believe that the Acquisition and the Placing are in the best interests of Shareholders, taken as a whole. The Directors are therefore recommending that Shareholders vote in favour of the Resolutions, as the Directors intend to do, or to procure to be done, in respect of their own beneficial holdings of Ordinary Shares.

In order to proceed, the issue of the Consideration Shares to the FIM Vendors in connection with the Acquisition requires the approval by the requisite majority of Resolution 1 at the General Meeting (“**Resolution 1**”), which grants the Directors authority to allot the Consideration Shares. Resolution 1 will be proposed as an ordinary resolution and requires a simple majority of Shareholders present, in person or by proxy, to vote in favour in order to be passed. This authority will be in addition to any authority that may be granted at the annual general meeting of Gresham House to be held on 17 May 2018 and, unless previously revoked or varied, will expire at the annual general meeting of Gresham House to be held in 2019.

Resolution 2 (“**Resolution 2**”), which is conditional on and subject to the passing of Resolution 1, dis-applies statutory pre-emption rights and grants the Directors authority to allot the Consideration Shares for cash in connection with the Acquisition without first offering them to Shareholders *pro rata* to their holdings, will be proposed as a special resolution and requires a majority of at least 75 per cent. of those present, in person or by proxy, to vote in favour to be passed. This authority will also be in addition to any authority that may be granted at the annual general meeting of Gresham House to be held on 17 May 2018 and, unless previously revoked or varied, will expire at the annual general meeting of Gresham House to be held in 2019.

This Resolution is required because the consideration for the allotment of the Consideration Shares to the FIM Vendors by Gresham House will be the receipt of the Consideration Loan Notes from the FIM Vendors by Gresham House pursuant to the exercise of the option(s) set out in the Exchange Agreement. Pursuant to section 583 of the Act, an allotment of shares in consideration for receipt of loan notes constitutes an “allotment for cash” and, in the case of the allotment of the Consideration Shares, therefore requires statutory pre-emption rights to be dis-applied before it can be effected.

The Placing, the proceeds of which will be used, in part, to fund the initial cash consideration payable to the FIM Vendors in connection with the Acquisition, requires the approval of Resolutions 3 and 4 at the General Meeting.

Resolution 3 ("**Resolution 3**"), which is conditional on and subject to the passing of Resolutions 1 and 2, and which grants the Directors authority to allot the Placing Shares, will be proposed as an ordinary resolution and requires a simple majority of Shareholders present, in person or by proxy, to vote in favour in order to be passed. This authority, which will be in addition to the authority to be granted pursuant to Resolution 1, will also be in addition to any authority that may be granted at the annual general meeting of Gresham House to be held on 17 May 2018 and, unless previously revoked or varied, will expire at the annual general meeting of Gresham House to be held in 2019.

Resolution 4 ("**Resolution 4**"), which is conditional on and subject to the passing of Resolutions 1, 2 and 3, dis-applies statutory pre-emption rights and grants the Directors authority to allot the Placing Shares for cash in connection with the Placing without first offering them to Shareholders *pro rata* to their holdings, will be proposed as a special resolution and requires a majority of at least 75 per cent. of those present, in person or by proxy, to vote in favour to be passed. This authority, which will be in addition to the authority to be granted pursuant to Resolution 2, will also be in addition to any authority that may be granted at the annual general meeting of Gresham House to be held on 17 May 2018 and, unless previously revoked or varied, will expire at the next annual general meeting of Gresham House to be held in 2019.

The full text of the Resolutions is set out in the Notice of the General Meeting at the end of this Document. In the event that any of the Resolutions is not passed by the requisite majority, then neither the Placing nor the Acquisition will proceed.

10. Director's participation

Rachel Beagles and Simon Stilwell, non-executive Directors, are participating in the Placing and have agreed to subscribe for the following Placing Shares at the Placing Price:

<i>Director</i>	<i>Holding of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital</i>
Rachel Beagles	10,976	0.06%
Simon Stilwell	18,780	0.10%

11. Related party transaction

The Royal County Of Berkshire Pension Fund ("**RCBPF**") has agreed to subscribe for 764,677 Placing Shares in the Placing. Due to the size of RCBPF's holding of 2,546,372 Existing Ordinary Shares, representing approximately 20.3 per cent. of the Company's existing issued ordinary share capital as at 2 May 2018, being the latest practicable date prior to the publication of this Document, this transaction constitutes a related party transaction pursuant to AIM Rule 13.

The Directors consider, having consulted with the Company's nominated adviser, Liberum, that the terms of RCBPF's participation in the Placing are fair and reasonable in so far as Shareholders are concerned. Immediately following Admission, it is envisaged that RCBPF will hold 3,311,049 Ordinary Shares representing approximately 17.8 per cent. of the enlarged issued share capital of the Company.

12. Indications of support

In order to proceed, the Placing and the Acquisition requires the approval of the Resolutions by the requisite majorities at the General Meeting convened for 11.00 a.m. on 21 May 2018.

The Company has received written and verbal indications of support either to vote (or procure the vote) in favour of the Resolutions or to participate in the Placing from Shareholders holding Ordinary Shares representing approximately 53 per cent. of the Company's issued ordinary share capital as at 2 May 2018, being the latest practicable date prior to the publication of this Document.

Together with the Ordinary Shares held by Directors and senior managers of the Company who have indicated their intention to vote, or procure the vote in respect of, their own beneficial shareholdings, in favour of the Resolutions, as set out in paragraph 1 above, the total indications of support for the Resolutions received by the Company amount to approximately 58 per cent. of the Company's issued ordinary share capital as at 2 May 2018, being the latest practicable date prior to the publication of this Document.

13. Action to be taken

For the reasons set out in this Document, the Directors unanimously consider that the Placing, and the Acquisition, details of which are contained in this Document, are in the best interests of Shareholders. Accordingly, in order to be able to issue the Consideration Shares to the FIM Vendors in connection with the Acquisition and to effect the Placing to fund the cash consideration payable to the FIM Vendors in connection with the Acquisition, the Directors recommend that you vote in favour of the Resolutions, as the Directors intend to do, or to procure to be done, in respect of their own beneficial holdings of Ordinary Shares, and that you take the action described below.

If the Resolutions are not passed, the Consideration Shares will not be issued, the Placing will not proceed and the Acquisition will also not complete. If this occurs, it could impact the Company's ability to continue to pursue its strategy of building its specialist and strategic asset management business both organically and through acquisition.

Please check that you have received a Form of Proxy for use in respect of the General Meeting. If you have not received a Form of Proxy, please contact the Company's registrar, Neville Registrars Limited, on the telephone number set out at the end of this section.

To vote on the Resolutions:

Whether or not you plan to attend the General Meeting, PLEASE COMPLETE AND SIGN THE FORM OF PROXY AND RETURN IT to the Company's registrar, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 17 May 2018 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned General Meeting). The Form of Proxy has a pre-paid address for your convenience for use in the United Kingdom only. Unless the Form of Proxy is returned by the time mentioned in the instructions printed thereon, it will be invalid.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes in the Notice of General Meeting set out at the end of this Document). Proxies submitted via CREST (under CREST participant ID 7RA11) must be received by the Company's registrar, Neville Registrars Limited, not later than 11.00 a.m. on 17 May 2018 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned General Meeting).

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

Helpline:

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

14. Recommendation

The Board considers the Placing, the Acquisition and the passing of the Resolutions to be in the best interests of the Shareholders, as a whole, and, accordingly, unanimously recommends that Shareholders vote in favour of all of the Resolutions. The Company's Directors intend to vote, or procure the vote in respect of, their own beneficial shareholdings, representing approximately 2.3 per cent. of the Company's existing issued

ordinary share capital as at 2 May 2018, being the latest practicable date prior to the publication of this Document, in favour of the Resolutions.

Yours faithfully,

Anthony Townsend
Non-Executive Chairman

DEFINITIONS

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

"Act"	the Companies Act 2006, as amended from time to time
"Acquisition"	the acquisition of the entire issued and to be issued share capital of FIM by GHH on the terms of, and subject to the conditions set out in, the Acquisition Agreement
"Acquisition Agreement"	the conditional acquisition agreement in respect of the Acquisition dated 2 May 2018 between (1) GHH, (2) Gresham House and (3) the FIM Vendors, further details of which are set out in paragraph 2 of the Letter from the Chairman of Gresham House contained in this Document
"Admission"	admission of the Placing Shares and the Consideration Shares to trading on AIM, which, subject to and conditional upon, <i>inter alia</i> , the passing of the Resolutions, is expected to occur at 8.00 a.m. on 22 May 2018
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules" or "AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"AUM"	assets under management
"Board" or "Directors"	the current directors of the Company whose names are set out on page 7 of this Document
"certificated" or "in certificated form"	a share or other security not held in uncertificated form (i.e. not in CREST)
"Company" or "Gresham House"	Gresham House Plc, a company registered in England with registered number 871
"Completion"	completion of the Acquisition Agreement in accordance with its terms
"Consideration Loan Notes"	the loan notes to be issued by GHH to the FIM Vendors in the aggregate amount of £9.8 million and which will be exchanged by the FIM Vendors for the Consideration Shares at Admission pursuant to the terms of the Exchange Agreement
"Consideration Shares"	the 2,390,244 new Ordinary Shares to be allotted and issued to the FIM Vendors in connection with the Acquisition in accordance with the Acquisition Agreement and the Exchange Agreement
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
"Disclosure Guidance and Transparency Rules"	(a) the disclosure guidance made by the UKLA in accordance with section 73A(3) of Part VI of FSMA relating to the disclosure of information in respect of financial instruments (and, where the context requires, the disclosure rules made by the UKLA in accordance with section 73A(3) of Part VI of FSMA relating to the

disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such market has been made); and

- (b) the transparency rules made by the UKLA under section 73A(6) of Part VI of FSMA in relation to major shareholdings and the notification and dissemination of information by issuers of transferable securities (and, in each case, as that guidance and those rules may be amended from time to time)

"Document"	this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) nor an admission document (under the AIM Rules)
"EU"	the European Union
"Exchange Agreement"	the agreement providing for the grant of options to exchange the Consideration Loan Notes for the Consideration Shares entered into between the FIM Vendors and the Company at Completion
"Existing Ordinary Shares"	the 12,540,649 Ordinary Shares in issue as at the date of this Document
"FIM"	FIM Services Limited, a company registered in England and Wales with registered number 01418579
"FIM Vendors"	the shareholders in FIM, further details of which are set out in paragraph 2 of the Letter from the Chairman of Gresham House contained in this Document
"Financial Conduct Authority" or "FCA"	the Financial Conduct Authority of the United Kingdom
"Form of Proxy"	the enclosed form of proxy for use by Shareholders who hold their Ordinary Shares in certificated form in connection with the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended, modified, consolidated, re-enacted or replaced from time to time)
"FY2016"	the financial year ended 31 December 2016
"FY2017"	the financial year ended 31 December 2017
"General Meeting"	the general meeting of the Company convened for 11.00 a.m. on 21 May 2018 at the offices of Eversheds Sutherland (International) LLP, One Wood Street, London EC2V 7WS, notice of which is set out at the end of this Document
"GHH"	Gresham House Holdings Limited, a company registered in England and Wales with registered number 09514560, and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiary undertakings from time to time
"Liberum"	Liberum Capital Limited, the Company's financial adviser, nominated adviser, broker and sole bookrunner
"London Stock Exchange"	London Stock Exchange plc

"Long Stop Date"	29 June 2018
"MAR"	the EU Market Abuse Regulation (2014/596/EU)
"Neville Registrars Limited" or "Registrar"	Neville Registrars Limited, the Company's registrar
"New Ordinary Shares"	the Consideration Shares and the Placing Shares
"Notice" or "Notice of General Meeting"	the notice of General Meeting set out at the end of this Document
"Official List"	the official list of the Financial Conduct Authority
"Ordinary Shares"	ordinary shares of 25 pence each in the share capital of the Company
"Placing"	the conditional placing by Liberum, as agent for the Company, of the Placing Shares pursuant to the terms, and subject to the conditions, set out in the Placing Agreement (including the Placing Price)
"Placing Agreement"	the conditional agreement dated 2 May 2018 between the Company and Liberum relating to the Placing, further details of which are set out in paragraph 6 of the Letter from the Chairman of Gresham House contained in this Document
"Placing Shares"	the new Ordinary Shares to be allotted and issued to institutional and other investors in connection with the Placing
"Prospectus Rules"	the prospectus rules made by the FCA in the exercise of its function as competent authority pursuant to Part VI of FSMA, as amended from time to time
"Remuneration Committee"	the remuneration committee of the Board
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
"Restricted Jurisdictions"	any jurisdiction where the extension or availability of an offer of Ordinary Shares, or the accessing of this Document, or its publication, distribution or other dissemination, would be prohibited by, or would breach, any applicable law or regulation
"Shareholders"	holders of Ordinary Shares from time to time
"subsidiary"	as defined in section 1159 and Schedule 6 of the Act
"subsidiary undertaking"	as defined in section 1162 and Schedule 6 of the Act
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority" or "UKLA"	the FCA, acting in its capacity as United Kingdom listing authority
"uncertificated" or "in uncertificated form"	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of the CREST system
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"US Securities Act"	the United States Securities Act of 1933, as amended
"Voting Record Time"	6.00 p.m. on 17 May 2018
"VWAP"	volume-weighted average price
"Warrantholders"	holders of warrants to subscribe for Ordinary Shares

Unless otherwise stated, all times referred to in this document are references to the time in London.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

For the purpose of this document, "**subsidiary**", "**subsidiary undertaking**" and "**undertaking**" have the meanings respectively given to them by the Companies Act and "**associated undertaking**" has the meaning given to it by paragraph 19 of schedule 6 of the large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (but ignoring for this purpose sub-paragraph 1(b) thereof).

References to "**£**", "**sterling**", "**p**" and "**pence**" are to the lawful currency of the United Kingdom.

NOTICE OF GENERAL MEETING

GRESHAM HOUSE PLC

(Incorporated in England with registered number 871)

NOTICE is hereby given that a General Meeting of Gresham House Plc (the "**Company**") will be held at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS on 21 May 2018 at 11.00 a.m. for the purposes of considering and (if thought fit) passing the Resolutions set out below, of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2 and 4 will be proposed as special resolutions.

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

RESOLUTIONS

Ordinary Resolution

1. **THAT**, in addition to all existing authorities given to them pursuant to section 551 of the Companies Act 2006 (the "**Act**") which shall continue in full force and effect, the Directors be and they are hereby generally and unconditionally authorised, for the purposes of Section 551 of the Act, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "**Consideration Shares**") up to a maximum aggregate nominal amount of £597,561 in connection with the Acquisition and in accordance with the Acquisition Agreement and the Exchange Agreement (each as defined in the circular to shareholders of which this notice forms part), provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company ("**AGM**"), save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

Special Resolution

2. **THAT**, in addition to all existing authorities given to them pursuant to section 570 of the Act which shall continue in full force and effect, and subject to and conditional upon the passing of resolution 1 above, the Directors be empowered pursuant to section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 1 above as if section 561 of the Act did not apply to such allotment and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next AGM, 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.

Ordinary Resolution

3. **THAT**, subject to and conditional upon the passing of resolutions 1 and 2 above and, in addition to the authority granted pursuant to resolution 1 above and all existing authorities given to them pursuant to section 551 of the Act which shall continue in full force and effect, the Directors be and they are hereby generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £914,634.25 in connection with the Placing, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next AGM, save that the Company may make an offer or

agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

Special Resolution

4. **THAT**, subject to and conditional upon the passing of resolutions 1, 2 and 3 above and, in addition to the authority granted pursuant to resolution 2 above and all existing authorities given to them pursuant to section 570 of the Act which shall continue in full force and effect, the Directors be empowered pursuant to section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 3 above as if section 561 of the Act did not apply to such allotment and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next AGM, 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.

BY ORDER OF THE BOARD

John-Paul Preston
Secretary

Date: 3 May 2018

Registered Office:
5 New Street Square
London EC4A 3TW

Notes:

- (1) A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and/or vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) Any member or his proxy attending the General Meeting has the right to ask any questions at the General Meeting relating to the business proposed at it.
- (3) A Form of Proxy is enclosed with this Notice. Instructions for use are shown on the form. Lodging a Form of Proxy will not prevent the member from attending and voting in person. To appoint a proxy you may:
 - (a) use the Form of Proxy enclosed with this Notice of General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 11.00 a.m. on 17 May 2018 at the offices of the Company's registrar, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; or
 - (b) if you are a CREST member, appoint a proxy or proxies through the CREST electronic proxy appointment service which must be settled by 11.00 a.m. on 17 May 2018 and as detailed in notes (6) to (9) below.
- (4) The Company, pursuant to Regulation 41 of the CREST Regulations, specifies that entitlement to attend and vote at the General Meeting, or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company not more than 48 hours (excluding non-working days) before the time of such meeting or adjourned meeting. Therefore, changes to the register of members after the Voting Record Time or, if the General Meeting is adjourned, after 6.00 p.m. two days (excluding non-working days) prior to the day fixed for the adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- (5) If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Neville Registrars Limited. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior). If you submit more than one valid proxy appointment, the appointment executed last before the latest time for the receipt of proxies will take precedence.
- (6) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual on the Euroclear UK & Ireland website (www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (7) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 7RA11), by the latest time for receipt of proxy appointments specified in this Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (8) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (9) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.
- (10) Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment

right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the members who nominated them for further information on this.

- (11) The statement of the rights of Shareholders in relation to the appointment of proxies in notes (1), (3) and (5) to (9) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders.
- (12) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- (13) In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly revoking your proxy appointment to Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- (14) You may not use any electronic address provided in this Notice or any relevant document to communicate with the Company for any purpose other than those expressly stated.
- (15) Copies of the Company's articles of association are available for inspection at www.greshamhouse.com, and at the Company's registered office at 5 New Street Square, London EC4A 3TW and at the offices of Eversheds Sutherland (International) LLP at One Wood Street, London EC2V 7WS, until opening of business on the day on which the General Meeting is held and will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to and during the General Meeting.
- (16) As at 2 May 2018 (being the latest practicable date prior to the publication of this Notice of General Meeting), the Company's issued share capital consisted of 12,540,649 Ordinary Shares, carrying one vote each. Therefore the total voting rights in the Company as at 2 May 2018 (being the latest practicable date prior to the publication of this Notice of General Meeting) were 12,540,649.
- (17) The information required to be published by section 311A of the Act may be found at www.greshamhouse.com.

