

28 June 2012

**Vertu Motors plc (“Vertu” or “Group”)**

**Notice of AGM**

**Annual Report and Accounts**

Vertu Motors announces today that its Annual General Meeting (“AGM”) will be held at The Northern Counties Club, 11 Hood Street, Newcastle upon Tyne, NE1 6LH at 11.00 a.m. on 24 July 2012.

Copies of the Group’s Annual Report and Accounts, the Notice of AGM and of the form of proxy are being despatched to shareholders today and are available on the Group’s website at [www.vertumotors.com](http://www.vertumotors.com).

**For further information please contact:**

**Vertu Motors plc**

Robert Forrester, CEO

Tel: 0191 491 2121

Michael Sherwin, FD

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Vertu Motors plc, please send this document, but not the accompanying personalised 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 delivery to the purchaser or transferee.



(Registered in England and Wales with registered number 5984855)

**Registered office:**

Vertu House  
Kingsway North  
Team Valley  
Gateshead  
Tyne and Wear  
NE11 0JH  
28 June 2012

Dear Shareholder

**ANNUAL GENERAL MEETING**

I enclose a formal notice of the annual general meeting (AGM) of Vertu Motors plc (Company), which is to be held at the Northern Counties Club, 11 Hood Street, Newcastle upon Tyne, NE1 6LH at 11.00 a.m. on 24 July 2012.

I hope to see as many of you as possible at the AGM, which is the main opportunity each year for the Board to engage with shareholders, answer your questions and to listen to your views.

**Re-election of directors**

I am pleased to confirm that, following a review by the other directors, we are satisfied that each of the directors seeking election and re-election at the AGM continues to make a valuable contribution to our discussions and continues to have the best interests of the Company at heart.

**Form of proxy**

If you are unable to attend the AGM, a form of proxy is enclosed for you to complete (according to the instructions printed on it) and send to the Company's Registrars, to be received by 11.00 a.m. on 20 July 2012. Completion and submission of the form of proxy will not prevent you from attending and voting at the meeting if you subsequently find that you are able to do so. CREST Members can cast their votes using CREST electronic proxy voting (further details of which are set out in note 7 on page 3 of the enclosed notice of AGM).

**Recommendation**

Your directors believe that the resolutions in the enclosed notice of AGM are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each resolution, as they intend to do in respect of their own beneficial holdings in the Company.

Yours faithfully

**Paul Williams**

Non-executive Chairman

# Vertu Motors plc

(Registered in England and Wales with registered number 5984855)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Vertu Motors plc (Company) will be held at the Northern Counties Club, 11 Hood Street, Newcastle upon Tyne, NE1 6LH at 11.00 a.m. on 24 July 2012 for the following purposes:

### Ordinary Business

1. To receive the accounts for the financial period ended on 29 February 2012, together with the reports of the directors and of the auditors thereon.
2. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the directors of the Company to determine the remuneration of the auditors of the Company.
4. To declare a final dividend for the financial year ended 29 February 2012 of 0.4p per ordinary share of 10p in the capital of the Company, to be paid on 27 July 2012 to members whose names appear on the register of members in respect of such shares at the close of business on 15 June 2012.
5. To elect as a director Mr N C Stead, who retires in accordance with the Company's articles of association and who is eligible for re-election.
6. To re-elect as a director Mr M Sherwin, who retires in accordance with the Company's articles of association and who is eligible for re-election.
7. To re-elect as a director Mr W M Teasdale, who retires in accordance with the Company's articles of association and who is eligible for re-election.
8. To approve the directors' remuneration report for the financial year ended 29 February 2012.

To transact any other ordinary business of the Company.

### Special Business

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed as to resolution 9 as an Ordinary Resolution and as to resolutions 10 and 11 as Special Resolutions:

9. THAT, subject to and in accordance with article 15.1 of the articles of association of the Company, the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (Act) to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (Rights) up to an aggregate nominal amount of £6,642,601, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 23 October 2013 or, if earlier, the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or Rights to be granted, and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors in accordance with section 551 of the Act to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

10. THAT, subject to the passing of resolution 9 set out in the notice of this meeting, the directors be given the general power in accordance with section 570 of the Companies Act 2006 (Act) to allot equity securities (as defined by section 560 of the Act) for cash, either pursuant to the authority conferred by resolution 9 set out in the notice of this meeting or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- 10.1 the allotment of equity securities in connection with an offer by way of a rights issue:

10.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

10.1.2 to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- 10.2 the allotment (otherwise than pursuant to paragraph 10.1 above) of equity securities up to an aggregate nominal amount of £996,390.

The power granted by this resolution will expire on 23 October 2013 or, if earlier, the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

11. THAT the Company be and is generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (Act), to make market purchases (as defined in section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company (Ordinary Shares) on such terms and in the manner as the directors of the Company may from time to time determine provided that:
  - 11.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is 19,927,803 (representing approximately 10% of the Company's current issued ordinary share capital);
  - 11.2 the minimum price which may be paid for such Ordinary Shares shall be 10p per share;
  - 11.3 the maximum price which may be paid for an Ordinary Share shall not be more than 5% above the average market value of an Ordinary Share for the five business days immediately preceding the date on which the contract for the purchase is made;
  - 11.4 unless previously renewed, varied or revoked, the authority conferred shall expire on 23 October 2013 or, if earlier, at the conclusion of the Company's next annual general meeting provided that:
    - 11.4.1 the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to its expiry which will or may be executed wholly or partly after the expiry of this authority; and
    - 11.4.2 the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

Dated: 28 June 2012

By Order of the Board

Registered Office:

Karen Anderson  
Company Secretary

Vertu House  
Kingsway North  
Team Valley  
Gateshead  
Tyne and Wear  
NE11 0JH

## Notes:

### Appointment of proxies

1. If you are a member of the Company at the time set out in note 9 below, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the annual general meeting and you should have received a proxy form with this notice of meeting. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's Registrars, Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open 8.30 am – 5.30 pm Mon-Fri.) or, if calling from outside the UK, on +44 20 8639 3399. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the annual general meeting to represent you. Details of how to appoint the Chairman of the annual general meeting or another person as your proxy using the proxy form are set out in the notes on that proxy form. If you wish your proxy to speak on your behalf at the annual general meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. You may appoint more than one proxy, provided that 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, you may photocopy the enclosed proxy form.
4. Appointment of a proxy does not preclude you from attending the annual general meeting and voting in person. If you have appointed a proxy and attend the annual general meeting in person, your proxy appointment will automatically be terminated.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the



resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to the resolutions and any other matter which is put before the annual general meeting or any adjournment thereof.

#### **Appointment of proxy using hard copy proxy form**

6. To appoint a proxy using the proxy form, the form must be:
- completed and signed;
  - sent or delivered to the Company's Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
  - received by the Company's Registrars no later than 11.00 a.m. on 20 July 2012 or, if this annual general meeting is adjourned, not less than 48 hours before the time of the adjourned meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

#### **Appointment of proxies through CREST**

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting convened by this notice and any adjournment(s) thereof by utilising 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.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (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 must be transmitted so as to be received by the issuer's agent (ID RAI0) by the latest time for receipt of proxy appointments specified in note 6 above. 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.

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.

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.

#### **Appointment of proxy by joint members**

8. 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).

#### **Entitlement to attend and vote**

9. Only those members registered on the Company's register of members at 6.00 p.m. on 20 July 2012 or, if the annual general meeting is adjourned, at 6.00 p.m. two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

#### **Corporate representatives**

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### **Documents on display**

11. Copies of the service contracts or letters of appointment and deeds of indemnity of each of the directors of the Company will be available for inspection at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this

notice until the date of the annual general meeting and at the annual general meeting from at least 15 minutes prior to and until the conclusion of the annual general meeting.

### **Biographical details**

12. Biographical details of each director of the Company who is being proposed for election or re-election by shareholders, including their membership of Board committees, are set out in the annual report and accounts posted to shareholders with this notice.

### **Communication**

13. Except as provided above, members who have general queries about the annual general meeting should contact the Company Secretary at Vertu Motors plc, Vertu House, Kingsway North, Team Valley, Gateshead, Tyne and Wear, NE11 0JH or on 0191 491 2121 (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of annual general meeting; or
- any related documents (including the Chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.

### **Issued shares and voting rights**

14. As at 27 June 2012, the Company's issued share capital comprised 199,278,032 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company.

### **Explanatory Notes:**

#### Ordinary Business

Section 439 of the Companies Act 2006 requires quoted companies, at each general meeting at which statutory accounts are to be laid, to propose an Ordinary Resolution approving the directors' remuneration report for the year. Although this requirement does not apply to the Company, the directors have chosen to produce a directors' remuneration report and to propose its approval by the Company's shareholders, in order to demonstrate their desire to comply with best governance practice. Resolution 8 will be proposed as an Ordinary Resolution for this purpose; a copy of the report is included in the annual report and accounts posted to shareholders at the same time as this notice.

#### Special Business

The Companies Act 2006 provides that directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 9 will be proposed as an Ordinary Resolution for the renewal of the directors' general authority to allot shares up to an aggregate nominal amount of £6,642,601, representing approximately one third of the current issued share capital of the Company. The directors have no present intention of exercising this authority and the authority will, unless renewed, varied or revoked by the Company, expire on 23 October 2013, or, if earlier the conclusion of the next annual general meeting of the Company.

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 570 of the Companies Act 2006. Resolution 10 will be proposed as a Special Resolution for the renewal of the directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561(1) of the Companies Act 2006, and authorises other allotments of up to a maximum aggregate nominal amount of £996,390, representing approximately 5 per cent of the current issued share capital of the Company. This authority also allows the directors, within the same aggregate limit, to sell for cash shares that may be held by the Company in treasury (the Company does not currently hold any such shares). The directors have no present intention of exercising this authority.

Resolution 11 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market up to 19,927,803 Ordinary Shares, representing approximately 10 per cent of the issued share capital of the Company. The price payable shall not be more than 5 per cent above the average market value of an Ordinary Share for the five business days before the purchase is made and, in any event, not less than 10p per share, being the nominal value of the Ordinary Share. It is the directors' intention only to exercise the authority to purchase the Company's shares where it would increase the earnings per share of those Ordinary Shares that are not re-purchased. The Company intends either to cancel such shares or to hold them in treasury. This power will only be used if the directors consider that to do so would be in the best interests of shareholders generally. The total number of warrants and options to subscribe for equity shares that are currently outstanding as at 27 June 2012 is 11,782,651, which represents approximately 5.91 per cent of the current issued share capital of the Company. Up to 27,132 Ordinary Shares have also been contracted to be allotted but have not yet been allotted. If the full authority to buyback shares is used the number of warrants, options and contracted but unissued shares would represent approximately 6.58 per cent of the current issued share capital of the Company.