



Letter from the Chairman of MAR CITY PLC

## MAR CITY PLC

*(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 05181121)*

### Board of Directors:

Martyn John Everett  
James Robert Meredith  
Paul Matthew Underwood

### Registered Office:

Ground Floor TS1  
Pinewood Business Park  
Coleshill Road  
Marston Green  
Solihull, Birmingham  
B37 7HG

13 November 2017

*To the holders of the Company's ordinary shares*

Dear Shareholder

I am writing to you with details of the Annual General Meeting (AGM) of Mar City PLC (the **Company**) which will be held at 11am on Wednesday 6<sup>th</sup> December 2017 at the offices of Dentons UKMEA LLP, One Fleet Place, London EC4M 7RA.

The formal Notice convening the AGM is enclosed with this letter along with a form of proxy.

The Group's 2017 audited annual report and accounts, containing my Chairman's Statement and the Directors' Report, also accompany this letter and provide the context of the twelve months to 30 June 2017 and outline our plans for the future. The business of the AGM includes consideration of the 2017 annual report and accounts and the proposed reappointment of Grant Thornton as auditors. It also includes renewing the authority to allot shares up to an aggregate nominal amount of £909,916 and the disapplication of pre-emption rights in relation to 5% of the total share capital of the Company, and as was the case 12 months ago, there are no immediate plans to utilise either such authority.

Please let us know if you require a further copy of the 2017 annual report and accounts ahead of the AGM, alternatively they can be viewed or downloaded through the Mar City PLC share portal operated by Link Asset Services, which you can access by visiting [www.signalshares.com](http://www.signalshares.com). (Note: Capita Asset Services were recently acquired by Link Group and are now branded Link Asset Services, hence the change from previous years. A copy of the Link Asset Services shareholder information sheet is also enclosed).

As all of your Board were re-elected at the AGM held earlier this year, in accordance with the Company's Articles of Association, there is no requirement for any Director to submit themselves for re-appointment at this time.

### **Serious loss of capital**

The AGM will also include an additional item of business arising from the fact that the value of the Company's 'net assets' is now less than half of its called-up share capital, which leaves the Company with net liabilities. In such circumstances, the Directors are required under section 656 of the Companies Act 2006 to convene a general meeting of the Company for the purposes of considering whether any, and if so what, steps should be taken to deal with the situation. At the AGM, the Directors will set out our plans for the future, including the continuation of the turnaround process and

implementation of our stated strategy to address the current situation. Other than the continuation and progression of these steps, your Board does not currently envisage implementing any further specific proposals in this regard.

**Action to be taken**

Also enclosed with this letter is a form of proxy for use in relation to the AGM. Whether or not you propose to attend the AGM, the form of proxy should be completed in accordance with the instructions printed thereon and returned to the Company's registrar, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 48 hours before the time appointed for the AGM, therefore by 11.00am on Monday 4<sup>th</sup> December 2017. Alternatively, you can now appoint a proxy electronically via the Mar City PLC dedicated share portal operated by Link Asset Services, which can be accessed by visiting [www.signalshares.com](http://www.signalshares.com) - where you can log into your Link Asset Services share portal account or register by following the on-screen instructions. Completion and return of a form of proxy will not preclude you from attending the AGM and voting in person should you so wish.

**Recommendation**

The Directors believe that the passing of the proposed resolutions are in the best interests of the Company and shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the resolutions set out in the notice.

Yours faithfully



**MJ Everett**  
Chairman of Mar City plc