

PUBLIC COMPANY LIMITED BY SHARES

**NOTICE OF ANNUAL GENERAL MEETING
of**

Castle Street Investments plc (the "Company")

(Registered in Scotland under company number SC368538)

Dated 3 June 2015

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 2pm on 26th June 2015 at The Lansdowne Club, 9 Fitzmaurice Place, Mayfair, London, W1J 5JD, for the purpose of considering and, if thought fit, passing the following resolutions as ordinary and special resolutions:

Ordinary Resolutions

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

- 1 To receive the audited consolidated accounts of the Company and its subsidiaries for the year ended 31 December 2014 together with the Directors' Report, the Directors' Remuneration Report and the Auditors' Report on those accounts.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2014.
- 3 To reappoint Max Royde, who was appointed by the board of directors of the Company since the last Annual General Meeting, as a director of the Company.
- 4 To reappoint Bill Dobbie, who retires by virtue of the retirement provisions of the articles of association of the Company and, being eligible, offers himself for reappointment, as a director of the Company.
- 5 To reappoint KPMG LLP as auditors to hold office from the conclusion of the Annual General Meeting to the conclusion of the next Meeting at which accounts are laid before the Company, at a remuneration to be determined by the Directors.
- 6 That, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company (the "**Rights**") provided that:
 - (a) the aggregate nominal amount of shares to be allotted in pursuance of such authority is £593,349.94; and
 - (b) this authority shall expire, unless sooner revoked or varied by the Company in general meeting, on 26 June 2016 or, if earlier, at the conclusion of the Company's annual general meeting to be held in 2016 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights granted after such expiry and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Special Resolutions

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

- 7 That subject to the passing of resolution 6 and in accordance with section 570 of the Act the Directors are generally empowered to allot equity securities of the Company (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 6 as if section 561 of the Act did not apply to such allotment provided that this power shall be limited to:
- (a) the allotment of equity securities in connection with an issue in favour of holders of ordinary shares of £0.025 each in the capital of the Company (the "**Ordinary Shares**") where the equity securities are offered to such holders in proportion (as nearly as may be) to the respective number of Ordinary Shares held, or deemed to be held, by that shareholder but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
 - (b) the allotment (otherwise than pursuant to paragraph (a) above or paragraph (c) below) of equity securities having a nominal value of £129,894.98 pursuant to the terms of any share option scheme or arrangement; and
 - (c) the allotment (otherwise than pursuant to (a) or (b) above) of equity securities up to an aggregate nominal amount of £178,004.98 being equal to 10% of the issued share capital of the Company at the date of the notice of this Meeting;

provided that this authority will expire, unless sooner revoked or varied by the Company in general meeting, on 26 June 2016 or, if earlier, at the conclusion of the Company's annual general meeting to be held in 2016 but the Company may at any time before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board



Niall Stirling-Company Secretary
Registered office of the Company:
7 Castle Street
Edinburgh
EH2 3AH

NOTES:

Appointment of Proxy

- 1 If you are a member of the Company at the time set out in note 3, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a Meeting of the Company. You should have received a proxy form with this notice of Meeting. You can only appoint a proxy using the procedures set out in the notes to the proxy form.
- 2 To be effective, the proxy form, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at the office of Company's Registrar, the details of which are given below, not less than 48 hours (excluding weekends and bank holidays) before the time for holding the Meeting (i.e. by 2pm on 24 June 2015) and if not so deposited shall be invalid.

Address: Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

Right to Attend and Vote

- 3 The right to vote at the Meeting is determined by reference to the register of members and only those persons entered in the Company's register of members as at:
 - 6.00pm on 24 June 2015; or
 - if this Meeting is adjourned, at 6.00pm on the day two days prior to the adjourned Meeting,

will be entitled to attend and vote at the Meeting.

- 4 If you are not a member of the Company, but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies. Please read the section "Nominated persons" below.

CREST

- 5 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and at any adjournment(s) thereof by utilising the procedures described in the CREST Manual. 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 (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 must be transmitted so as to be received by the Issuer's agent ("**ID number 3RA50**") by not less than 48 hours before the time fixed for the Meeting. 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 provider(s) 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 regard, 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.

Nominated persons

- 6 If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:
- you may have a right under an agreement between you and the member of the company has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Meeting;
 - if you either do not have such right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.

Communication

- 7 Except as provided above, members who wish to communicate with the Company in relation to the Meeting should do so by writing to the Company Secretary and by using post to the registered office of the Company. No other methods of communication will be accepted.

Address: The Company Secretary
Castle Street Investments plc
7 Castle Street
Edinburgh
EH 2 3AH

Explanatory Notes to the Notice of Annual General Meeting 2015

Resolution 1

Resolution 1 provides that the shareholders receive the audited consolidated accounts of the Company and its subsidiaries for the year ended 31 December 2014 together with the Directors' Report and the Auditors' Reports on those accounts.

Resolution 2

Resolution 2 relates to the approval of the Directors' Remuneration Report for the year ended 31 December 2014. This report sets out the Company's policy on director's remuneration, details of the remuneration committee, details of director's service contracts and each director's salary, bonuses and benefits where applicable.

Resolution 3

Resolution 3 relates to the proposal to reappoint Max Royde as director of the Company, who is required in accordance with the Company's articles of association to retire at the AGM as he has been appointed by the Board in the period since the last AGM. Max Royde offers himself for reappointment.

Resolution 4

Resolution 4 relates to the proposal to reappoint Bill Dobbie as a director of the Company. Bill Dobbie is required in accordance with the Company's articles of association to retire at the AGM and, being eligible, Bill Dobbie offers himself for reappointment.

Resolution 5

Resolution 5 asks the shareholders to reappoint KPMG LLP as auditors of the Company and fixes their remuneration at an amount to be determined by the Directors.

Resolution 6 - Allotment authority

Resolution 6 gives authority to the directors of the Company, generally and unconditionally, in accordance with Section 551 of the Companies Act 2006 (the "**Act**"), to allot unissued shares in the capital of the Company during the period expiring (unless sooner revoked or renewed by the Company in general meeting) on 26 June 2016 or, if earlier, the date of the annual general meeting in 2016, up to a maximum aggregate nominal value of £593,349.94 being equal to one third of the Company's issued share capital at the date of the Notice of AGM. This Resolution complies with the guidelines issued by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds (the "**IPCs**") in respect of companies whose shares are listed on the London Stock Exchange. The IPCs regard it as good practice for the guidelines to be followed by companies whose shares are traded on AIM.

Resolution 7 - Disapplication of pre-emption rights

Resolution 7 grants authority to the directors of the Company under Section 570 of the Act. Under that section, if the directors wish to allot any of the unissued shares for cash, they must in the first instance offer them to existing shareholders in proportion to the number of shares they each hold at that time. An offer of this type is called a "rights issue" and the entitlement to be offered a new share is known as a "pre-emption right".

There may be circumstances, however, where it is in the interests of the Company for the directors to allot some of the new shares other than by way of a rights issue or other pre-emptive issue. This cannot be done under the Act unless the shareholders first disapply their pre-emption rights. Resolution 7(c) asks shareholders to do this, but only in relation to new shares up to a maximum of 10 per cent of the Company's issued ordinary share capital at the date of the Notice of AGM.

The directors will be able to use this power without obtaining further authority from shareholders before they allot new shares covered by it. However, by setting the limit of 10 per cent, shareholders' proportionate interests in the Company cannot, without their agreement, be reduced by more than 10 per cent by the issue of new shares for cash to new shareholders. If the directors wish, other than by rights issue, to allot for cash new shares which would exceed this limit, they would first have to ask the Company's shareholders to disapply their pre-emption rights in respect of that proportion of new shares which exceeds the 10 per cent ceiling.

There are legal, regulatory, and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, Resolution 7(a), in authorising the directors to allot new shares by way of a rights issue or other pre-emptive issue, also permits the directors to make appropriate exclusions or arrangements to deal with such difficulties.

In addition, Resolution 7(b) also asks shareholders to grant authority to the directors of the Company to allot some of the new shares other than by way of a rights issue or under the general 10% disapplication in relation to shares issued in terms of any share option scheme or arrangement. Resolution 7(b) asks shareholders to do this, but only in relation to new shares which, when added to the existing unissued shares in respect of which the Company has granted options, will be equal to 12.5 per cent of the Company's issued ordinary share capital at the date of the Notice of AGM.

As a result of the sale of the traditional dating business of the group in December 2014, all options over shares which had been granted by the Company prior to 24 December 2014 and had not been exercised, lapsed following the sale.

The directors will be able to use this power without obtaining further authority from shareholders before they allot new shares in terms of any employee share option scheme or arrangement covered by it. However, by setting the limit of 12.5 per cent, shareholders' proportionate interests in the Company cannot, without their agreement, be reduced by more than 12.5 per cent by the issue of new shares in terms of any share option scheme or arrangement. This together with the shares issued following the exercise of options granted by the Company in respect of employee share option schemes and other arrangements aggregate 12.5% of the issued share capital of the Company which is the maximum reserved for this purpose as outlined in the Admission Document of the Company dated 21 June 2010.

The power given by Resolution 7 will, unless sooner revoked or renewed by the Company in general Meeting, last until 26 June 2016 or, if earlier, the date of the annual general meeting in 2016.