



Palmaris Capital Plc

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Palmaris Capital Plc (the "Company") will be held at the offices of Noble & Company Limited, 76 George Street, Edinburgh EH2 3BU on Thursday, 18 December 2008 at 11.00 a.m. to consider the following business:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions which will be passed as ordinary resolutions:

1. To receive the Report and Financial Statements for the year ended 30 June 2008.
2. To re-elect W Paterson who retires by rotation as a director.
3. To re-elect J Richardson who retires by rotation as a director.
4. To re-appoint Scott Moncrieff as auditors.
5. To authorise the directors to fix the auditors remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following as a special resolution:

6. THAT the articles of association of the Company be amended as follows:
 - (i) by inserting the words ", the Companies Act 2006" in the definition of "Statutes" in Article 2 after the words "The Act";
 - (ii) by inserting the following new Article 108A between the existing Article 108 and the existing Article 109:-

"108A. (A) For the purposes of section 175 of the Companies Act 2006, the Directors have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

(B) The power of the Directors to authorise any matter under paragraph (A) of this Article applies (but is not limited) to the exploitation of any property, information or opportunity (and it is immaterial whether the Company could take advantage of the property, information or opportunity), but does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company.

(C) Authorisation of a matter under this Article is effective only if:
 - (i) the matter in question has been proposed in writing for consideration at a meeting of the Directors in accordance with the Board's normal procedures or such other manner as the Directors may decide;
 - (ii) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question or any other interested Director; and
 - (iii) the matter was agreed to without such Director (or Directors) voting, or would have been agreed to if the votes of any interested Directors had not been counted.

(D) Any authorisation of a matter under this Article shall be subject to such conditions, limitations and/or terms as the Directors may decide, whether at the time such authorisation is given or subsequently, and may be varied or revoked by the Directors at any time and at their absolute discretion. Such conditions, limitations and/or terms may include, without limitation, that:
 - (i) any information obtained by the Director, other than in his capacity as a Director or employee of

the Company, which is confidential in relation to a third party, need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence;

- (ii) the Director shall notify the Board as soon as practicable of any significant change in the circumstances proposed for consideration under paragraph (C)(i) of this Article;
- (iii) the Director shall not be required or entitled to attend those parts of meetings of the Directors (or a committee thereof) at which the matter under consideration is discussed; and
- (iv) the Director shall not be entitled to receive any papers or other documents in relation to, or concerning, the matter under consideration.

Subject to any such conditions, limitations and/or terms imposed by the Directors, any authorisation given shall be deemed to be given to the fullest extent permitted by the Statutes. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

- (E) A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto is not liable to be avoided on the grounds of any such benefit.
- (F) Any authorisation of a matter under this Article shall extend to any actual or potential conflict of interest which may reasonably be expected by the Directors, at the time such authorisation is given, to arise out of the matter so authorised.”;
- (iii) by inserting the following wording after paragraph (v) in paragraph (B) of Article 109:
 - “(vi) Any insurance which the Company proposes to maintain or purchase for the benefit of any Directors or for the benefit of persons who include Directors.
 - (vii) The giving of indemnities in favour of Directors.
 - (viii) The provision to him of any funds to meet expenditure or doing anything to avoid incurring expenditure by him in respect of:
 - (a) defending criminal, civil or regulatory proceedings or actions against him;
 - (b) an application to the court for relief; or
 - (c) any regulatory investigations.”; and
- (iv) by the deletion of the existing Article 161 in its entirety and substituting therefor the following new Articles 161-163:
 - “161. (A) Subject to the Statutes, every Director, former Director and officer of the Company shall be entitled to be indemnified by the Company against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any other liability incurred by him in connection with his duties, powers or office, in each case other than:
 - (a) any liability incurred to the Company; and
 - (b) any liability of a kind referred to in section 234(3) of the Companies Act 2006.
 - (B) Where a Director, former Director and officer is indemnified against any liability in accordance with this Article, such indemnity will extend to all costs, charges, losses, expenses and liabilities incurred by him in relation to such liability.
- 162. Without prejudice to Article 161, the Directors have the power to purchase and maintain insurance for, or for the benefit of any person who is or was at any time a Director or officer of the Company. Such power includes insurance against any liability incurred by such persons in connection with his duties, powers or office in relation to the Company and all costs, charges, losses, expenses and liabilities incurred by him in relation to such liability.
- 163. (A) Subject to the Statutes, the Company:
 - (i) may provide a Director, former Director or officer of the Company with funds to meet expenditure incurred or to be incurred by him in:
 - (a) defending any criminal or civil proceedings in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company; or
 - (b) in connection with any application for relief under the provisions mentioned in section 205(5) of the Companies Act 2006; and

- (ii) may do anything to enable any such Director, former Director or officer to avoid incurring such expenditure.
- (B) The terms set out in section 205(2) of the Companies Act 2006 shall apply to any provision of funds or other things done under paragraph (A) of this Article.
- (C) Subject to the Statutes, the Company:
 - (i) may provide a Director, former Director or officer of the Company with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company; and
 - (ii) may do anything to enable any such Director, former Director or officer to avoid incurring such expenditure."

Dated: 21 November 2008

By Order of the Board

Registered Office:
Paterson Building
Gartsherrie Road
Coatbridge ML5 2EU

J. Richardson
Company Secretary

Notes

1. Copies of the following documents will be made available for inspection during normal business hours Monday to Friday (public holidays excepted) from the date of posting of this notice at the Company's registered office up to, and including, the date of the meeting and also on that date, at the place of the meeting for the period commencing 15 minutes prior to the meeting and during the meeting:
 - (a) the Company's articles of association marked to show the changes effected by resolution 6; and
 - (b) copies of the executive directors' service contracts and non-executive directors' letters of appointment.
2. A member who is entitled to attend and vote at the meeting called by the foregoing notice may appoint a proxy to attend the meeting and speak and vote on his or her behalf. A member may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. A form of proxy for use in connection with the meeting is enclosed and, if used, should be completed and signed and sent or delivered in accordance with the instructions contained therein so as to be received by the Company's registrars, Capita Registrars, Proxies Department, PO Box 25, Beckenham, Kent BR3 4BR by not later than 11.00 a.m. (UK time) on Tuesday, 16 December 2008. To appoint more than one proxy, additional proxy forms can be obtained by contacting the Company's registrars' helpline on 0870 162 3140 or you may photocopy the enclosed form of proxy. All forms should be signed and returned in the same envelope. Appointment of a proxy will not preclude a member from attending and/or voting in person at the meeting.
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members entered on the register of members of the Company as at 6 p.m. (UK time) on Tuesday, 16 December 2008 or, in the event that the meeting is adjourned, on the register of members at 6 p.m. (UK time) on the day falling two days before the date of any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the shares registered in their name at that time. Changes to the entries on the register of members after 6 p.m. (UK time) on Tuesday, 16 December 2008 or, in the event that the meeting is adjourned, on the register of members at 6 p.m. (UK time) on the day falling two days before the date of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in any enactment, the articles of association of the Company or other instrument to the contrary.
4. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting instructions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
5. A member may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the proxy form), to communicate with the Company

APPENDIX
EXPLANATORY NOTES TO THE PROPOSED AMENDMENTS
TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Directors are asking shareholders to approve special resolution 6 which will amend the articles of association to confer power on the Directors to authorise certain conflicts of interest in accordance with the provisions of section 175 of the Companies Act 2006 (the "2006 Act") and to widen the scope of the powers of the Company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors, as explained below.

Directors' conflicts of interests

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Under the 2006 Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty.

The changes to the articles of association proposed in special resolution 6 empower the Directors to authorise conflicts or potential conflicts subject to such terms as the Directors may determine at their absolute discretion.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively and that the procedures have been followed.

Directors' indemnities and loans to fund expenditure

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings. The amendments proposed in special resolution 6 will provide the Company with the ability to provide indemnification to the extent permitted by the 2006 Act.