

## **This document is important and requires your immediate attention.**

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your shares in Photo-Me International plc, please send this document and the accompanying documents, 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 transmission to the purchaser or transferee.

# Photo-Me

3B Blenheim Road,  
Longmead Industrial Estate,  
Epsom,  
Surrey KT19 9AP  
Tel: +44 (0)1372 453399  
Fax: +44 (0)1372 451044

11 July 2017

Dear Shareholder,

### **2017 Annual Report and Annual General Meeting**

This year's Annual General Meeting will be held at the offices of Hudson Sandler LLP, 29 Cloth Fair, London EC1A 7NN on Wednesday 25 October 2017 at 2:00 p.m.

The Notice convening the Annual General Meeting is enclosed in this circular and the items of special business to be considered at the meeting are explained in the Explanatory Notes section of the Notice. Please may I draw your particular attention to the third item of Ordinary Business, namely the proposed adoption of a new Directors' Remuneration Policy.

The Board unanimously recommends that shareholders vote in favour of all the resolutions being proposed at the Annual General Meeting, which the Board considers to be in the best interests of the Company and its shareholders as a whole, and are most likely to promote the success of the Company for the benefit of its shareholders as a whole.

Even if you are not able to come to the meeting in person, your vote is still important and I would urge you please, regardless of the number of shares you own, to complete and return the accompanying proxy form in accordance with the instructions set out therein. Completion and return of the proxy form will not preclude you from attending and voting at the meeting.

As at 3 July 2017 (being the latest practicable date before the publication of the Notice convening the Annual General Meeting), the issued share capital of the Company was £1,882,624 divided into 376,524,871 ordinary shares of 0.5p each. Therefore the total number of voting rights in the Company as at that date was 376,524,871.

Those shareholders who have chosen to receive hard copies of the Annual Report, or shareholders who have joined the register since 15 July 2016, will find the 2017 Annual Report enclosed. You can also find the Annual Report on the Company's website at [http://investor.photo-me.com/financial\\_reports](http://investor.photo-me.com/financial_reports). Please note that you will need suitable internet web browser software installed on your computer, or any other web enabled device, to download documents from the Photo-Me website. If at any time you would like to change your preference on how you receive documents such as the Annual Report, please contact our Registrars, Capita Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Yours faithfully,



**John Lewis**  
Chairman

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the fifty-fifth Annual General Meeting of Photo-Me International plc (the "Company") will be held at the offices of Hudson Sandler LLP, 29 Cloth Fair, London EC1A 7NN on Wednesday 25 October 2017 at 2:00 p.m. to consider and, if thought fit, pass the following Resolutions, which will be proposed in the case of Resolutions 1 to 8, as Ordinary Resolutions, and Resolutions 9 and 10, as Special Resolutions.

## As Ordinary Business

### Ordinary Resolutions

1. THAT the Company's Accounts and the Reports of the directors and the auditor for the year ended 30 April 2017 be received.
2. THAT the directors' remuneration report for the year ended 30 April 2017 as set out on pages 42 to 52 of the Annual Report (other than the part containing the directors' remuneration policy) be approved.
3. THAT the directors' remuneration policy set out on pages 43 to 46 of the directors' remuneration report for the year ended 30 April 2017 be approved, to take effect from the conclusion of this meeting.
4. THAT a final dividend of 3.94p per ordinary share in respect of the year ended 30 April 2017 be declared to be payable on 10 November 2017.
5. THAT KPMG LLP be re-appointed auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
6. THAT the directors of the Company be authorised to fix the remuneration of the auditor.
7. THAT Mr John Lewis be re-elected as a director.

## As Special Business

### Ordinary Resolution

8. THAT the directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
  - (i) up to an aggregate nominal amount of £627,541 (such amount to be reduced by any allotments or grants made under paragraph 8 (ii) below in excess of such sum); and
  - (ii) in so far as such shares comprise equity securities (as defined in section 560 of the Act) up to a nominal amount of £1,255,083 (such amount to be reduced by any allotment made under paragraph 8 (i) above) in connection with an offer by way of a rights issue:
    - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (b) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter. This authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date this Resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting), provided that the Company may make offers and enter into agreements before this authority expires which would, or might, require equity securities to be allotted or subscription or conversion rights to be granted after the authority ends and the directors may allot equity securities or grant rights to subscribe for or convert securities into ordinary shares under any such offer or agreement as if the authority had not expired.

### Special Resolutions

9. THAT, subject to the passing of Resolution 8 above, the directors be empowered, pursuant to Sections 570 and 573 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) for cash, pursuant to the authority conferred on them by Resolution 8 above, and to sell ordinary shares in the capital of the Company which are held by the Company in treasury, as if Section 561 of the Act did not apply to any such allotment or sale PROVIDED THAT this power shall be limited to:
  - (i) the allotment of equity securities and the sale of treasury shares for cash in connection with an offer of, or invitation to apply for equity securities (but in the case of the authority granted under paragraph (ii) of Resolution 8, by way of a rights issue only):
    - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (b) 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 appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise in or

under the laws of any territory, or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (ii) the allotment of equity securities or sale of treasury shares (otherwise pursuant to paragraph (i) of this Resolution) to any person up to an aggregate nominal amount of £94,131 being equal to 5% of the issued ordinary share capital of the Company as at 3 July 2017.

The power hereby conferred on the directors by this Resolution shall (unless previously revoked or renewed by Special Resolution of the Company) cease to have effect when the authority under Resolution 8 above is revoked or would (if not renewed) expire, save that the Company may, before the power given by this Resolution expires, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold for cash after such expiry and the directors may allot equity securities or sell treasury shares for cash pursuant to such offer or agreement as if the power conferred by this Resolution had not expired.

10. THAT the Company be generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 0.5p each in the Company provided that:

- (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 37,652,487, representing 10% of the issued ordinary share capital of the Company as at 3 July 2017;
- (ii) the minimum price, exclusive of expenses, which the Company may pay for each ordinary share is its nominal value;
- (iii) the maximum price, exclusive of expenses, which the Company may pay for an ordinary share shall be, in respect of an ordinary share contracted to be purchased on any day, the higher of:
  - (a) an amount which is not more than 5% above the average of the closing middle market quotations for an ordinary share (derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased, or
  - (b) the higher of the price of the last independent trade or the highest current independent bid on the London Stock Exchange as stipulated by the Regulatory Technical Standards adopted by the European Commission under Article 5(6) of the EU Market Abuse Regulation 2014; and
- (iv) unless renewed, the authority conferred by this Resolution shall expire either at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, save that the Company may, before such expiry, enter into a contract or contracts to purchase ordinary shares which would or might be executed wholly or partly after such expiry and make purchases of ordinary shares in pursuance of such contract or contracts.

By order of the Board

**Del Mansi**

Company Secretary

**Photo-Me International plc**

3B Blenheim Road,  
Longmead Industrial Estate,  
Epsom,  
Surrey KT19 9AP

11 July 2017

# Explanatory Notes

## Attendance and voting

A member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak, and to vote instead of him or her. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. To be valid, the proxy form and any power of attorney or other authority under which it is executed (or a duly certified copy of such power of attorney or other authority) must be lodged with the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time fixed for the meeting (or any adjournment thereof), no account being taken of any part of a day that is not a working day. A proxy form is supplied with this Notice. Completion and return of the proxy form will not preclude a member from attending, speaking, and voting in person at the meeting should he or she subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these explanatory notes and in the notes on the proxy form.

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the register of members of the Company as at the close of business on 23 October 2017 (or, in the case of an adjournment, the close of business on the day which is two working days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after the close of business on 23 October 2017 (or, in the case of an adjournment, the close of business on the day which is two working days before the time of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting.

If you are not a member of the Company but you have been nominated by a member of the Company under Section 146 of the Act to enjoy information rights (a "Nominated Person"), you do not have a right to appoint any proxies under the procedures set out above. If you are a Nominated Person, you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the "Relevant Member") to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a 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. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

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.

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).

Copies of the following documents are available for inspection at the Registered Office of the Company at any time during

normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the conclusion of the Annual General Meeting, and will also be available for inspection at the place of the Annual General Meeting from 15 minutes before the meeting until its conclusion:

- (i) register of interests of directors in the share capital of the Company;
- (ii) service contracts of executive directors; and
- (iii) letters of appointment of the non-executive directors.

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on a website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to:

- (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
- (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act.

The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

## Voting using CREST's electronic proxy appointment service

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 any adjournment(s) of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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 RA10 by noon on 23 October 2017. 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.

CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsors or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Members' right to require circulation of a resolution to be proposed at the Annual General Meeting**

Under Section 338 of the Act, a member or members meeting the qualification criteria set out below, may, subject to conditions, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that:

- (i) the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (ii) the resolution must not be defamatory of any person, frivolous or vexatious;
- (iii) the request:
  - (a) may be in hard copy form or in electronic form (see note on "Submission of hard copy and electronic requests" below);
  - (b) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported;
  - (c) must be authenticated by the person or persons making it (see below); and
  - (d) must be received by the Company not later than six weeks before the Annual General Meeting.

### **Members' right to have a matter of business dealt with at the Annual General Meeting**

Under Section 338A of the Act, a member or members meeting the qualification criteria set out below, may, subject to conditions, require the Company to include in the business to be dealt with at the meeting a matter (other than a proposed resolution) which may properly be included in the business (a "matter of business").

The conditions are that:

- (i) the matter of business must not be defamatory of any person, frivolous or vexatious;
- (ii) the request:
  - (a) may be in hard copy form or in electronic form (see below);
  - (b) must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported;
  - (c) must be accompanied by a statement setting out the grounds for the request;
  - (d) must be authenticated by the person or persons making it (see below); and
  - (e) must be received by the Company not later than six weeks before the Annual General Meeting.

### **Members' qualification criteria**

In order to be able to exercise the members' right to require:

- (i) circulation of a resolution to be proposed at the Annual General Meeting;
- (ii) the Company to publish audit concerns; or
- (iii) a matter of business to be dealt with at the meeting, the relevant request must be made by:
  - (a) a member or members having a right to vote at the meeting and holding at least 5% of total voting rights of the Company; or
  - (b) at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid up share capital.

### **Submission of hard copy and electronic requests**

Where you, being a member or members, wish to request the Company to:

- (i) circulate a resolution to be proposed at the Annual General Meeting;
  - (ii) include a matter of business to be dealt with at the Annual General Meeting; or
  - (iii) publish audit concerns;
- such requests must be made in accordance with one of the following ways:
- (a) hard copy request which is signed by you, states your full name and address and is sent to Photo-Me International plc, 3B Blenheim Road, Longmead Industrial Estate, Epsom, Surrey KT19 9AP for the attention of the Company Secretary, Del Mansi; or
  - (b) a request which states your full name and address, and is sent by e-mail to [IR@photo-me.co.uk](mailto:IR@photo-me.co.uk). Please state "AGM 2017" in the subject line of the e-mail.

You may not use any electronic address provided either in this Notice of Annual General Meeting or the Chairman's letter in respect of the appointment of a proxy or variation or revocation of proxy voting instructions.

A copy of this Notice and information regarding the meeting, including the information required by Section 311A of the Act, can be found at [www.photo-me.com](http://www.photo-me.com)

# Explanatory Notes to the Business of the Annual General Meeting

Resolutions 1 to 8 are Ordinary Resolutions, which will be passed if more than 50% of the votes cast are in favour.

## Resolution 1: To receive the 2017 Annual Report

The directors will present to the Annual General Meeting ("AGM") the Accounts and the Reports of the directors and the auditor for the year ended 30 April 2017. These are contained in the Company's Annual Report. Shareholders may raise any questions on the 2017 Annual Report under this resolution.

## Resolution 2: Approval of the Directors' Remuneration Report

The purpose of Resolution 2 is to seek the approval of the Directors' Remuneration Report for the year ended 30 April 2017, excluding the part of the report which sets out the Directors' Remuneration Policy. The report is set out on pages 43 to 46 of the 2017 Annual Report. This resolution is advisory in nature and no individual director's remuneration is dependent on it.

## Resolution 3: Approval of the remuneration policy

The Companies Act 2006 (the "Act") requires the Company to seek shareholder approval of the remuneration policy every three years. This is a binding policy and, after it takes effect, the directors will not be entitled to remuneration unless such remuneration is consistent with the approved policy from time to time or shareholders otherwise approve the remuneration. Approval of the policy is sought in resolution 3 and, if approved, the policy will take effect from the end of the AGM. The Company is then required to seek shareholder approval of a remuneration policy at least every three years.

## Resolution 4: To declare a final dividend

The final dividend of 3.94p per ordinary share is recommended by the directors for shareholders on the register at the close of business on 13 October 2017. The ex-dividend date will be 12 October 2017. If Resolution 4 is approved, the dividend will be paid on 10 November 2017.

## Resolution 5: Appointment of auditor

This Resolution proposes the re-appointment of the Company's existing auditor, KPMG LLP. The Company is required to appoint an auditor at each general meeting at which accounts are presented, to hold office until the next AGM.

## Resolution 6: Authorising directors to fix the remuneration of the auditor

This Resolution authorises the directors, in accordance with standard practice, to determine the remuneration of the auditor.

## Resolution 7: Re-election of Mr John Lewis

The Company's Articles of Association require that any director appointed by the Board retires and seeks re-appointment at the first AGM following their appointment and that all directors stand for re-appointment every three years. The UK Corporate Governance Code to which the Company is subject also requires non-executive directors who have served longer than nine years to be subject to annual re-election. Mr Lewis joined the Board in July 2008 and was appointed Chairman in May 2010. He is Chairman of the Nomination Committee and a member of the Audit and Remuneration Committees. Currently he is a consultant to Eversheds Sutherland LLP (as it now is), and a director of an AIM-traded company, Prime People plc, as well as of various private companies. Mr Lewis was previously a practising solicitor and partner in Lewis, Lewis and Co. which became part of Eversheds Sutherland LLP (as it now is) after a series of mergers. Mr Lewis also previously served as chairman of Cliveden Plc and Principal Hotels plc, and as vice chairman of John D Wood & Co plc and Pubmaster Group Ltd.

Mr Lewis wishes to stand for re-appointment. The Nomination Committee (with Mr Lewis abstaining) considers that Mr Lewis is independent and that, following formal performance evaluation, his performance remains effective especially with regard to his responsibilities as Chairman of the Board and as a member of other Board Committees. The Board recommends his re-election as a director.

## Resolution 8: General authority to allot shares

Under section 551 of the Act, the directors may only allot shares or grant rights to subscribe for, or convert any security into, shares if authorised to do so by shareholders in a general meeting.

The existing authority provided at last year's AGM to allot shares in this way expires at the conclusion of this year's AGM. Consequently, this Resolution seeks to renew the authority for a further period until the earlier of the conclusion of next year's AGM or 15 months from the date this Resolution is passed (unless previously renewed, varied or revoked by the Company in general meeting).

The aggregate nominal value which can be allotted under the authority set out in paragraph (i) of the Resolution is limited to £627,541, which represents approximately one-third of the Company's issued ordinary share capital as at 3 July 2017, being the latest practicable date before the publication of this Notice of AGM (hereinafter called the "Latest Practicable Date").

In accordance with guidance issued by The Investment Association, the authority in paragraph (ii) of the Resolution permits the directors to allot shares, or to grant rights to subscribe for, or convert any security into, shares in the Company only in connection with a rights issue, up to a nominal value of £1,255,083, as reduced by the nominal amount of any shares issued under paragraph (i) of the Resolution. This amount (before any reduction) represents approximately two-thirds of the Company's issued ordinary share capital as at the Latest Practicable Date.

The directors have no present intention of exercising this authority, which would expire at the conclusion of the next AGM or, if earlier, 15 months from the date on which the Resolution is passed, other than (under paragraph (ii)) in respect of the Company's share option schemes. This authority supersedes all previous authorities and the directors intend to seek its renewal at next year's AGM.

At the date of this Notice, no shares are held by the Company in Treasury.

Resolutions 9 and 10 are Special Resolutions which will be passed if at least 75% of the votes cast are in favour.

## Resolution 9: Disapplication of pre-emption rights

The effect of Resolution 9, if passed, would be to enable the directors to issue shares for cash on a rights issue (or other pre-emptive offer) up to the maximum permitted by Resolution 8. It would also enable the directors to issue shares for cash (or sell shares held as treasury shares) up to an aggregate nominal amount not exceeding £94,131 (being equal to 5% of the Company's issued ordinary share capital as at the Latest Practicable Date) without first offering them to existing shareholders on a proportional basis. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding: (i) cumulative usage of authorities within a rolling three-year period without prior consultation with shareholders, and (ii) issuing no more than 5% of the ordinary share capital on a non-pre-emptive basis in any one year.

Therefore over a rolling three-year period, except pursuant to a rights issue or pre-emptive offer, this disapplication shall not exceed 7.5% of the issued ordinary share capital without prior consultation with shareholders. Unless renewed, this power would expire when the authority given by Resolution 8 to allot shares expires (whether or not renewed) or is revoked (if this is earlier) and the directors intend to seek its renewal at next year's AGM.

### **Resolution 10: Authority to purchase own shares**

Shareholder approval is being sought to renew the general authority to the Company to make market purchases of its own shares. The authority will be in respect of up to 37,652,487 ordinary shares (being equal to 10% of the Company's issued ordinary share capital as at the Latest Practicable Date) and will be effective until the conclusion of the next AGM or, if earlier, 15 months from the date on which the Resolution is passed. If granted, the authority would only be exercised if an improvement in earnings per share was expected to result and the purchase would be in the best interests of shareholders generally. The Company has no present intention to purchase its own shares.

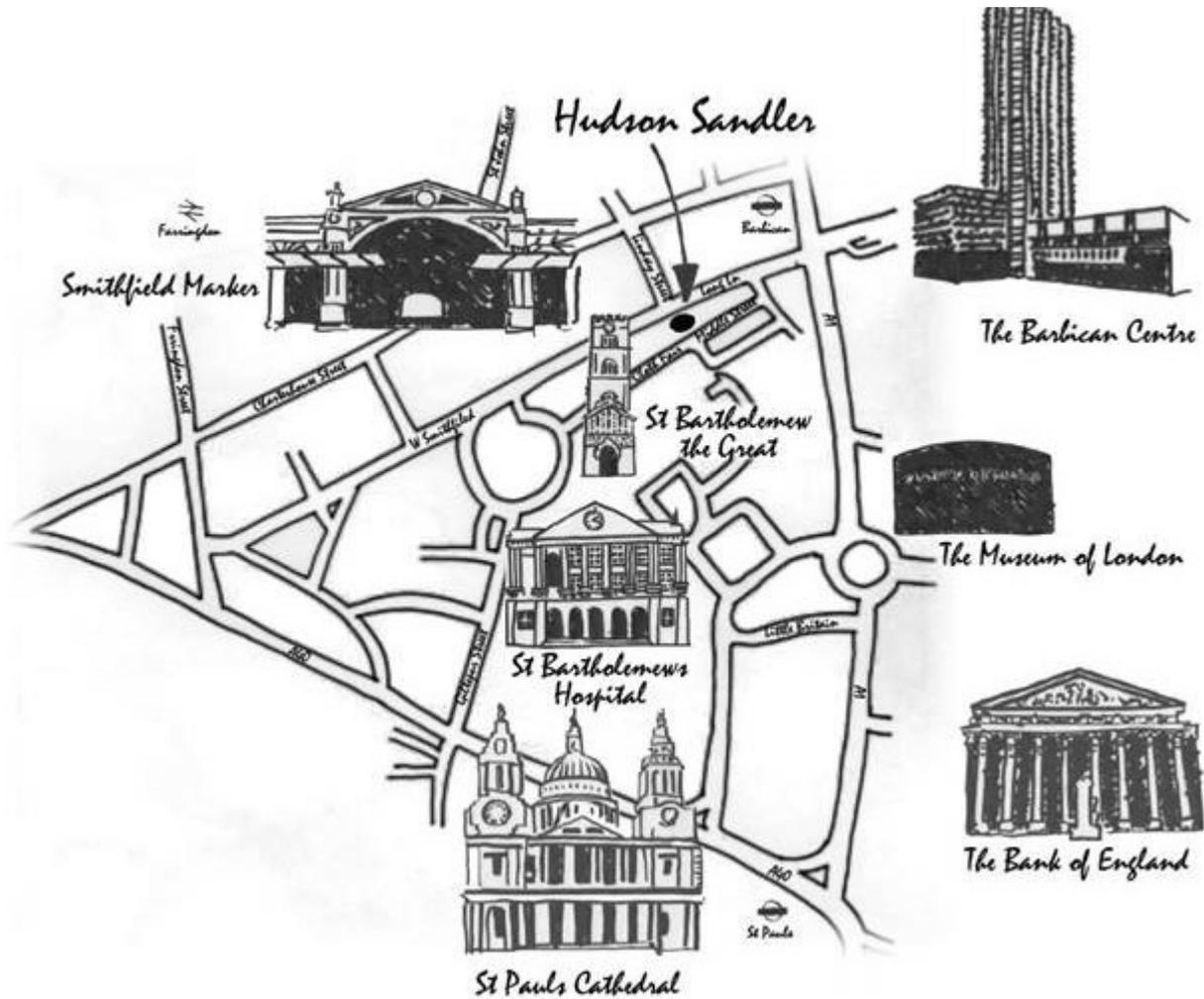
The Company has the choice of cancelling shares which have been repurchased or of holding them as treasury shares (or a combination of both). Treasury shares are essentially shares which have been repurchased by the Company and which it is allowed to hold pending either reselling them for cash, cancelling them or, if authorised, using them for the purposes of its employee share plans. The directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares would give the Company the ability to resell or transfer them quickly and cost-effectively and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury). The company did not purchase any of its shares in the year ended 30 April 2017.

The Company's issued share capital as at the Latest Practicable Date was £1,882,624 divided into 376,524,871 ordinary shares of 0.5p each. As at the Latest Practicable Date the total number of voting rights in the Company was 376,524,871.

The total number of options over ordinary shares outstanding as at the Latest Practicable Date was 5,540,000, representing approximately 1.47% of the issued share capital. If the authority to buy back shares under this Resolution were exercised in full, the total number of options to subscribe for ordinary shares outstanding as at the Latest Practicable Date would, assuming no further ordinary shares are issued, represent approximately 1.64% of the issued share capital.

# Location of Annual General Meeting

Location of Annual General Meeting, to be held at the offices of Hudson Sandler LLP, 29 Cloth Fair, London EC1A 7NN



## BY CAR:

From Aldersgate Street, turn on to Long Lane and take the first left into Cloth Street; after nine metres, take the first right on to Middle Street which then becomes Cloth Fair.

No. 29 is on the right opposite St Bartholomew's Church.

There is no parking available outside the office, however there is the NCP on Aldersgate Street or a private car park in Charterhouse Square.

## BY TUBE:

Barbican is the nearest tube station – Circle Line, Hammersmith & City, and Metropolitan.

Farringdon is a five-minute walk away – Circle Line, Hammersmith & City, and Metropolitan.

## BY TRAIN:

We are a five-minute walk from Farringdon - First Capital Connect and City Thameslink, also about a fifteen-minute walk from Moorgate/Liverpool Street Stations.

# Proxy Form for use by members only

## Photo-Me International plc (the "Company")

I/We (BLOCK CAPITALS)

of (address)

being a member of the Company, hereby appoint

Name  
of Proxy

No. of shares, if applicable  
(see Note 2)

or, failing him/her, the Chairman of the meeting (see Note 2) to act as my/our proxy and on a poll to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 25 October 2017 and at any adjournment thereof.

I/We direct my/our proxy to vote as follows and otherwise as my/our proxy shall think fit:

(Please indicate with an X in the boxes below).

Please mark this box if this proxy appointment is one of multiple appointments being made (see Note 2).

### Ordinary Business

For Against Vote withheld

#### Ordinary Resolutions

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 1. To receive the Accounts and Reports of the directors and the auditor for the year ended 30 April 2017.                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To approve the directors' remuneration report for the year ended 30 April 2017.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To approve the directors remuneration policy set out in the directors' remuneration report for the year ended 30 April 2017. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. To declare a final dividend for the year ended 30 April 2017 of 3.94p per share, payable on 10 November 2017.                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. To re-appoint KPMG LLP as auditor.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. To authorise the directors to fix the remuneration of the auditor.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. To re-elect Mr Lewis as a director.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Special Business

#### Ordinary Resolution

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 8. To authorise the directors to allot shares and grant rights to subscribe for, or convert any security into, shares up to a maximum amount. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|

#### Special Resolutions

- |   |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|
| 9. To enable directors to allot shares for cash without first offering them to existing shareholders. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. To authorise the Company to make market purchases of its own shares.                              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Signature

Date

2017

## Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak, and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes. Please indicate with a cross in the appropriate box how you wish the proxy to vote. In the absence of any indication, the proxy will exercise his/her discretion as to whether, and if so how, he/she votes. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
2. The Chairman of the meeting will act as proxy unless another proxy is desired, in which case, insert the full name of your proxy in the space provided. A proxy need not be a member of the Company but must attend the meeting in person. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly. You may appoint more than one proxy provided 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. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this Proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
3. To appoint more than one proxy, (an) additional Proxy form(s) may be obtained by contacting the registrar's Helpline on 0871 664 0300 (calls cost 12p per minute plus network extras; overseas telephone number +44 371 664 0300; lines are open Mon–Fri 9 a.m. – 5.30 p.m.), or you may copy this Proxy form.
4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. When you have completed this Proxy form, sign it and return it by pre-paid post to Business Reply Licence Service, RLUB-TBUX-EGUC, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF or by freepost to Freepost RSBH-UXKS-LRBC, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF. Any alteration or deletion must be signed or initialled.
6. In the case of a corporation, this Proxy form must be executed under its common seal or signed on its behalf by an attorney or officer of the corporation.
7. In the case of joint holders, the signature of any one holder will be sufficient but the names of the joint holders should be stated. The vote of the senior shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names of such holders stand in the register of members in respect of the joint holding.
8. To be valid, this Proxy form and the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power or authority, must be lodged with the Company's registrars, Capita Asset Services, Business Reply Licence Service, RLUB-TBUX-EGUC, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF not less than 48 hours before the time of the meeting (or any adjournment thereof).
9. As an alternative to completing this hard-copy Proxy form, shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with procedures set out in the CREST Manual. For an electronic proxy appointment to be valid, it must be received not less than 48 hours before the time of the meeting (or any adjournment thereof).
10. Except as mentioned in Note 9 above, you may not use any electronic address provided in the Chairman's letter or the Notice of Annual General Meeting in respect of the appointment of a proxy or variation or revocation of proxy voting instructions.



# Photo-Me

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