

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent financial advice from a stockbroker, bank manager, solicitor, accountant or financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended). If you are outside the UK, you should immediately consult an appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in M Winkworth plc (the **Company**), you should pass this document and the accompanying form of proxy without delay to the purchaser or transferee, or to the stockbroker, bank or other person who arranged the sale or transfer so that they can pass this document and the form of proxy to the person who now holds the Ordinary Shares. If you have sold or otherwise transferred only part of your holding of Ordinary Shares in the Company, you should retain this document and consult the stockbroker, bank manager or other agent through whom the sale or transfer was effected.

Persons who are not resident in the United Kingdom should read the paragraph headed “Non-United Kingdom Shareholders” in the letter from the Chairman of the Company set out in Part 1 of this document and should inform themselves about, and observe, any applicable legal or regulatory requirements in their jurisdiction.

M Winkworth plc

(the Company)

(Incorporated and registered in England and Wales with registered number 1189557)

Notice of General Meeting

Proposed Reduction of Capital and Return of Capital

Notice of a general meeting of the Company to be held at the offices of Norton Rose Fulbright LLP at 3 More London Riverside, London SE1 2AQ at 10.30 a.m. on 9 July 2018 is set out at the end of this document. A form of proxy for use at the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed on it and return it so as to be received by the Company's Registrars, Link Market Services Limited, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.30 a.m. on 5 July 2018.

This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, any securities or an invitation to buy, acquire or subscribe for any securities.

This document, and the accompanying form of proxy, should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which recommends you vote in favour of the Resolution (as defined in Part 3) to be proposed at the General Meeting (as defined in Part 3).

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF EVENTS	3
PART 1 LETTER FROM THE CHAIRMAN OF M WINKWORTH PLC	4
PART 2 TAXATION	7
PART 3 DEFINITIONS	8
NOTICE OF GENERAL MEETING	9

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 5 July 2018
General Meeting	10.30 a.m. on 9 July 2018
Court Hearing	10.30 a.m. on 24 July 2018
Record Date	6.00 p.m. on 25 July 2018
Ordinary Shares commence trading ex-entitlement to Return of Capital	8.00 a.m. on 26 July 2018
Registration of Court Order and Effective Date of Return of Capital	26 July 2018
Dispatch of cheques to Shareholders, crediting of Shareholders' CREST accounts or mandated bank accounts (as appropriate) in respect of Return of Capital entitlements	On or around 8 August 2018

Notes

These dates (except those for the receipt of forms of proxy and of the General Meeting) are estimates only, being subject to agreement of hearing dates with the Court. The timetable assumes that the General Meeting will not be adjourned as a result of there being no quorum, or for any other reason. If there is an adjournment, all subsequent dates are likely to be later than those shown. Any changes will be notified to Shareholders by an announcement on the Regulatory News Services of the London Stock Exchange.

All references to time in this document are to London time.

PART 1

LETTER FROM THE CHAIRMAN OF M WINKWORTH PLC

(Incorporated and registered in England and Wales with registered number 1189557)

Directors:

Dominic Agace (*Chief Executive Officer*)
Andrew Nicol (*Chief Financial Officer*)
Simon Agace (*Non-executive Chairman*)
Lawrence Alkin (*Non-executive Director*)
John Nicol (*Non-executive Director*)

Registered Office:

4th Floor
1 Lumley Street
London
W1K 6TT

22 June 2018

To: M Winkworth plc shareholders

Dear Shareholder

PROPOSED REDUCTION OF CAPITAL, RETURN OF CAPITAL AND NOTICE OF GENERAL MEETING

1. Introduction

I am writing with details of a General Meeting to be held on 9 July 2018 at 10.30 a.m.

On 22 June 2018, the Company announced that it proposed to return approximately £1.146 million of surplus funds to its shareholders by way of a capital payment, subject to finalisation of the process and shareholder approval.

This letter explains the background to the Reduction of Capital and how the Return of Capital is proposed to be effected. The effect of the proposed Return of Capital will be that for every fully paid Ordinary Share held at the Record Date, a Shareholder will receive 9 pence in cash. The expected date for the Return of Capital through the dispatch of cheques to Shareholders, crediting of Shareholders' CREST accounts or mandated bank accounts (as appropriate) is on or around 8 August 2018.

The purpose of this document is to provide you with the background to, and reasons for, the Proposals, to explain why the Board considers the Proposals are likely to promote the success of the Company for the benefit of the Shareholders as a whole and why the Board unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting, notice of which is set out at the end of this document. Shareholders should note that, unless the Resolution is approved at the General Meeting (and the Court approves the Reduction of Capital), the Proposals will not take place.

2. Background to and reasons for the Proposals

Winkworth's franchising model is not capital intensive and, since its admission to AIM in 2009, the Company has steadily generated free cash flow. We continue successfully to grow our franchise network organically, funded by existing resources, with a total of eight offices scheduled to be added in 2018. This expansion plan leaves us with surplus cash within the business and the Board believe that it is currently in shareholders' best interests for excess capital to be returned, thereby boosting the Group's return on capital employed. Accordingly, the Board proposes to make a return of capital to Shareholders of approximately £1.146 million in aggregate, equivalent to 9p per share. The proposed cancellation of the Company's share premium account of approximately £1.793 million will enable the Company to make a Return of Capital to Shareholders of approximately £1.146 million in aggregate.

The balance of approximately £0.647 million less the costs of the Return of Capital would then be transferred to the Company's profit and loss account. The realised profits thereby created would be applied to increase the accumulated profit on the Company's profit and loss account thereby creating additional distributable reserves which may be utilised by the Company for facilitating future returns of cash to Shareholders or for other corporate purposes.

The effect of the proposed Return of Capital will be that for every fully paid Ordinary Share held at the Record Date, a Shareholder will receive 9 pence in cash. The expected date for the Return of Capital through the dispatch of cheques to Shareholders, crediting of Shareholders' CREST accounts or mandated bank accounts (as appropriate) is on or around 8 August 2018.

3. The Reduction of Capital

In accordance with the Companies Act 2006 and applicable accounting standards, the Company's share premium account is a non-distributable capital reserve and is treated, except in limited circumstances, as part of the Company's paid up share capital.

Under the Companies Act 2006, a company may, with the sanction of a special resolution and the confirmation of the Court, reduce/cancel its share premium account. It may apply the sums resulting from such reduction, amongst other things, in either repaying holders of the relevant shares the amounts paid up on the share capital which is reduced or cancelled or in crediting the company's profit and loss account, thereby potentially creating distributable reserves.

The proposed cancellation of the Company's share premium account will enable the Company to make a Return of Capital to Shareholders of approximately £1.146 million in aggregate.

As at 31 December 2017, the Company had distributable profits under the Companies Act 2006 and applicable accounting standards of £1.053 million. Transferring the balance of approximately £0.647 million less the costs of the Return of Capital to the Company's profit and loss account will create additional distributable reserves on the Company's balance sheet. Creating additional distributable reserves would increase the Company's flexibility to pay dividends, facilitate any prospective buyback of shares and would also provide flexibility for any other general corporate purposes, subject to the financial performance of the Company. The Board considers it desirable that the Company has both the ability and the maximum flexibility to consider the means by which value may be returned to Shareholders in the future.

In seeking the Court's approval of the Reduction of Capital and the Return of Capital, the Court will need to be satisfied that the interests of the creditors (including contingent creditors) of the Company, whose debts remain outstanding on the date on which the Court Order is registered, will not be prejudiced by the proposed Reduction of Capital. The Company proposes to demonstrate to the Court that its financial position is sufficiently strong that the Company's creditors are not at risk of non-payment by reason of the Return of Capital, or will otherwise put in place such arrangements as the Court considers appropriate to satisfy the Court in this regard.

Shareholders should note that if, for any reason, the Court declines to approve the Reduction of Capital, then the Return of Capital will not take place.

The Company intends that an application will be made for the Court to approve the Reduction of Capital promptly after the General Meeting provided that the Resolution has been passed. It is anticipated that the initial directions hearing in relation to the Reduction of Capital will take place on 13 July 2018, with the final Court Hearing taking place on 24 July 2018 and the Reduction of Capital becoming effective on 26 July 2018, following the necessary registration of the Court Order at Companies House. It is anticipated that Shareholders will be sent cheques (or have Shareholders' CREST accounts or mandated bank accounts credited (as appropriate)) for the proceeds of the Return of Capital on or around 8 August 2018.

4. Taxation

The Return of Capital should, subject to the tax position of any particular Shareholder, result in individual UK resident tax payers receiving their cash proceeds as capital for taxation purposes, although dealers in securities, persons holding unpaid Ordinary Shares, or persons regarded as having obtained their Ordinary Shares by reason of employment may have a different tax treatment and should seek professional advice on their own position. For information regarding the tax position of the Return of Capital, please see Part 2 of this document. **If you are subject to taxation in a jurisdiction other than the UK or are in any doubt as to your tax position, you should consult an appropriate independent professional adviser.**

5. Non-United Kingdom Shareholders

Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisers to ascertain whether the Proposals will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject. In particular, it is the responsibility of any Shareholder not resident in the United Kingdom or a citizen, resident or national of another country to satisfy himself as to full observance of the laws of each relevant jurisdiction in connection with the Proposals, including the obtaining of any government, exchange control or other consent which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties in such jurisdiction.

The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions.

Shareholders who are not resident in the United Kingdom should note that they should satisfy themselves that they have fully observed any applicable legal requirements under the laws of their relevant jurisdiction in relation to the Proposals.

6. General Meeting

At the end of this document is a notice convening the General Meeting to be held at the offices of Norton Rose Fulbright LLP at 3 More London Riverside, London SE1 2AQ at 10.30 a.m. on 9 July 2018, at which the Resolution will be proposed.

The Resolution to be proposed at the General Meeting is a special resolution to authorise, subject to Court approval, the Reduction of Capital and:

- the repayment in capital of approximately £1.146 million to Shareholders; and
- the transfer to the Company's profit and loss account of approximately £0.647 million less the costs of the Return of Capital.

The Proposals are conditional upon, amongst other things, Shareholder approval being obtained at the General Meeting. If the Resolution is not passed, the Return of Capital will not take place.

7. Action to be taken

A Form of Proxy for use at the General Meeting is enclosed.

Whether or not you intend to attend the General Meeting in person, you are requested to complete and sign the Form of Proxy in accordance with the instructions printed on it and then to return it to the Company's Registrars, Link Market Services Limited, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Completed Forms of Proxy should be returned to the Company's Registrars so as to be received by no later than 10.30 a.m. on 5 July 2018.

The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

8. Recommendation

The Directors consider that the Proposals are likely to promote the success of the Company for the benefits of the Shareholders as a whole. Accordingly, the Board unanimously recommend that you vote in favour of the Resolution, as the Directors intend to do in respect of their beneficial holdings.

Yours faithfully

Simon Agace
(Non-executive Chairman)

PART 2

TAXATION

The following comments are intended as a general guide only and are based on current UK legislation and HMRC practice as at the date of this document. These comments deal only with Shareholders who are resident for taxation purposes in the United Kingdom, who are the absolute beneficial owners of fully paid Ordinary Shares and who hold such shares as an investment. These comments do not deal with the position of other classes of Shareholders, including dealers in securities, persons holding unpaid Ordinary Shares, or persons regarded as having obtained their Ordinary Shares by reason of employment. Therefore, such Shareholders are advised to satisfy themselves as to the tax consequences for them of their ownership of Ordinary Shares in the Company.

Subject to the comments below, the Company expects the Return of Capital to be classified as a repayment of capital on the Ordinary Shares under section 1000(1)(B)(a) CTA 2010 and therefore would not expect any part of the proceeds received by a Shareholder on the Return of Capital to be an income distribution in the Shareholder's hands.

Part 15 CTA 2010 and Chapter 1 ITA 2007 contain anti-avoidance provisions which may apply to the Return of Capital so as to treat all or part of the proceeds as income, rather than capital, in the hands of Shareholders. Whilst these rules contain a number of subjective tests, the Company does not expect either Part 15 CTA 2010 or Chapter 1 ITA 2007 to apply to the Return of Capital.

On the basis of the above, the Company expects the Return of Capital to be treated as a deemed part disposal of the Ordinary Shares for Shareholders under section 122 TCGA 1992 which may give rise to a liability for Shareholders to either capital gains tax or corporation tax depending on the Shareholder's individual circumstances (including the availability of exemptions, reliefs or allowable losses).

PART 3

DEFINITIONS

The following definitions and technical terms apply throughout this document, unless the context otherwise requires:

“Board” or “Directors”	the board of directors of the Company;
“CGT”	taxation of chargeable gains;
“Chapter 1 ITA 2007”	Chapter 1 of Part 13 of the Income Tax Act 2007;
“Court”	the High Court of England and Wales;
“Company”	M Winkworth plc;
“Court Hearing”	the hearing of the Company’s claim for the confirmation by the Court of the Reduction of Capital and the Return of Capital;
“CTA 2010”	the Corporation Tax Act 2010;
“FCA”	the Financial Conduct Authority;
“Form of Proxy”	the form of proxy enclosed with the Notice;
“General Meeting”	the general meeting of the Company to be held at the offices of Norton Rose Fulbright LLP at 3 More London Riverside, London SE1 2AQ at 10.30 a.m. on 9 July 2018;
“Group”	the Company and its subsidiaries and subsidiary undertakings;
“HMRC”	Her Majesty’s Revenue and Customs;
“Notice”	the notice set out at the end of this document convening the General Meeting;
“Ordinary Shares”	ordinary shares of 0.5 pence each in the capital of the Company;
“Proposals”	the Reduction of Capital and the Return of Capital;
“Record Date”	record date in relation to the Return of Capital, being 6.00 p.m. on the 25 July 2018;
“Reduction of Capital”	the proposed cancellation of the Company’s share premium account;
“Resolution”	the resolution to approve the Reduction of Capital and the Return of Capital, to be proposed at the General Meeting;
“Return of Capital”	the proposed payment of capital to Shareholders following the proposed Reduction of Capital;
“Shareholders”	holders of Ordinary Shares;

M Winkworth plc

(Incorporated and registered in England and Wales with registered number 1189557)

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of M Winkworth plc (the “**Company**”) will be held at the offices of Norton Rose Fulbright LLP at 3 More London Riverside, London SE1 2AQ at 10.30 a.m. on 9 July 2018 for the purpose of considering and, if thought fit, passing the Resolution as a special resolution:

Special Resolution

THAT, subject to and conditional on the approval of the Court, the share premium account of the Company be cancelled by:

- (i) repaying in cash paid up capital to the extent of 9p on each issued ordinary share of 0.5p each in the capital of the Company; and
- (ii) transferring the balance less the costs of the Return of Capital to the Company’s profit and loss account.

Dated: 22 June 2018

By order of the Board,

Margaret Doregos
Company Secretary

Registered office:

4th Floor
1 Lumley Street
London
W1K 6TT

Notes:

1. Shareholders entitled to attend and vote at the General Meeting are entitled to appoint a proxy who must exercise all or any of their rights to attend, speak and vote on a poll on their behalf at the meeting and at any adjournment of it. Your proxy must vote as you instruct. A form of proxy for use by shareholders is enclosed with this document (the “**Form of Proxy**”). A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder’s name and the number of Ordinary Shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of Ordinary Shares held by you). A proxy need not be a member of the Company but must attend the General Meeting in person.
2. Details of how to appoint the Chairman of the meeting or another person as your proxy are set out in the notes to the Form of Proxy.
3. To be valid any Form of Proxy or other instrument appointing a proxy must be returned (i) in hard copy form by post, by courier or by hand to the Company’s Registrars, Link Market Services Limited, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.30 a.m. on 5 July 2018; or (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below, no later than 10.30 a.m. on 5 July 2018, together with, if appropriate, the original power of attorney or other authority (if any) under which the Form of Proxy is signed or a duly certified copy of that power or authority. Your proxy must vote as you instruct. In the case of a corporation, the Form of Proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. The return of a completed Form of Proxy or other such instrument will not prevent a Shareholder attending the meeting and voting in person if he/she wishes to do so. Any Shareholder who appoints a proxy but who attends in person shall have his proxy terminated automatically. If a shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions.
4. In the case of joint holders, the signature of only one of the joint holders is required but, if more than one votes, the vote of the first named on the register of members will be accepted to the exclusion of other joint holders.

5. A vote withheld option is provided on the Form of Proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution. If no voting indication is given, your proxy will vote or abstain from voting at his/her discretion. If it is returned without an indication as to how your proxy shall vote on any particular matter, your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put before the General Meeting.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the Company's register of members at 6:00 p.m. on 7 July 2018 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting) shall be entitled to attend, speak and vote at the General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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.
8. 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 Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by 10:30 a.m. on 5 July 2018. 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.
9. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommend that the shareholders subject all messages to virus checking procedures prior to use. Any electronic communication received by the Company, including the lodgement of an electronic proxy form, that is found to contain any virus will not be accepted.
12. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
13. Voting on all of the substantive resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held.

