

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take in respect of them, you should seek your own advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your ordinary shares, please send this document together with the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission onto the purchaser or transferee. If you have sold part only of your holding of ordinary shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected as to the actions you should take.

SHORE CAPITAL GROUP LIMITED

(Incorporated in the Island of Guernsey with company number 51355)

Proposed share capital reorganisation

Notice of General Meeting

Notice of a General Meeting of the Company to be held at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB at 11.00 am on 6 December 2013 is set out at the end of this document.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions thereon and return it signed to the Company's registrars, Computershare Investor Services (Guernsey) Limited, as soon as possible and in any event so as to be received no later than 11 am on 4 December 2013. The return of a completed Form of Proxy will not preclude a Shareholder from attending and voting at the General Meeting in person should they wish to do so.

Your attention is drawn to the letter from the Chairman of Shore Capital Group Limited set out in this document, which contains a unanimous recommendation by all of the Directors that you vote in favour of the resolutions to be proposed at the General Meeting. You should read the whole text of this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular, notice of General Meeting and Form of Proxy posted to Shareholders	13 November 2013
Latest time and date for receipt of completed Forms of Proxy	11 am on 4 December 2013
General Meeting	11 am on 6 December 2013
Record date for Share Capital Reorganisation	6 pm on 6 December 2013
Dealings in the New Ordinary Shares on AIM expected to commence	9 December 2013
Expected date for crediting CREST accounts (where applicable)	9 December 2013
Expected date by which certificates in respect of New Ordinary Shares are to be despatched to certificated Shareholders	On or prior to 17 December 2013
Expected date by which fractional entitlement cheques are to be despatched, or payments made through CREST	14 days after sale in full of the aggregated fractional entitlements

References to time in this document are to the time in the United Kingdom. Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a regulatory information service.

DEFINITIONS

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

“Admission”	the admission to trading on AIM of the New Ordinary Shares
“AIM”	AIM, a market operated by London Stock Exchange plc
“Articles” or “Articles of Incorporation”	the articles of incorporation of the Company in force at the date of this document
“Board” or “Directors”	the board of directors of the Company
“Company”	Shore Capital Group Limited
“Consolidated Ordinary Shares”	the new ordinary shares of no par value in the capital of the Company arising on the consolidation of the Existing Ordinary Shares
“CREST”	the computerised settlement system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the authorised operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities (Guernsey) Regulations, 2009, as amended
“Existing Ordinary Shares”	the existing ordinary shares of no par value in the capital of the Company
“General Meeting” or “GM”	the general meeting of the Company to be held at 11 am on 6 December 2013 (or any adjournment of it), notice of which is given in this document
“Group”	the Company and its subsidiary undertakings from time to time
“New Ordinary Shares”	the new ordinary shares of no par value in the capital of the Company to be created upon the sub-division of the Consolidated Ordinary Shares pursuant to the Share Capital Reorganisation
“Notice”	the notice convening the General Meeting which accompanies this document

“Ordinary Shares”	the Existing Ordinary Shares or the New Ordinary Shares, as appropriate
“Record Date”	6.00 pm on 6 December 2013, or such later date as the Directors may determine, being the date by which the Share Capital Reorganisation is calculated
“Resolutions”	the resolutions set out in the Notice and “Resolution” shall mean any of them
“Share Capital Reorganisation”	the proposed share consolidation and subsequent sub-division, details of which are set out in this document and in Resolution 1
“Shareholders”	the holders of Ordinary Shares

LETTER FROM THE CHAIRMAN OF SHORE CAPITAL GROUP LIMITED

(Incorporated in the Island of Guernsey with company number 51355)

Directors:

Howard Shore, *Chairman*
Dr Zvi Marom, *Non-Executive Director*
James Rosenwald III, *Non-Executive Director*
Lynn Bruce, *Director*

Registered office:

Martello Court
Admiral Park
St Peter Port
Guernsey
GY1 3HB

13 November 2013

To Shareholders and, for information only, to holders of options over Ordinary Shares

Dear Shareholder

Proposed Share Capital Reorganisation General Meeting

1. Introduction and background to the Share Capital Reorganisation

The purpose of this circular is to provide you with information on the proposed changes to the Company's capital structure, to explain why your Board considers them to be in the best interests of the Company and Shareholders as a whole, and to recommend that you vote in favour of the Resolutions to be proposed at the General Meeting convened, notice of which is set out on page 9.

We will be seeking your approval of the Share Capital Reorganisation at the forthcoming General Meeting.

Details of all the Resolutions to be proposed at the General Meeting are set out below.

2. Background to the Share Capital Reorganisation

As at 11 November 2013, being the last practicable date prior to publication of this document, the Company had 2,800 Shareholders. Of these, some 2,393 Shareholders have registered holdings of fewer than 2,000 Existing Ordinary Shares, representing approximately 85 per cent. of the total number of Shareholders, but less than 0.5 per cent. of the Existing Ordinary Shares. The average value of such shareholdings (fewer than 2,000 Existing Ordinary Shares) was £172.75 based on the closing mid-market price as at 11 November 2013.

The Board believes that the current size of the Shareholder register is disproportionate for a company of its size and that, consequently, it is not in the Company's best interests to continue to bear the financial and administrative burden of servicing such a large shareholder base. Further, the Board believes that, due to their small holdings, many Shareholders may have considered selling their Existing Ordinary Shares but have decided not to do so in the light of dealing and administration costs relating to such a sale. In

common with other companies in similar circumstances, the Board is therefore proposing a restructuring of the Existing Ordinary Shares, the aim of which is to reduce the number of Shareholders thereby achieving cost savings for the Company, whilst at the same time returning value to Shareholders with smaller interests free of commission.

A further objective of the Share Capital Reorganisation is to create a share capital base and share price that is more in keeping with the size and nature of the Company. The market price of a New Ordinary Share immediately after completion of the Share Capital Reorganisation is expected to be approximately 10 times greater than the market price of an Existing Ordinary Share immediately prior to the Share Capital Reorganisation. The Board believes resizing the Company's share capital may encourage greater liquidity and may result in smaller dealing spreads. Accordingly, the Board believes that it would benefit the Company and Shareholders as a whole to reduce the number of shares in issue as an integral part of the Share Capital Reorganisation.

3. The Share Capital Reorganisation

Consolidation and sub-division

By means of the Share Capital Reorganisation every 2,000 Existing Ordinary Shares will be consolidated into one Consolidated Ordinary Share and then each Consolidated Ordinary Share will be sub-divided into 200 New Ordinary Shares.

As at 11 November 2013, being the last practicable date prior to publication of this document, there are 241,639,601 Existing Ordinary Shares in issue. In order to facilitate the Share Capital Reorganisation, the Board intends, as a preliminary step, to issue up to 1,999 Existing Ordinary Shares to the Company's General Counsel, to ensure that, immediately preceding the Record Date, the number of Existing Ordinary Shares would be exactly divisible by 2,000. Following the completion of the Share Capital Reorganisation, the Company's issued share capital will comprise 24,164,000 New Ordinary Shares.

The Group General Counsel will not become entitled to any New Ordinary Shares as a result of the Share Capital Reorganisation as his shareholding, following the issue of the above Existing Ordinary Shares, will be less than 2,000 Existing Ordinary Shares. He will only have an interest in a fraction of a Consolidated Ordinary Share, which will be dealt with in the manner described below, save that any amount which would be payable to him shall be retained for the benefit of the Company.

Share rights

The rights attaching to the New Ordinary Shares will be the same as those attaching to the Existing Ordinary Shares including, without limitation, the same voting, dividend and other rights.

The effect of the Share Capital Reorganisation will mean that, subject to what is set out in relation to fractional entitlements below, each Shareholder's proportionate interest in the Company's issued ordinary share capital will remain materially the same.

The entitlements to Existing Ordinary Shares of holders of options over Existing Ordinary Shares will be adjusted in accordance with the terms of such options in order to reflect the effect of the Share Capital Reorganisation.

Settlement

Following the Share Capital Reorganisation, the Existing Ordinary Shares will be converted into a lesser number of New Ordinary Shares. New share certificates in respect of New Ordinary Shares are expected to be posted, at the risk of Shareholders, on or prior to 17 December 2013 to those Shareholders who currently hold their Existing Ordinary Shares in certificated form (and who hold 2,000 or more Existing Ordinary Shares). These will replace existing certificates which should be destroyed. Pending the receipt of new certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register of members of the Company. The New Ordinary Shares have been allocated new stock identification codes as follows: SEDOL code (BGCZJ74) and ISIN code (GG00BGCZJ741).

In the case of Shareholders who hold their shares through the CREST system (and who hold 2,000 or more Existing Ordinary Shares), the New Ordinary Shares will be credited to CREST accounts on 9 December 2013.

Following completion of the Share Capital Reorganisation the New Ordinary Shares will be admitted to trading on AIM. It is anticipated that Admission will occur on 9 December 2013.

Fractional entitlements and payments to Shareholders

The Company will not allocate fractions of Consolidated Ordinary Shares to individual Shareholders pursuant to the Share Capital Reorganisation. Where the number of Existing Ordinary Shares held by any Shareholder on the Record Date is not exactly divisible by 2,000, so that such Shareholder would otherwise have been entitled to a fraction of a Consolidated Ordinary Share, such fractions shall be aggregated with the fractions of Consolidated Ordinary Shares to which other Shareholders would have been entitled so as to form full Consolidated Ordinary Shares. Such aggregated fractions will then be subdivided (along with the other Consolidated Ordinary Shares) into New Ordinary Shares and sold in the market free of commission. The proceeds of such sales will be paid to each Shareholder in proportion to the fractional entitlements to which such Shareholder would otherwise have been entitled. Such sums shall be paid to relevant certificated Shareholders by cheque and to relevant uncertificated Shareholders by payment through CREST, in either case within 14 days of the aggregated fractional entitlements being sold in full.

Shareholders should be aware that if they hold fewer than 2,000 Existing Ordinary Shares on the Record Date, following the Share Capital Reorganisation they will cease to be a shareholder in the Company and they will not receive any Consolidated Ordinary Shares and therefore will not be entitled to New Ordinary Shares under the Share Capital Reorganisation.

4. General Meeting

A notice convening the General Meeting of the Company to be held on 6 December 2013 at 11 am at the Company's offices at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB is set out at the end of this document.

The Resolutions set out in the notice of General Meeting, which are subject to Shareholder approval, are as follows:

- Resolution 1: to effect the Share Capital Reorganisation by means of a consolidation of Existing Ordinary Shares into Consolidated Ordinary Shares and their subsequent sub-division into New Ordinary Shares (including authorisation of the sale of New Ordinary Shares arising from fractional entitlements).
- Resolution 2: to grant the Company power to purchase its own shares. This replaces the authority granted at the last annual general meeting of the Company and reflects the fact that Existing Ordinary Shares will be replaced with the New Ordinary Shares as a result of the Share Capital Reorganisation. It is otherwise proposed in the same terms as the previous authority.
- Resolution 3: to grant the Directors power to allot New Ordinary Shares for cash other than on a pre-emptive basis. This replaces the authority granted at the last annual general meeting of the Company and adjusts that previous authority to reflect the adjusted number of New Ordinary Shares in issue resulting from the Share Capital Reorganisation but is otherwise proposed in the same terms as the previous authority.

Resolutions 1 and 2 will be proposed as ordinary resolutions, and Resolution 3 will be proposed as a special resolution. Resolutions 2 and 3 will only take effect if Resolution 1 is approved.

5. Action to be taken

You will find a Form of Proxy for use in connection with the General Meeting enclosed with this document. The Form of Proxy should be completed in accordance with the instructions printed thereon, whether or not you intend to be present at the General Meeting, and returned to the Company's registrars, Computershare Investor Services (Guernsey) Limited, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, as soon as possible and in any event, to be valid, so as to be received no later than 11 am on 4 December 2013. Completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person, if you so wish.

6. Recommendation

Your Board considers that all the resolutions proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of all the Resolutions as the Directors intend to do in respect of their own beneficial holdings in respect of which they have the power to exercise or direct the exercise of voting rights amounting in aggregate to 105,127,221 Existing Ordinary Shares, representing approximately 43.5 per cent of the current issued ordinary share capital of the Company.

Yours faithfully

Howard P Shore
Chairman

SHORE CAPITAL GROUP LIMITED

(Incorporated in the Island of Guernsey with company number 51355)

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of Shore Capital Group Limited (the “**Company**”) will be held at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB on 6 December 2013 at 11 am for the following purposes:

To consider and, if thought fit, pass the following resolutions of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

Ordinary resolutions

- 1 That subject to and conditional on the admission of the New Ordinary Shares (as defined below) to trading on AIM, a market of London Stock Exchange plc, becoming effective:
 - (i) every 2,000 issued ordinary shares of no par value in the capital of the Company (the “**Existing Ordinary Shares**”) be, at the close of business on the date of the passing of this Resolution, consolidated into one ordinary share of no par value (a “**Consolidated Ordinary Share**”) provided that no member shall be entitled to a fraction of a share and the Directors shall be and are hereby authorised to arrange for the aggregation and sale of all such fractional entitlements at a price reasonably obtainable to any person, to distribute the net proceeds to such Shareholders in proportion (as nearly as practicable) to their respective fractional entitlements; and
 - (ii) each Consolidated Ordinary Share resulting from the above consolidation shall be, immediately after the consolidation of the Existing Ordinary Shares into Consolidated Ordinary Shares, sub-divided into 200 ordinary shares of no par value in the capital of the Company (the “**New Ordinary Shares**”).
- 2 Subject to the passing of Resolution 1 and the completion of the consolidation and sub-division of the share capital of the Company pursuant to that Resolution (the “**Share Capital Reorganisation**”), that the authority of the Company be renewed, in accordance with Section 315 of The Companies (Guernsey) Law, 2008, as amended (the “**Law**”), to make market acquisitions (within the meaning of Section 316 of the Law) of each class of its own shares in issue from time to time (the “**Shares**”) provided that:
 - (i) the maximum number of Shares hereby authorised to be purchased shall be such number as shall be equal to 14.99 per cent. of the issued share capital of the Company (excluding shares held as treasury shares) immediately following the completion of the Share Capital Reorganisation;
 - (ii) the minimum price (exclusive of expenses) which may be paid for a Share shall be £0.01 (one pence);

- (iii) the maximum price which may be paid for a Share of the relevant class is an amount not more than 5 per cent. above the average of the market value of those Shares for the 5 business days before the purchase is made; and
- (iv) the authority hereby conferred shall expire at the conclusion of the Company's annual general meeting in 2014 or, if earlier, 8 December 2014 unless such authority is varied, revoked or renewed prior to such date by an ordinary resolution of the members of the Company.

Any Shares bought back by the Company may be cancelled or held as treasury shares at the option of the Directors (subject to the Law).

Special resolution

3 Subject to the passing of Resolution 1 and the completion of the Share Capital Reorganisation, that the Directors be authorised to allot shares for cash as though the rights of pre-emption granted pursuant to Article 3.8 of the Company's Articles of Incorporation did not apply:

- (i) in connection with a rights issue to existing shareholders (to allow the Directors to take action to overcome certain practical difficulties which could arise in that scenario), and
- (ii) up to 2,416,400 Ordinary Shares based on the anticipated net issued share capital of the Company immediately following the completion of the Share Capital Reorganisation, being 10 per cent. of the anticipated net current issued share capital of the Company at that time (to give the Directors some flexibility in financing business opportunities as they arise).

This authority shall expire at the conclusion of the Company's annual general meeting in 2014 or, if earlier, 8 December 2014 unless such authority is varied, revoked or renewed prior to such date by an ordinary resolution of the members of the Company.

By order of the Board

Lynn Bruce
Company Secretary

13 November 2013

Registered office:

Martello Court
Admiral Park
St Peter Port
Guernsey
GY1 3HB

Notes:

- 1 A member who is entitled to attend and vote at this General Meeting may appoint one or more proxies to attend and vote on his/her behalf. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. In the case of joint holders the form of proxy should be signed by the senior holder and the names of all joint holders should be shown. A vote tendered by the senior holder shall be accepted to the exclusion of all other joint holders. If you require additional proxy forms, please contact the Company's registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY on 0870 707 4040 or you may photocopy this form.
- 2 Such a proxy need not be a member of the Company.
- 3 To be valid, a Form of Proxy must be lodged with the Company's registrars, Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so that it is received no later than 11 am on 4 December 2013. A Form of Proxy for use by shareholders is enclosed with this circular. Completion of the Form of Proxy will not prevent a shareholder from attending the General Meeting and voting in person.
- 4 In order to facilitate voting by corporate representatives at the General Meeting, arrangements will be put in place at the General Meeting so that (i) if a corporate shareholder has appointed the chairman of the General 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 General 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 General Meeting but the corporate shareholder has not appointed the chairman of the General 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 directions 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 The quorum for the General Meeting is two Shareholders entitled to vote. If it is apparent to the Chairman that fewer than two Shareholders will be present in person or by proxy (other than by proxy in the Chairman's favour), in order to allow effective constitution of the Meeting the Chairman may appoint a substitute to act as proxy in his/her place for any Shareholder provided that, where the relevant Shareholder has not given directions as to how to vote on any resolution, such substitute proxy shall vote in the same way as the Chairman.
- 6 The majority required for the passing of each ordinary resolution is a simple majority of votes cast for that Resolution. The majority required for the passing of

the special resolution is not less than 75 per cent. of the votes cast for that Resolution.

- 7 At the General Meeting, the Resolutions shall be decided on a show of hands (unless a poll is demanded) and on a show of hands every Shareholder who is present in person or by proxy shall have one vote.
- 8 In accordance with Article 12.1 of the Company's Articles of Incorporation, only those members entered on the Company's register of members as at 6 pm on 4 December 2013 or, if the General Meeting is adjourned, shareholders entered on the Company's register of members as at 6 pm on the second Business Day (as defined in the articles of incorporation of the Company) before the day fixed for the adjourned General Meeting shall be entitled to attend and vote at the General Meeting.