

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.**

If you were a Shareholder and have sold or otherwise transferred all your Ordinary Shares, please send this document, together with the accompanying 2015 annual report and accounts of Elephant Capital PLC, 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.

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# **ELEPHANT CAPITAL PLC**

*(Incorporated and registered in the Isle of Man with registered number 116518C)*

## **PROPOSED CANCELLATION OF ADMISSION OF ORDINARY SHARES TO TRADING ON AIM**

**AND**

## **NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of the Elephant Capital PLC is set out in Part 3 of this document. The AGM will be held at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, at 10.00 a.m. on 1 April 2016.

A Form of Proxy for use in connection with the AGM is included at the end of this document. Whether or not they intend to be present at the AGM, Shareholders are asked to complete and sign the Form of Proxy in accordance with the instructions printed on it. To be valid, completed Forms of Proxy should be delivered, by post, facsimile transmission (+44 (0) 1624 691 773) or hand, to SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 30 March 2016. Completion and return of a Form of Proxy will not prevent a Shareholder from attending and voting in person at the AGM.

## CONTENTS

	<i>Page</i>
PART 1 LETTER FROM THE CHAIRMAN .....	3
Introduction .....	3
Background to, and Reasons for, the Delisting .....	3
Principal Effects of Delisting .....	4
Process for Delisting .....	5
Transactions in Ordinary Shares following the Delisting .....	5
Annual General Meeting .....	5
Action to be Taken .....	6
Recommendation .....	6
PART 2 DEFINITIONS .....	7
PART 3 NOTICE OF ANNUAL GENERAL MEETING .....	8
FORM OF PROXY .....	11

## EXPECTED TIMETABLE<sup>1</sup>

	<i>2016</i>
Latest time and date for receipt of Forms of Proxy for the AGM	10.00 a.m. on 30 March
AGM	10.00 a.m. on 1 April
Last day of dealing in the Ordinary Shares on AIM <sup>2</sup>	8 April
Cancellation of the admission to trading on AIM of the Ordinary Shares becomes effective <sup>2</sup>	7.00 a.m. on 11 April

*Notes:*

<sup>1</sup> All times referred to in this document are, unless otherwise stated, references to London time.

<sup>2</sup> Conditional on resolution 3 to be proposed at the AGM being passed.

**PART 1**

**LETTER FROM THE CHAIRMAN**

**Elephant Capital PLC**

*(Incorporated and registered in the Isle of Man with registered number 116518C)*

*Directors*  
Vikram Lall (*Chairman*)  
Francis Anthony Hancock  
Vincent Campbell

*Registered Office*  
Clinch's House  
Lord Street  
Douglas  
Isle of Man  
IM99 1RZ

29 February 2016

***To Shareholders***

Dear Shareholders

**PROPOSED CANCELLATION OF ADMISSION  
OF SHARES TO TRADING ON AIM  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**Introduction**

On 26 February 2016, the Board announced its intention to seek Shareholder approval for the cancellation of the admission of the Ordinary Shares to trading on AIM. The Board believes that it is helpful for Shareholders to be able to consider the proposed Delisting in conjunction with the report and audited accounts of the Company for the year ended 31 August 2015, which are enclosed with this document. Accordingly, the Board is proposing the resolution to approve the proposed Delisting as part of the business at this year's AGM.

The purpose of this document is to explain the background to the proposed Delisting and the reasons why the Directors unanimously consider the proposed Delisting to be in the best interests of the Company and its Shareholders as a whole and are recommending that Shareholders should vote in favour of the proposed Delisting at the AGM.

The notice convening the AGM, which will be held at 10.00 a.m. on 1 April 2016, is set out in Part 3 of this document.

**Background to, and Reasons for, the Delisting**

At an extraordinary general meeting of the Company held in June 2011, Shareholders approved proposals for a managed wind down of the Company, focussing on realising the Company's then existing investment portfolio over time and (subject to the Company's working capital requirements and to the extent permitted by law) returning relevant realisation proceeds to Shareholders. Since then, the Company has realised several of its investments and returned, through a combination of tender offers and buy-backs of Ordinary Shares through the market, £11.8 million in cash to Shareholders.

The Board, in conjunction with the Investment Manager, is continuing to seek suitable solutions for the disposal of the Company's remaining illiquid investments (valued, in aggregate, at £4.4 million as at 31 August 2015). However, the Investment Manager does not expect the realisation of the Company's remaining investments to be completed in the near future. As it sells down its remaining investments, the Company intends to make further phased returns of cash to Shareholders as part of its managed wind down process.

The Board is conscious of the depletion of the Company's net assets resulting from the ongoing costs of the Company. Cancelling the admission of the Ordinary Shares to trading on AIM would remove certain costs and the administrative and regulatory burden associated with the Company's AIM quotation and will enable the Company to make further cost savings. The Board estimates that cost savings of approximately £100,000 per annum (including the Chairman's retirement), which equates to approximately 20 per cent. of the Company's annualised net operating costs in the year ended 31 August 2015, could be achieved if the Company ceases to be an AIM company.

The Board also recognises that there has been an absence of meaningful market liquidity in the Ordinary Shares for some time (during the 12 months ended 24 February 2016, the Ordinary Shares traded on only 31 days) and, accordingly, that the AIM quotation of the Ordinary Shares no longer offers investors the opportunity to trade in meaningful volumes or with frequency within an active market.

Accordingly, the Board has concluded that the costs of maintaining the admission of the Ordinary Shares to trading on AIM at a time when the Company is completing its realisation strategy outweigh the potential benefits and, therefore, that it is no longer in the interests of the Company or its Shareholders as a whole for the Ordinary Shares to remain traded on AIM.

### **Principal Effects of Delisting**

The principal effects that the Delisting will have on Shareholders include the following:

- there will no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM (or any other recognised market or trading exchange);
- while the Ordinary Shares will remain freely transferable, they may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the Company will no longer be subject to the AIM Rules and, accordingly, Shareholders will no longer be afforded the protections given by the AIM Rules - in particular, the Company will not be bound to:
  - make any public announcements of material events, or to announce interim or final results;
  - comply with any of the corporate governance practices applicable to AIM companies;
  - announce substantial transactions and related party transactions; or
  - comply with the requirement to obtain shareholder approval for reverse takeovers, changes to the Company's investing policy and fundamental changes in the Company's business;
- the Company will cease to retain a nominated adviser and broker; and
- the Delisting might have either positive or negative taxation consequences for Shareholders (Shareholders who are in any doubt about their tax position should consult their own professional independent adviser immediately).

The Company will remain subject to the Companies Act. The Company will also continue to be subject to the City Code for the period of 10 years from the date of the Delisting and, therefore, Shareholders will continue to receive the minority and other protections afforded by the City Code.

The Company will continue to retain the services of its Investment Manager on the current terms (including the fixed fee of £160,000 per annum, which will remain payable until 25 February 2017). It is anticipated that the Company's investment portfolio may not have been realised in full by 25 February 2017 and the Investment Manager has agreed that, in that event, it will continue to provide its management services for no fee.

Notwithstanding the Delisting, the Company will continue to prepare and send to Shareholders audited annual reports and accounts and to hold annual general meetings and other general meetings in accordance with the applicable statutory requirements and the Company's articles of association.

The Board intends to continue to maintain the Company's website ([www.elephantcapital.com](http://www.elephantcapital.com)) and to post portfolio updates on that website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under AIM Rule 26 or to update the website as required by the AIM Rules.

### **Process for Delisting**

The Delisting is conditional on the approval of not less than 75 per cent. of votes cast by Shareholders at a general meeting. Resolution 3 in the notice of AGM, which is set out in Part 3 of this document, proposes that the admission of the Ordinary Shares to trading on AIM be cancelled.

Furthermore, Rule 41 of the AIM Rules requires an AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify such intended cancellation and separately inform the London Stock Exchange of its preferred cancellation date at least 20 business days prior to such date. In accordance with AIM Rule 41, the Directors have notified AIM of the Company's intention, subject to resolution 3 being passed at the AGM, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 11 April 2016. Accordingly, if resolution 3 is passed at the AGM, the Delisting will be effective at 7.00 a.m. on 11 April 2016.

The Shares will remain eligible for settlement in CREST. Accordingly, Shareholders will continue to be able to hold their shares in CREST after Delisting.

### **Transactions in Ordinary Shares following the Delisting**

Shareholders should note that, if effected, the Delisting will significantly reduce the liquidity and marketability of the Ordinary Shares. The Directors intend to make arrangements for a matched bargain facility through Capita Asset Services following the Delisting becoming effective. Details of this facility will be included on the Company's website in due course in the event that the Delisting is completed.

### **Annual General Meeting**

The notice convening the annual general meeting of the Company for 10.00 a.m. on 1 April 2016 at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, is set out in Part 3 of this document.

The resolutions to be proposed at the AGM are:

#### ***Ordinary resolutions:***

1. to receive and adopt the Company's annual accounts for the year ended 31 August 2015, together with the Directors' report and the auditors' report thereon;
2. to reappoint Grant Thornton Limited (Isle of Man) as the Company's auditors until the conclusion of the next general meeting of the Company at which financial statements are laid and to authorise the Directors to fix the auditors' remuneration; and

#### ***Special resolution:***

3. to approve the Delisting and authorise the Directors to take all action reasonable or necessary to effect the Delisting.

The approval of the majority of those Shareholders voting in person or by proxy in favour is required in order to pass each of resolutions 1 and 2, whilst the approval of at least 75 per cent. of those Shareholders voting in person or by proxy in favour is required in order to pass resolution 3.

### **Action to be Taken**

You will find at the end of this document a Form of Proxy for use in connection with the AGM. Whether or not you intend to be present at the AGM, you are asked to complete and sign the Form of Proxy in accordance with the instructions printed on it. To be valid, completed Forms of Proxy should be delivered, by post, facsimile transmission (+44 (0) 1624 691 773) or hand, to SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 30 March 2016. Completion and return of a Form of Proxy will not prevent you from attending and voting in person at the AGM.

### **Recommendation**

The Directors consider that the Delisting is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM. The Directors do not hold, or have any interest in, any Ordinary Shares.

Yours faithfully

Vikram Lall  
*Chairman*

## **PART 2**

### **DEFINITIONS**

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

<b>"AGM"</b>	the annual general meeting of the Company convened for 10.00 a.m. on 1 April 2016, notice of which is set out in Part 3 of this document, or any adjournment of that meeting
<b>"AIM"</b>	the market of that name, operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies (including the AIM Note for Investing Companies) published by the London Stock Exchange from time to time
<b>"Board"</b>	the Board of Directors, including any duly constituted committee thereof
<b>"City Code"</b>	The City Code on Takeovers and Mergers
<b>"Company"</b>	Elephant Capital PLC
<b>"Companies Act"</b>	Isle of Man Companies Acts 1931 – 2004
<b>"CREST"</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities generated by Euroclear UK and Ireland Limited in accordance with the Uncertificated Securities Regulations 2005 of the Isle of Man
<b>"Delisting"</b>	cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules
<b>"Directors"</b>	the Directors of the Company whose names appear on page 3 of this document
<b>"Form of Proxy"</b>	the form of proxy for use by Shareholders in connection with the AGM
<b>"Investment Manager"</b>	Elephant Capital LLP
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"Ordinary Shares"</b>	ordinary shares of £0.01 each in the capital of the Company
<b>"Shareholders"</b>	holders of Ordinary Shares

## PART 3

### NOTICE OF ANNUAL GENERAL MEETING

# Elephant Capital PLC

*(Incorporated and registered in the Isle of Man with registered number 116518C)*

NOTICE IS HEREBY GIVEN that the annual general meeting of Elephant Capital PLC will be held 10.00 a.m. on 1 April 2016 at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, for the transaction of the following business:

#### Ordinary Business

As ordinary business, to consider and, if thought fit, to pass the following resolutions, each of which will be proposed as ordinary resolutions:

1. THAT the Company's annual accounts for the year ended 31 August 2015, together with the Directors' report and the auditors' report thereon, be received and adopted.
2. THAT Grant Thornton Limited (Isle of Man) be reappointed as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which financial statements are laid before the Company and that the Directors be authorised to fix the auditors' remuneration.

#### Special Business

As special business, to consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

3. THAT, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading of the Ordinary Shares on AIM be and is hereby approved and that the directors be authorised to take all action reasonable or necessary to effect such cancellation.

#### By Order of the Board

Vincent Campbell  
*Company Secretary*  
29 February 2016

#### Registered Office

Clinch's House  
Lord Street  
Douglas  
Isle of Man  
IM99 1RZ

#### Notes:

The attention of members is drawn to the following notes which form part of the notice set out above:

1. The members of the Company entitled to attend and vote at the AGM are the holders of ordinary shares of £0.01 each in the capital of the Company.
2. A member entitled to attend and vote at the AGM convened by the notice set out above is entitled to appoint a proxy to attend, speak and vote instead of him. A proxy need not to be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different Ordinary Shares held by the member. A member may not appoint more than one proxy to exercise rights attached to any one Ordinary share. A Form of Proxy is attached at the end of this document for use by Shareholders. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the AGM in person should he wish to do so.
3. Upon a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote and, upon a poll, every member present in person, by representative (in the case of corporation) or by proxy shall have one vote for every Ordinary Share held by him.

4. To be effective, a Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority must be delivered, by post, facsimile transmission (+44 (0) 1624 691 773) or hand, to SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 30 March 2016.
5. The Company, pursuant to Regulation 22 of the Uncertificated Securities Regulations 2005 of the Isle of Man, specifies that only those Shareholders registered in the register of members of the Company as at 10.00 a.m. on 30 March 2016 or, in the event that the AGM is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend or vote at the AGM in respect of the number of Ordinary Shares registered in their name at the relevant time. Changes to entries in the register of members of the Company after 10.00 a.m. on 30 March 2016 or, in the event that the AGM is adjourned, in the register of members less than 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the AGM.
6. In the case of joint registered holders of any Ordinary Shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders are shown in the register of members.

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# ELEPHANT CAPITAL PLC (THE "COMPANY")

## Form of Proxy for Use at 2016 Annual General Meeting

(PLEASE COMPLETE IN BLOCK CAPITALS)

I/We (see note 1) .....

of .....

.....  
being a shareholder of the Company hereby appoint the chairman of the meeting or (see note 2)

as my/our proxy to attend, represent and vote for me/us on my/our behalf at the annual general meeting of the Company to be held at Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, at 10.00 a.m. on 1 April 2016 and at any adjournment thereof.

I/We direct my/our proxy to vote on the resolutions set out in the notice convening the annual general meeting as I/we have indicated below by marking the appropriate box with an "X". If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is properly put before the annual general meeting or any adjournment thereof.

Please clearly mark the appropriate boxes below to instruct your proxy how to vote.

Resolution	For	Against	Abstain
1. THAT the Company's annual accounts for the year ended 31 August 2015, together with the Directors' report and the auditors' report thereon, be received and adopted.			
2. THAT Grant Thornton Limited (Isle of Man) be reappointed as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting of the Company at which financial statements are laid before the Company and that the Directors be authorised to fix the auditors' remuneration.			
3. THAT, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading of the Ordinary Shares on AIM be and is hereby approved and that the directors be authorised to take all action reasonable or necessary to effect such cancellation.			

Signature(s) .....

Print name .....

Date .....

### Notes:

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS. The names of all joint holders should be stated.
2. If you wish to appoint a person other than the chairman of the meeting, you should insert their full name in the box. Such proxy need not also be a member of the Company.



3. This form must (a) in the case of an individual, be signed by the appointor or his attorney duly authorised in writing and (b) in the case of a corporation, be executed under its common seal or signed by an officer or attorney so authorised.
4. 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).
5. To be effective, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority must be delivered, by post, facsimile transmission (+44 (0) 1624 691 773) or hand, to SMP Fund Services Limited, Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ, as soon as possible and, in any event, so as to be received by no later than 10.00 a.m. on 30 March 2016. Completion and return of a form of proxy will not preclude a member from attending and voting at the AGM or at any adjournment thereof in person if he wishes to do so.
6. To direct your proxy how to vote on the resolutions, mark the appropriate boxes with an "X". The "Abstain" option is provided to enable you to withhold your vote on any particular resolution. It should be noted that a vote withheld is not a vote in law and will not be counted as a vote "For" or "Against" a resolution.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, additional proxy form(s) may be obtained from the Company Secretary at the address set out in note 5.
8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.