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## NOTICE OF ANNUAL GENERAL MEETING (UNAUDITED)

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# HORNBY PLC

(REGISTERED IN ENGLAND AND WALES WITH NUMBER 01547390)

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**If you have sold or otherwise transferred all of your ordinary shares in Hornby Plc, please forward this document as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through or to whom the sale or transfer was effected for transmission to the purchaser or transferee of your ordinary shares.**

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-fifth Annual General Meeting of Hornby Plc (the "**Company**") will be held at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London, EC4R 9HA on Friday, 9 September 2016 at 9.30 a.m. for the following purposes:

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 7 (inclusive) will be proposed as ordinary resolutions and numbers 8 and 9 as special resolutions.

### ORDINARY RESOLUTIONS

1. To receive and adopt the Company's Annual Report and Accounts for the financial year ended 31 March 2016 together with the Report of the Directors and Auditors.
2. To approve the Directors' Remuneration Report, as set out within the Directors' Report on pages 16 to 17 of the Company's Annual Report and Accounts, for the financial year ended 31 March 2016.
3. To re-elect David Mulligan as a Director of the Company.
4. To re-elect Roger Canham, who retires by rotation, as a Director.
5. To reappoint PricewaterhouseCoopers LLP, the retiring auditors, as auditors of the Company 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.
6. To authorise the Directors to agree the auditors' remuneration.
7. THAT, in place of the equivalent authority given to the Directors at the last Annual General Meeting (but without prejudice to the continuing authority of the Directors to allot shares pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made), the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £281,944.01, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting following the date of the passing of the resolution, but so that the Company may, before the expiry of such period, make an offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the expiry of such period and the Directors may allot shares or grant rights to subscribe for or convert securities into shares pursuant to such an offer or agreement as if this authority had not expired.

### SPECIAL RESOLUTIONS

8. THAT, subject to and conditional on the passing of resolution 7, the Directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 7 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with an offer of such securities by way of Rights Issue (defined below); and
- (b) otherwise than pursuant to resolution 8(a) above up to an aggregate nominal amount of £84,583.20,

and that this authority shall expire at the conclusion of the Company's next Annual General Meeting following the date of the passing of the resolution, save that the Company may, 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 any such offer or agreement as if this power had not expired.

This power applies in relation to a sale of treasury shares as if all references in this resolution to an allotment included any such sale and in the first paragraph of the resolution the words "pursuant to the authority conferred by resolution 7" were omitted in relation to such sale.

In this resolution, "**Rights Issue**" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of ordinary shares in the capital of the Company on the register on a record date fixed by the Directors in proportion as nearly as may be to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical issues arising under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory or any other matter.

9. THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares on such terms as the Directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, including for the purpose of its employee share schemes, provided that:
- (a) the maximum number of ordinary shares hereby authorised to be purchased is 8,458,320 being an amount equal to approximately 10% of the ordinary shares in issue as at 15 August 2016 (being the latest practicable date prior to the publication of this notice);
  - (b) the minimum price, exclusive of any expenses, which may be paid for an ordinary share is 1 pence;
  - (c) the maximum price, exclusive of any expenses, which may be paid for each ordinary share is an amount equal to the higher of:
    - (i) 105% of the average of the middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
    - (ii) the amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange trading service SETS; and
  - (d) the authority hereby conferred shall, unless previously revoked or varied, expire at the conclusion of the Company's next Annual General Meeting following the date of the passing of this resolution, or, if earlier, on the expiry of 18 months from the date of the passing of this resolution (except in relation to the purchase of ordinary shares, the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry).

By order of the Board

**A Stacey**

Company Secretary

Dated: 16 August 2016

Registered office:  
3rd Floor,  
The Gateway,  
Innovation Way,  
Discovery Park,  
Sandwich,  
Kent, CT13 9FF

Registered in England and Wales with number 01547390

**NOTES (UNAUDITED)**

1. Only holders of ordinary shares, or their duly appointed representatives, are entitled to attend, vote and speak at the AGM. A member so entitled may appoint (a) proxy/(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. A form of proxy is enclosed with this Notice and instructions for its completion are set out on the form.
2. Proxies may only be appointed by completing and returning the form of proxy enclosed with this Notice to the Company's Registrars, Capita Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
3. To be valid a proxy appointment and any power of attorney or other authority, if any, under which it is signed or a duly certified copy of such power of attorney must reach the office of the Company's Registrars not less than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the AGM or any adjournment thereof. Therefore, the form of proxy must be received by the Company's Registrars by 09.30 a.m. on 7 September 2016.
4. Return of the form of proxy will not preclude a member from attending the AGM and voting in person. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy to abstain on any particular resolution. However, it should be noted that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' a resolution. If you select 'Discretionary' or fail to select any of the options, your proxy can vote as he or she chooses or can decide not to vote. Your proxy can also do this on any other resolution that is put to the AGM. A shareholder must inform the Company's registrars in writing of any termination of the authority of a proxy.
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders on the register of members of the Company as at close of business on 7 September 2016 (or, if the AGM is adjourned, shareholders on the register of members not later than 48 hours (excluding any part of a day which is not a working day) before the time fixed for the adjourned meeting) are entitled to attend and/or vote at the AGM (or any adjournment thereof) in respect of the number of shares registered in their name at that time. Subsequent changes to the register of securities shall be disregarded in determining the rights of any person to attend and vote at the AGM (or any adjournment thereof).
6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
7. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the meeting so that (i) if a corporate member has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that member at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate member attends the meeting but the corporate member has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – <http://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.
8. You may not use any electronic address provided in this Notice or in any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.