

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction. **In particular, such documents should not be forwarded to, or transmitted in or into the United States.**

If you have sold or otherwise transferred only some of your Ordinary Shares, you should retain this document and the Form of Proxy and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Directors, whose names appear on page 8 of this document, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge 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 should be read in conjunction with the accompanying Form of Proxy and the Notice of Extraordinary General Meeting set out at the end of this document. You are recommended to read the whole of this document but your attention is drawn to the letter from the Executive Chairman of the Company to Shareholders which is set out in this document and which recommends you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.**

The London Stock Exchange has not itself examined or approved the contents of this document. 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 and the AIM Rules are less demanding than those of the Official List.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission. The First Placing Shares are expected to be admitted to AIM and for trading to commence in them at 8.00 a.m. on 15 June 2015. The Second Placing Shares are expected to be admitted to AIM and for trading to them at 8.00 a.m. on 16 June 2015.

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## **European Wealth Group Limited**

*(Incorporated and registered in Guernsey with registered no. 42316)*

**Placing of 2,527,095 new Ordinary Shares of 5 pence each at a price  
of 80 pence per Ordinary Share**

**and**

**Notice of Extraordinary General Meeting**

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Panmure Gordon (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as nominated adviser and broker to the Company and no one else in connection with the Placing. The responsibilities of Panmure Gordon (UK) Limited as the Company's nominated adviser and broker, under the AIM Rules for Nominated Advisers, are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director, shareholder or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Panmure Gordon (UK) Limited is not making any representation or warranty, express or implied, as

to the contents or completeness of this document. Panmure Gordon (UK) Limited has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, will not be offering advice and will not be responsible for providing customer protections to any other person (whether or not recipients of this document) in respect of any acquisition of shares.

The notice of an Extraordinary General Meeting to be held at 11.00 a.m. on 12 June 2015 at Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3QZ is set out at the end of this document. The accompanying Form of Proxy for use in connection with the Extraordinary General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Company's registrars, Capita at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 48 hours before the time appointed for the Extraordinary General Meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned meeting, not later than 48 hours before the time appointed for the taking of the poll at the meeting at which it is to be used.

**Whether or not you intend to be present at the Extraordinary General Meeting you are required to complete and return the Form of Proxy as instructed above. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.**

This document does not constitute or form part of any offer or invitation to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

**The Placing Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended (Securities Act) or under the securities laws of any state. The Placing Shares are only being offered and sold outside the United States in "offshore transactions," as defined in, and in reliance on Regulation S under the Securities Act. Subject to certain exceptions, the Placing Shares may not be offered or sold within the United States. Accordingly, subject to certain exceptions, neither this document nor the accompanying Form of Proxy are being or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent, in whole or in part, in or into the United States, and persons receiving such documents must not, directly or indirectly, mail, transmit or otherwise forward, distribute or send such documents in or into the United States.**

In accordance with the AIM Rules, this document will be available to Shareholders on the Company's website [www.europeanwealth.com](http://www.europeanwealth.com) from the date of this document, free of charge.

## **FORWARD-LOOKING STATEMENTS**

This document includes “forward-looking statements” which includes all statements other than statements of historical fact, including, without limitation, those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group’s control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements and therefore undue reliance should not be placed on such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

## PLACING STATISTICS

|   |                             |
|---|-----------------------------|
| Placing Price   | 80 pence per Ordinary Share |
| Number of Ordinary Shares in issue at the date of this document                         | 19,764,476                  |
| Number of Placing Shares to be issued   | 2,527,095*                  |
| Number of Ordinary Shares in issue following Second Admission                           | 22,291,571*                 |
| Number of Placing Shares expressed as a percentage of the Enlarged Issued Share Capital | 11.3*                       |
| Gross Placing Proceeds  | £2.0 million                |
| Net Placing Proceeds  | £1.9 million                |

*\*Assuming that all of the Placing Shares are issued and that no other Ordinary Shares are issued prior to Second Admission*

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

|   |                            |
|---|----------------------------|
| Circular and Form of Proxy posted   | 27 May 2015                |
| Latest time and date for receipt of Forms of Proxy  | 11.00 a.m. on 10 June 2015 |
| Extraordinary General Meeting   | 11.00 a.m. on 12 June 2015 |
| First Admission and dealings in the First Placing Shares expected to commence on AIM                            | 15 June 2015               |
| CREST stock accounts expected to be credited for the First Placing Shares                                       | 15 June 2015               |
| Second Admission and dealings in the Second Placing Shares expected to commence on AIM                          | 16 June 2015               |
| CREST stock accounts expected to be credited for the Second Placing Shares                                      | 16 June 2015               |
| Despatch of definitive share certificates (where applicable) in relation to the First and Second Placing Shares | by 22 June 2015            |

*If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules). All events listed in the above timetable following the Extraordinary General Meeting are conditional on the passing of all the Resolutions at the Extraordinary General Meeting and assume that the Extraordinary General Meeting is not adjourned.*

*In this document, all references to times and dates are to those observed in London, United Kingdom.*

*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.*

## DEFINITIONS

|   |  |
|---|--|
| “Admission”   | where the context requires: (i) in relation to the First Placing Shares, First Admission; and (ii) in relation to the Second Placing Shares, Second Admission;   |
| “AIM”   | the market of that name operated by London Stock Exchange plc;   |
| “AIM Rules”   | the AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time;  |
| “Board” or “Directors”  | the board of directors of the Company, whose names are listed on page 8 of this document;  |
| “Capita”  | Capita Registrars (Guernsey) Limited;  |
| “Circular” or “this document”                                   | this circular of the Company detailing (amongst other things) the Placing and incorporating the Notice of Extraordinary General Meeting;   |
| “Company” or “European Wealth”                                  | European Wealth Group Limited, a company incorporated in Guernsey with registered number 42316 and having its registered office at PO Box 268, Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3QZ;  |
| “Compass”   | Compass Financial Planning Services Ltd;   |
| “CREST”   | the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations); |
| “EIS”   | the Enterprise Investment Scheme pursuant to the provisions of Part 5 of ITA;  |
| “Enlarged Issued Share Capital”                                 | all of the Ordinary Shares in issue immediately following both the First Admission and the Second Admission (assuming all the Placing Shares are issued and that no other Ordinary Shares are issued prior to Second Admission);   |
| “Existing Ordinary Shares” or “Existing Ordinary Share Capital” | the 19,764,476 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM;   |
| “Extraordinary General Meeting” or “EGM”                        | the general meeting of the Company to be held at 11.00 a.m. on 12 June 2015, notice of which is set out at the end of this document (or any adjournment or postponement thereof);  |
| “First Admission”   | admission of the First Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;   |
| “First Placing”   | the placing of the First Placing Shares by Panmure Gordon on behalf of the Company at the Placing Price;   |
| “First Placing Shares”  | 2,229,595 new Ordinary Shares which are to be conditionally placed for cash with VCT and EIS investors in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional only on First Admission;   |

|   |  |
|---|--|
| “Form of Proxy”                           | the accompanying form of proxy for use by Shareholders in relation to the Extraordinary General Meeting;   |
| “Group”                                   | the Company, its subsidiaries and subsidiary undertakings;   |
| “GTI”                                     | GTI Fund Investment Limited;   |
| “HMRC”                                    | Her Majesty’s Revenue & Customs;   |
| “ITA”                                     | the Income Tax Act 2007;   |
| “Notice of Extraordinary General Meeting” | the notice of EGM, set out at the end of this document;  |
| “Ordinary Shares”                         | ordinary shares of 5 pence each in the capital of the Company;   |
| “Panmure Gordon”                          | Panmure Gordon (UK) Limited;   |
| “P&C”                                     | P&C Global Wealth Managers SA;   |
| “Placing”                                 | the proposed conditional, non-pre-emptive placing by Panmure Gordon of the Placing Shares;   |
| “Placing Agreement”                       | the conditional agreement dated 27 May 2015 relating to the Placing, between the Company and Panmure Gordon;   |
| “Placing Price”                           | 80 pence per Placing Share;  |
| “Placing Proceeds”                        | the proceeds of the issue of the Placing Shares pursuant to the Placing;   |
| “Placing Share(s)”                        | the First Placing Shares and the Second Placing Shares;  |
| “Proposed Acquisition”                    | the proposed acquisition by the Company of Greensnow Limited (which trades under the name of ISM Solutions) and as further described in paragraph 4 of the letter from the Company’s Chairman included in this document              |
| “Regulations”                             | the Uncertificated Securities (Guernsey) Regulations 2009, as amended;   |
| “Resolutions”                             | the resolutions to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting;   |
| “Reverse Takeover”                        | the acquisition of European Wealth Management Group Limited and subsequent readmission to AIM of the enlarged Group;   |
| “Second Admission”                        | admission of the Second Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;  |
| “Second Placing”                          | the placing of the Second Placing Shares by Panmure Gordon on behalf of the Company, at the Placing Price;   |
| “Second Placing Shares”                   | 297,500 new Ordinary Shares which are to be conditionally placed for cash in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional, <i>inter alia</i> , on the passing of the Resolutions; |

|                          |   |
|--------------------------|---|
| “SIPP”                   | self invested personal pension;   |
| “Shareholders”           | the holders of Ordinary Shares from time to time, each individually being a “Shareholder”;                                      |
| “UK” or “United Kingdom” | the United Kingdom of Great Britain and Northern Ireland;   |
| “US” or “United States”  | the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and |
| “VCT”                    | a Venture Capital Trust within the meaning of Part 6 of ITA.  |

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom.

# LETTER FROM THE EXECUTIVE CHAIRMAN OF EUROPEAN WEALTH GROUP LIMITED

PO Box 268,  
Mill Court  
La Charroterie, St Peter Port  
Guernsey, GY1 3QZ

Company number: 42316

*Directors:*

Alan John ("John") Morton, *Executive Chairman*

Roderick ("Rod") Gentry, *Chief Executive Officer*

Kishore Kumar ("Kish") Gopaul, *Non-executive Director*

Kenneth Reginald ("Buzz") West, *Non-executive Director*

27 May 2015

*To holders of Ordinary Shares*

Dear Shareholder,

**Placing of 2,527,095 new Ordinary Shares of 5 pence each at a  
price of 80 pence per Ordinary Share**

**and**

**Notice of Extraordinary General Meeting**

## **1. Introduction**

I am pleased to inform you that the Board announced today that the Company has raised, subject to certain conditions, £2.0 million (approximately £1.9 million net of expenses) by the way of a placing of 2,527,095 new Ordinary Shares at a placing price of 80 pence per Ordinary Share. The Placing Price represents a discount of approximately 9.6 per cent. to the closing price of 88.5 pence per Ordinary Share on 26 May 2015 (being the last practical date prior to the announcement of the Placing). Panmure Gordon is acting as the Company's bookrunner in relation to the Placing.

The purpose of this document is to explain the background to and, reasons for the Placing and to set out why the Directors consider it to be in the best interests of the Company and its Shareholders and, further, why they recommend that you vote in favour of the Resolutions. The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 6,636,612 Ordinary Shares representing approximately 33.6 per cent. of the Existing Ordinary Shares.

## **2. Background to and reasons for the Placing**

European Wealth is a diverse wealth management business that was first authorised by the then Financial Services Authority in 2010 and further to the Reverse Takeover, was readmitted to AIM in 2014.

Since 2010, the Company has grown rapidly both through organic growth and acquisition. The acquisitions have involved attracting teams of individuals with both expertise and client following, together with acquiring



businesses in the same sector as European Wealth operates. As a result, the Company now manages or advises on over £1 billion of assets held on behalf of over 6,800 clients.

The business is currently split into two equally important sub sectors of the wealth management industry – financial planning and investment management.

### ***Financial Planning business***

The financial planning business advises on over £384 million of assets acting for over 6,000 clients and 50 pension schemes. The business has three main revenue streams – traditional financial planning offering, group pension plans and specialist high net worth personal tax planning. Changes in the financial planning industry ranging from the government's recent initiative to give individuals over the age of 55 access to their pension assets and the further liberalisations recently announced by the Government have, in the Directors' opinion, increased the need for individuals to take expert pension advice.

At the same time, the Regulator has introduced new industry practices which have resulted in a number of underlying businesses reviewing their models and deciding or concluding to withdraw from the industry. This has given the Company the opportunity to acquire a number of financial planning businesses that make up European Wealth today.

### ***Investment Management business***

The investment management business manages £627 million split across three distinct disciplines – discretionary portfolio management, treasury and cash management and specialist execution-only dealing. The main ethos of the business has been to deliver an institutional style investment management process to the private client marketplace, which over a rolling three year period has produced investment performance resulting in each model beating its benchmark in every case. The treasury and cash management service is focused on the institutional marketplace endeavouring to generate a return in excess of that available from cash deposits without taking an unreasonable amount of risk.

## **3. Strategy and Current Trading**

### ***Strategy***

A key part of the development and growth of European Wealth is centred on continuing to make bolt-on acquisitions and attract experienced individuals who will increase the depth of expertise within the Group but also generate significant increases in Group turnover.

### ***Current Trading***

The Company announced full year results to the 31 December 2014 on 22 May 2015, which showed a full year pre-tax profit of £22,000 (before exceptional items) on turnover of £5.6 million.

The growth of the Company since the Reverse Takeover in May 2014, has been accelerated by two acquisitions. In June 2014, the Company acquired Compass, which increased the Group's exposure to both group personal pension schemes and also personal financial planning clients.

In November 2014, the Company made its first overseas acquisition with the purchase of P&C Global Wealth Managers SA ("P&C") in Zurich, Switzerland. As part of this acquisition, the company acquired the investment management contract for GTI Fund Investment Limited, a Cayman Island based umbrella fund structure. This acquisition gave the Group the ability to provide offshore fund management together with a service to the ultra-high net worth marketplace. As this is a new service offering for the Group, we were able to benefit from some core efficiencies but have also made a significant enhancement to the range of services offered by the Group as

a whole and the Directors believe that the extra revenue is having a positive impact on the Group. The Directors believe that this effect will be further enhanced by the Proposed Acquisition.

#### **4. Proposed Acquisition**

On 8 April 2015, European Wealth entered into certain commitments (the “SPA”), subject to satisfaction of certain conditions, to acquire a high quality financial planning business, Greensnow Limited which trades under the name ISM Solutions (hereafter referred to as “ISM”) based in the City of London. The clients of ISM are made up of predominantly young, aspiring professionals in both the legal and accountancy professions. For the full year to 31 March 2015 ISM had turnover of £1.1 million of which approximately 92 per cent was recurring income and profit before tax of £114,986. As at 31 March 2015, ISM had aggregate net assets of £29,000.

The aggregate maximum consideration for the Proposed Acquisition is £3.0 million (the “Maximum Consideration”), of which 50 per cent. is to be satisfied in cash and 50 per cent. in new Ordinary Shares. The initial payment due on the SPA becoming unconditional (the “Completion of the Proposed Acquisition”) is £1.25 million (the “Initial Consideration”), with £625,000 to be paid in cash and £625,000 to be paid in new Ordinary Shares. Any balance of the Maximum Consideration will be paid approximately 12 months after Completion of the Proposed Acquisition and is contingent, *inter alia*, on ISM’s recurring revenue for the 12 month period following Completion of the Proposed Acquisition. Assuming the Maximum Consideration became due and payable under the terms of the SPA, the second payments of consideration due to the vendors of ISM would be £875,000 in cash and £875,000 in shares. Part of the proceeds of the Placing will be used to satisfy the cash element of the Initial Consideration.

#### **5. Use of Proceeds**

The Placing is expected to raise net proceeds of approximately £1.9 million.

The Directors intend that the net Placing Proceeds will be used by the Company to:

- invest in European Wealth’s growth strategy through acquiring high quality businesses in the wealth management industry including payment of elements of the Initial Consideration in respect of the Proposed Acquisition;
- increase the level and reach of market activities through smaller bolt-on acquisitions and recruitment of experienced revenue generating staff; and
- strengthen the balance sheet.

#### **6. Details of the Placing**

The Company proposes to raise gross proceeds of £2.0 million (approximately £1.9 million net of expenses) by way of a conditional, non-pre-emptive placing of 2,527,095 new Ordinary Shares at the Placing Price. The Placing Shares will be placed by Panmure Gordon as agent for the Company and pursuant to the Placing Agreement, with institutional and other professional investors.

The Placing Price of 80 pence per share represents a discount of approximately 9.6 per cent. to the closing mid-market price of 88.5 pence per Ordinary Share on 26 May 2015 (being the last practical date prior to the posting of this document).

The Placing of the First Placing Shares is conditional only upon Admission of the First Placing Shares to trading on AIM. It is expected that Admission of the First Placing Shares will occur on 15 June 2015.

The Placing of the Second Placing Shares is conditional, *inter alia*, on the approval of the Resolutions at the Extraordinary General Meeting of the Company to be held on 12 June 2015 and upon Admission of the Second Placing Shares to trading on AIM. It is expected that Admission of the Second Placing Shares will occur on 16 June 2015.

The Placing Shares will represent approximately 11.3 per cent. of the Enlarged Issued Share Capital and will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission.

Pursuant to the terms of the Placing Agreement, Panmure Gordon, as agent for the Company, conditionally agreed to use its reasonable endeavours to place the Placing Shares on a non-underwritten basis at the Placing Price.

The Placing Agreement is conditional upon (amongst other things) the Placing Agreement not having been terminated, the passing of all the Resolutions at the General Meeting and, in relation to the First Placing Shares, First Admission occurring on or before 8.00 a.m. on 15 June 2015 (or such later date as Panmure Gordon and the Company may agree, not being later than 4.30 p.m. on 30 June 2015) and in relation to the Second Placing Shares, First Admission having occurred and Second Admission occurring on or before 8.00 a.m. on 16 June 2015 (or such later date as Panmure Gordon and the Company may agree, not being later 4.30 p.m. on 30 June 2015).

The Placing Agreement contains warranties from the Company in favour of Panmure Gordon in relation to (amongst other things), the Company and its business. In addition, the Company has agreed to indemnify Panmure Gordon in relation to certain liabilities it may incur in undertaking the Placing. Panmure Gordon has the right to terminate the Placing Agreement in certain circumstances prior to First Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for force majeure.

In order to aid with the administration of the VCT and EIS applications, the Placing is being carried out in two tranches. The First Placing Shares will be issued to those investors who may seek relief under the VCT and EIS legislation. The Second Placing Shares will be issued to non-EIS and non-VCT investors and to other investors who will not be seeking relief under the VCT and EIS legislation.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the First Placing Shares will commence on AIM on 15 June 2015. It is expected that dealings in the Second Placing Shares will commence on AIM on 16 June 2015. It should be noted that First Admission is not conditional upon Second Admission. However, Second Admission is conditional on First Admission. Assuming full implementation of the Placing, the interests of the Directors as at the date of this document and on Second Admission, are or are expected to be as follows:

| <i>Director</i>        | <i>As at the date of this document</i> |   | <i>Following Second Admission</i> |   |
|------------------------|--|---|-----------------------------------|---|
|                        | <i>Number of Ordinary Shares</i>       | <i>Percentage of issued share capital</i> | <i>Number of Ordinary Shares</i>  | <i>Percentage of issued share capital</i> |
| John Morton and family | 2,368,134 <sup>(1)</sup>               | 11.98                                     | 2,368,134 <sup>(1)</sup>          | 10.62*                                    |
| Rod Gentry             | 2,314,471 <sup>(2)</sup>               | 11.71                                     | 2,314,471 <sup>(2)</sup>          | 10.38*                                    |
| Kish Gopaul            | 1,635,201 <sup>(3)</sup>               | 8.27                                      | 1,635,201 <sup>(3)</sup>          | 7.34*                                     |
| Buzz West              | 318,806                                | 1.61                                      | 318,806                           | 1.43*                                     |

**Notes:**

- (1) Of these Ordinary Shares, (a) 1,838,617 (representing 9.30 per cent. of Existing Issued Share Capital) are held by John Morton directly; (b) 444,367 (representing 2.25 per cent. of Existing Issued Share Capital) are held by John Morton through his SIPP account; (c) 49,222 (representing 0.25 per cent. of Existing Issued Share Capital) are held by Rebecca Morton, the wife of John Morton; and (d) 35,928 (representing 0.18 per cent. of Existing Issued Share Capital) are held through the Morton Discretionary Trust.
- (2) Of these Ordinary Shares, (a) 2,002,590 (representing 10.13 per cent. of Existing Issued Share Capital) are held by Rod Gentry directly; and (b) 311,881 (representing 1.58 per cent. of Existing Issued Share Capital) are held by Rod Gentry through his SIPP account.
- (3) Holding of Courvoisier & Associates SA, an entity of which Kish Gopaul is a director.

*\* Assuming that all the Placing Shares are issued and that no other new Ordinary Shares are issued prior to Second Admission.*

**7. VCT and EIS Investments**

The Company has applied for confirmation from HMRC that the Company qualifies as a qualifying company for the purpose of the legislation relating to VCT and EIS investments. Neither the Company nor the Directors give any warranties or undertakings that VCT or EIS qualifying status will be available to investors or that, if given, such relief or status will not be withdrawn. Should the law regarding VCT and EIS investments change then any reliefs or qualifying status previously obtained may be lost.

Whilst the Company cannot guarantee to conduct its activities in a way to allow it to maintain its status as a qualifying VCT and EIS investment, the Directors intend, so far as possible, to do so. Circumstances may arise where the Directors of the Company believe that the interests of the Company are not best served by acting in a way that preserves VCT and EIS qualifying status. In such circumstances, the Company cannot undertake to conduct its activities in a way designed to secure or preserve any such relief or status claimed by any Shareholder.

The funds raised from the investment by VCT and EIS investors must be employed in a qualifying trade within two years of investment.

**8. Resolutions**

The Company currently does not have sufficient authority to allot shares to effect the Second Placing. Accordingly the Resolutions, summarised below, are being proposed at the Extraordinary General Meeting to ensure that the Directors have sufficient authority to allot the Second Placing Shares on a non-pre-emptive basis.

### **Resolution 1**

Pursuant to Resolution 1, which will be proposed as an ordinary resolution, Shareholders' approval is being sought to grant the Directors authority to allot the Second Placing Shares (which are equivalent to approximately 1.33 per cent. of the Enlarged Issued Share Capital).

The Directors appreciate that it would be normal when a company issues a material number of new shares for cash for that issue to be fully pre-emptive (*i.e.* to incorporate an offer to all Shareholders). However, the Directors believe it would not be in the Shareholders' best interests to incur the significant additional expense that would be required for such an offer to Shareholders to be implemented. The Directors have therefore concluded that seeking general authority from Shareholders to issue the Second Placing Shares other than on a pre-emptive basis is the most flexible and cost effective method available to the Company.

### **Resolution 2**

Pursuant to Resolution 2, which will be proposed as a special resolution, Shareholders' approval is being sought for the dis-application of the pre-emption rights set out in the Articles in relation to the allotment and issue of the Second Placing Shares without first offering them to existing Shareholders on a pre-emptive basis. As stated above, the Directors have concluded that a non pre-emptive placing is the most appropriate structure to raise the capital required in the present circumstances. Resolution 2 is therefore being proposed so as to facilitate this.

### **Resolution 3**

Shareholders are requested to approve, by ordinary resolution, the authority for the Company to make market acquisitions of its own Ordinary Shares up to a maximum of 20 per cent. of the ordinary shares in issue as at the date of passing of the resolution (this equates to 3,952,895 Ordinary Shares of the issued share capital as at the date of the notice of the EGM).

The authority will expire at the conclusion of the 2016 annual general meeting of the Company or 18 months after the passing of the resolution (whichever is earlier) and it is presently intended that a resolution for the renewal of such authority will be proposed at each subsequent annual general meeting of the Company.

The Board would consider holding as treasury shares any ordinary shares which the Company acquires pursuant to the authority provided by this resolution (subject to the 10 per cent. limit on the Company holding ordinary shares in treasury in accordance with The Companies (Guernsey) Law, 2008, as amended).

### **Resolution 4**

In addition to Resolution 1 authorising the issue of the Placing Shares, Shareholders are being asked to approve, by ordinary resolution, a general authority for the Board to issue (i) up to that number of ordinary shares as equates to 40 per cent. of the Enlarged Issued Share Capital (this equates to 8,916,628 Ordinary Shares of the issued share capital following Second Admission); and, in addition (ii) any shares to be issued pursuant to the convertible loan note instrument entered into by the Company on 16 April 2014.

### **Resolution 5**

In addition to the dis-application of pre-emption rights pursuant to Resolution 2 Shareholders are being asked to approve, by ordinary resolution, a partial dis-application of the pre-emption rights which will allow (i) that number of ordinary shares as equates to 40 per cent. of the Enlarged Issued Share Capital (this equates to 8,916,628 Ordinary Shares of the issued share capital following Second Admission) to be issued for cash pursuant to authority conferred by Resolution 4 and (ii) any shares to be issued pursuant to the convertible loan note instrument entered into by the Company on 16 April 2014, in each case on a non-pre-emptive basis.

The Notice of Extraordinary General Meeting is contained at the end of this document and sets out the Resolutions in full. The Extraordinary General Meeting is to be held at the registered office of the Company at Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3QZ at 11.00 a.m. on 12 June 2015.

### **9. Action to be taken**

Enclosed with this document is a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Capita at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 10 June 2015. If you complete and return the Form of Proxy, you may still attend and vote at the Extraordinary General Meeting should you wish to do so. Shareholders who hold their Ordinary Shares through a nominee should instruct their nominees to submit a Form of Proxy on their behalf.

### **10. Recommendation**

The Directors consider that the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 6,636,612 Ordinary Shares (representing approximately 33.6 per cent. of the Existing Ordinary Shares).

Yours faithfully,

**John Morton**

*Executive Chairman*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### EUROPEAN WEALTH GROUP LIMITED

*(Incorporated and registered in Guernsey with registered no. 42316)*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of European Wealth Group Limited (the "Company") will be held at the registered office of the Company at Mill Court, La Charroterie, St Peter Port, Guernsey GY1 3QZ at 11.00 a.m. on 12 June 2015 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

#### ORDINARY RESOLUTION

To consider, and if thought fit, pass Resolution 1 as an ordinary resolution:

**1. THAT:**

Subject to the Placing Agreement (as such expression is defined in the Circular of which this Notice of Extraordinary General Meeting forms part (the "Circular")) becoming unconditional (save for any condition relating to Admission (as such expression is defined in the Circular) or the passing of the Resolutions set out in this Notice of Extraordinary General Meeting), in addition to all existing powers and authorities conferred upon them and to the extent required by Sections 292 and 293 (or otherwise) of The Companies (Guernsey) Law, 2008 (as amended from time to time), the Directors be generally and unconditionally authorised to allot an aggregate of 2,527,095 ordinary shares in the share capital of the Company as described in the Company's Articles of Incorporation (or to grant options, warrants or other rights in respect of shares in the Company) pursuant to or in connection with the Placing (as such expression is defined in the Circular), provided that this authority shall expire on the date of the next annual general meeting of the Company or, if earlier, 31 October 2015.

#### SPECIAL RESOLUTION

To consider, and if thought fit, pass Resolution 2 as a special resolution:

**2. THAT:**

Subject to the Placing Agreement (as such expression is defined in the Circular) becoming unconditional (save for any condition relating to Admission (as such expression is defined in the Circular) or the passing of the Resolutions set out in this Notice of Extraordinary General Meeting) and to the passing of the Resolution 1 set out in this Notice of Extraordinary General Meeting, in addition to all existing powers and authorities conferred upon them, the Company hereby determines pursuant to Article 6.2 of the Company's Articles of Incorporation that the provisions of Article 6.2 and any pre-emption rights included therein shall not apply in respect of the proposed allotment and issue for cash of the Placing Shares (as such expression is defined in the Circular) at the Placing Price (as such expression is defined in the Circular) pursuant to or in connection with the Placing (as such expression is defined in the Circular) and that the Directors be and are hereby empowered to issue any such Placing Shares as if Article 6.2 and any pre-emption rights included therein did not apply to any such allotment and issue, provided that this power shall be limited to the allotment of the Placing Shares, provided that this authority shall expire on the date of the next annual general meeting of the Company or, if earlier, 31 October 2015.

#### ORDINARY RESOLUTION

To consider, and if thought fit, pass Resolution 3 as an ordinary resolution:

**3. THAT** the Directors be, and hereby are, authorised to exercise their discretion under and in accordance with the Company's Articles of Incorporation and The Companies (Guernsey) Law, 2008, as amended to make market acquisitions (within the meaning of The Companies (Guernsey) Law, 2008, as amended) of the ordinary shares issued or to be issued by the Company, PROVIDED THAT:

- (i) the maximum number of ordinary shares authorised to be acquired is 40 per cent. of the ordinary shares in issue on the date of this resolution (excluding treasury shares);
- (ii) the minimum price (exclusive of expenses) which may be paid for any ordinary share is 0.01p;

- (iii) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share is the amount equal to the higher of (i) 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is acquired (ii) the price of the last independent trade and (iii) the highest current independent bid at the time of acquisition;
- (iv) the authority hereby conferred shall (unless previously renewed or revoked) expire on the date falling 18 months after the passing of this resolution or annual general meeting of the Company in 2016, whichever is the earlier; and
- (v) the Company may make a contract to purchase its own ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own ordinary shares in pursuance of any such contract.

#### **ORDINARY RESOLUTION**

To consider, and if though fit, pass Resolution 4 as an ordinary resolution:

4. **THAT** in addition to the authority granted under Resolution 1, the Directors be and they are hereby generally and unconditionally authorised, pursuant to Article 2.2 of the Articles of Incorporation, to allot and issue wholly for cash up to, in aggregate that number of ordinary shares as equates to 40 per cent. of the Enlarged Issued Share Capital (as defined in the Circular) and, in addition (ii) any and all shares to be issued pursuant to the convertible loan note instrument entered into by the Company on 16 April 2014 and each of these authorities shall expire on the earliest to occur of the date being 15 months from the date of this resolution or the conclusion of the annual general meeting of the Company in 2016, save that the Company may before such expiry make an offer or agreement which would or might require ordinary shares to be allotted and issued after such expiry and the Directors may allot ordinary shares in pursuance of any such offer or agreement as if the power conferred by this resolution has not expired.

#### **ORDINARY RESOLUTION**

To consider, and if though fit, pass Resolution 5 as an ordinary resolution:

5. **THAT**, in addition to the disapplication authority conferred on the Directors by Resolution 2, the Directors be, and hereby are, empowered to allot and issue (or sell ordinary shares held as treasury shares) (i) for cash, up to that number of ordinary shares as equates to 40 per cent. of the Enlarged Issued Share Capital (as defined in the Circular); and (ii) any shares to be issued pursuant to the convertible loan note instrument entered into by the Company on 16 April 2014, in each case as if Article 2.2 of the Company's Articles of Incorporation did not apply to the allotment, issue or sale for the period expiring on the date falling 15 months after the date of passing of this resolution or the conclusion of the annual general meeting of the Company in 2016, whichever is the earlier PROVIDED THAT the Company may before such expiry, make an offer or agreement which would or might require ordinary shares to be allotted, issued or sold after such expiry and ordinary shares may be allotted, issued or sold in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.



ORDER OF THE BOARD

**Lumiere Fund Services Limited**  
*Company Secretary*

27 May 2015

*Registered Office*  
PO Box 268  
Mill Court  
La Charroterie St Peter Port  
Guernsey, GY1 3QZ

**Notes:**

- i. Any member entitled to attend, speak and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at a meeting of the Company. A proxy need not be a member of the Company.
- ii. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise rights attached to a different share or shares held by him.
- iii. To be valid, the enclosed Form of Proxy for the Extraordinary General Meeting together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 11.00 a.m. on 10 June 2015 at the offices of the Company's registrars, Capita Asset Services, at PXS, 34 Beckenham Road, Beckenham, BR3 4TU.
- iv. Completion of the Form of Proxy or submission of a valid electronic proxy appointment will not prevent you from attending and voting in person.
- v. Pursuant to regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, only Shareholders registered in the register of members of the Company as at 6.00 p.m. on 10 June 2015 shall be entitled to attend and vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at such time. If the Extraordinary General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6.00 p.m. on the day two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- vi. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- vii. In order for a proxy appointment made by means of CREST 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 Capita Asset Services (ID RA10), by 11.00 a.m. on 10 June 2015. 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 Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- viii. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.  
  
The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34(1) of the Uncertificated Securities (Guernsey) Regulations 2009.
- ix. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.



