

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at the Extraordinary General Meeting of the Company to be held at the Company's head office at 399 Strand, London WC2R 0LX at 10.00 a.m. on 16 March 2018. If you are in any doubt about what action you should take, you should consult your stockbroker, bank manager, solicitor or other independent financial adviser authorised under FSMA immediately.

Copies of this Document will be available free of charge until 16 March 2018 at the Company's head office at 399 Strand, London WC2R 0LX and at the offices of finnCap at 60 New Broad Street, London EC2M 1JJ, during normal business hours.

If you have sold or otherwise transferred all of your existing holding of Ordinary Shares in the Company, please forward this Document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or the transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documentation should not be sent into a jurisdiction where doing so may constitute a violation of local securities laws or regulations. If you sell or have sold or otherwise transferred part only of your holding of the Company, please consult the bank, stockbroker or other agent through whom the sale or transfer was affected as to the action you should take.

This Document does not constitute a prospectus for the purpose of the Prospectus Rules of the UK Financial Conduct Authority. Accordingly, this Document has not been, and will not be, reviewed or approved by the UK Financial Conduct Authority (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA or by the London Stock Exchange. This Document is being sent to the Company's Shareholders in connection with the Extraordinary General Meeting only.

The Stanley Gibbons Group Plc

(Incorporated in the Island of Jersey with registered number 13177)

Subscription for new Ordinary Shares by Phoenix UK Fund Ltd

Approval of a waiver (in favour of Phoenix UK Fund Ltd) of obligations under Rule 9 of the Takeover Code

Debt Restructuring

and

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of the Company which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

Notice of an Extraordinary General Meeting of The Stanley Gibbons Group Plc to be held at the Company's head office at 399 Strand, London WC2R 0LX at 10.00 a.m. on 16 March 2018 is set out at the end of this Document. A Form of Proxy for use in connection with the Extraordinary General meeting is also enclosed with this Document. The Form of Proxy should be completed and returned to the Company's Registrars, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 48 hours prior to the Extraordinary General Meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

finnCap, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser, nominated adviser and broker to the Company and as rule 3 adviser to the Company for the purposes of rule 3 of the Takeover Code. The responsibilities of finnCap as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, shareholder or any other person. finnCap is not making any representation or warranty, express or implied, as to the contents of this Document. finnCap will not be offering advice and will not be responsible for providing customer protections to recipients of this Document.

No person has been authorised to give any information or make any representation other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this Document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information in it is correct as of any subsequent time.

The distribution of this Document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Rule 9 of the Code

In accordance with Rule 9 of the Code, this Document together with a Form of Proxy must be and is being sent to all Shareholders, both in the UK and overseas. All Shareholders are requested to read this Document, in particular paragraph 8 of Part 1 of this Document which relates to the Rule 9 Waiver and the Code, and to complete, sign and return a Form of Proxy, by post or by hand (during normal business hours) to the Company's registrars Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event so as to be received no later than 10.00 a.m. on 14 March 2018.

Cautionary note regarding forward-looking statements

This Document contains statements about the Company that may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this Document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, etc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual result, performance or achievements of any such person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Code and/or FSMA), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Henry George Wilson Andrew Cook Clive Peter Whiley Louis Emmanuel Castro Henry Arthur John Turcan	<i>(Executive Chairman)</i> <i>(Chief Finance Officer)</i> <i>(Director)</i> <i>(Non-Executive Director)*</i> <i>(Non-Executive Director)**</i>
	* independent ** on and with effect from completion of the Proposed Transaction, Henry Turcan will resign from the board	
Proposed Director	Graham Elliot Shircore	<i>(Proposed Non-Executive Director)</i>
Company Secretary	Richard Purkis	
Registered Office	18 Hill Street St Helier Jersey JE2 4UA	
Company website	www.stanleygibbonsplc.com	
Financial Adviser, Nominated Adviser and Broker	finnCap Ltd 60 New Broad Street London EC2M 1JJ	
Legal Advisers to Stanley Gibbons	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP	
Legal Advisers to Phoenix UK Fund	Taylor Wessing LLP 5 New Street Square London EC4A 3TW	
Registrars	Link Market Services (Jersey) Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
PR Advisers	Yellow Jersey 30 Stamford Street London SE1 9LQ	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2018</i>
Announcement of Proposed Transaction and Acquisition	23 February
Dispatch of this Document	27 February
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	10.00 am on 14 March
Extraordinary General Meeting	10.00 am on 16 March
Expected date of Admission, commencement of dealings in the Subscription Shares, completion of the Debt Restructuring and completion of the Acquisition	19 March

KEY STATISTICS

Number of Existing Ordinary Shares in issue	178,916,643
Number of Subscription Shares*	248,000,000
Enlarged Issued Share Capital**	426,916,643
Gross proceeds of the Subscription	£6,200,000
Percentage of the Enlarged Issued Share Capital represented by the Subscription Shares***	58.09 per cent.
ISIN of the Ordinary Shares	GB0009628438
SEDOL of the Ordinary Shares	0962843

* Assuming that Phoenix UK Fund will hold a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission. Under the terms of the Subscription Letter, if prior to Admission it becomes evident that Phoenix UK Fund will not hold a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission, then the Company shall issue such greater number of Ordinary Shares to Phoenix UK Fund as shall result in it holding a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission. In such case, the Subscription Price shall be reduced such that the aggregate Subscription Price payable by Phoenix UK Fund does not exceed £6,200,000

** Assuming no further issuances of Ordinary Shares other than as outlined in this Document and excluding the exercise of any outstanding options over Ordinary Shares

*** Assuming no acquisition or disposals of Ordinary Shares by Phoenix UK Fund

DEFINITIONS

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

“Acquisition”	the acquisition by Phoenix UK Fund of certain trading inventory of SG Guernsey (primarily comprising stamps and other collectibles) on and subject to the terms of the Inventory Acquisition Agreement
“Act”	the Companies Act 2006, as amended
“Administrators”	Nick Vermeulen and Zelf Hussain of PricewaterhouseCoopers CI LLP and PricewaterhouseCoopers LLP respectively in their respective capacities as joint administrators of SG Guernsey
“Admission”	admission of the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London and Jersey
“Circular” or “Document”	this Document, posted to Shareholders on 27 February 2018
“Company” or “Stanley Gibbons”	The Stanley Gibbons Group Plc
“CREST”	the operator’s system (as defined in the CREST Order) in respect of which Euroclear is the approved operator (as defined in the CREST Order)
“CREST member”	a person who has been admitted to Euroclear as a member (as defined in the CREST Order)
“CREST Order”	Companies (Uncertificated Securities) (Jersey) Order 1999
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Order)
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member
“Directors” or “Board”	the directors of the Company as at the date of this Document whose names are set out on page 4 of this Document, or any duly authorised committee thereof
“Debt Facility Restatement Agreement”	the deed of amendment and restatement pursuant to which the RBS Debt Facility Agreement is to be amended and restated on and with effect from completion of the RBS Debt Assignment (including the amended and restated RBS Debt Facility Agreement attached thereto), the principal terms of which are set out in section 8.13(c) of Part 5 of this Document
“Debt Restructuring”	the transactions contemplated by the Debt Facility Restatement Agreement, the RBS Debt Assignment and the SG Guernsey Intercompany Indebtedness Assignment

“Enlarged Issued Share Capital”	the 426,916,643 Ordinary Shares in issue immediately following completion of the Subscription and Admission (which, for the avoidance of doubt, assumes no further issuances of Ordinary Shares other than as outlined in this Document and excludes the exercise of any outstanding options over Ordinary Shares)
“Escrow and Framework Agreement”	an agreement dated 23 February 2018 and made between (1) the Company and other members of the Group, (2) SG Guernsey, (3) Phoenix UK Fund, (4) the Administrators (5) RBS and (6) NatWest, setting out the terms agreed for the completion of the Subscription, the Debt Restructuring and the Acquisition, the principal terms of which are set out section 8.13 of Part 5 of this Document
“Euroclear”	Euroclear UK & Ireland Limited
“ESCL”	Evolution Securities China Limited
“Existing Ordinary Shares”	the 178,916,643 Ordinary Shares in issue at the date of this Document, all of which are admitted to trading on AIM
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 10.00 a.m. on 16 March 2018, notice of which is set out at the end of this Document
“FCA”	the UK Financial Conduct Authority
“finnCap”	finnCap Ltd, financial adviser, nominated adviser, broker and (for the purposes of rule 3 of the Takeover Code) rule 3 adviser to the Company
“Form of Proxy”	the form of proxy for use in connection with the Extraordinary General Meeting which accompanies this Document
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time)
“Group”	the Company and its existing subsidiaries and subsidiary undertakings
“Independent Shareholders”	the Shareholders other than Phoenix UK Fund and persons acting in concert with it
“Inventory Acquisition Agreement”	an agreement to be entered into between Phoenix UK Fund and the Administrators on completion of the Proposed Transaction relating to the Acquisition, the principal terms of which are set out in section 8.15 of Part 5 of this Document
“ISIN”	International Securities Identification Number
“Jersey”	the Bailiwick of Jersey
“Link Asset Services”	a trading name of Link Market Services (Jersey) Limited
“London Stock Exchange”	London Stock Exchange plc
“NatWest”	National Westminster Bank plc, the lender of record in respect of the RBS Debt as at the date of this Document
“Notice of Extraordinary General Meeting” or “Notice”	the notice of Extraordinary General Meeting set out at the end of this Document
“Ordinary Shares”	ordinary shares of 1 penny each in the capital of the Company

“PAMP”	Phoenix Asset Management Partners Limited, the investment manager to Phoenix UK Fund, a company incorporated in England & Wales with registration number 03514660
“Panel”	the Panel on Takeovers and Mergers
“Person”	a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator, or other legal representative)
“Phoenix Debt”	that portion of the RBS Debt to be acquired by Phoenix UK Fund pursuant to the RBS Debt Assignment, being the whole of the RBS Debt less an amount equal to the SGF Debt (and, following completion of the Proposed Transaction, comprising a principal sum of up to £10.5 million)
“Phoenix UK Fund”	Phoenix UK Fund Ltd, a company incorporated in The Commonwealth of the Bahamas with registration number 72,182B
“Proposed Transaction”	together, the Subscription, the Debt Restructuring and the Acquisition
“RBS”	The Royal Bank of Scotland plc, the Company’s bankers and arranger and agent for NatWest in respect of the RBS Debt (and save where otherwise requires, references to RBS in this Document are references to both RBS and NatWest)
“RBS Debt”	the outstanding indebtedness owed to NatWest by the Group immediately before completion of the Proposed Transaction (expected to be approximately £17.0 million, but not more than £17.5 million)
“RBS Debt Assignment”	the proposed sale and assignment of the RBS Debt by NatWest, (i) as to an amount equal to the Phoenix Debt to Phoenix UK Fund and (ii) as to an amount equal to the SGF Debt to SGF
“RBS Debt Assignment Agreements”	the agreements to give effect to the RBS Debt Assignment, the principal terms of which are set out in Section 8.13(f) of Part 5 of this Document
“RBS Debt Facility Agreement”	the existing term and revolving facilities agreement between, among others, the Company, NatWest and RBS dated 26 September 2014, as amended and restated pursuant to an amendment and restatement agreement dated 31 March 2016 (as subsequently amended and/or restated from time to time)
“Resolutions”	the resolutions set out in the Notice
“Rule 9”	Rule 9 of the Code
“Rule 9 Offer”	a general offer to acquire the entire issued share capital of the Company as required by Rule 9
“Rule 9 Waiver”	the waiver granted by the Panel of the obligation which might otherwise arise under Rule 9 requiring Phoenix UK Fund or any persons acting in concert with it to make an offer for the issued share capital of the Company as a result of the Subscription, subject to the passing of the Rule 9 Waiver Resolution
“Rule 9 Waiver Resolution”	the ordinary resolution proposed for consideration by the Independent Shareholders to waive the requirement for Phoenix UK Fund or any persons acting in concert with it to make a Rule 9

	Offer that would otherwise arise following the Subscription, being resolution 4 as set out in the Notice
“SG Guernsey”	Stanley Gibbons (Guernsey) Limited (in administration)
“SG Guernsey Intercompany Indebtedness”	the outstanding inter-company balances (amounting to approximately £6.5 million as at the date of this Document) owed by SG Guernsey to other members of the Group
“SG Guernsey Intercompany Indebtedness Assignment”	the proposed sale and assignment of the SG Guernsey Intercompany Indebtedness to SGL and the subsequent onward sale and assignment of such indebtedness to Phoenix UK Fund, the principal terms of which are set out in Section 8.13(i) of Part 5 of this Document
“SGF”	Stanley Gibbons Finance Limited, a wholly owned subsidiary of the Company incorporated solely for the purposes of giving effect to the Debt Restructuring, incorporated in England and Wales with company number 11180645
“SGF Debt”	that portion of the RBS Debt to be acquired by SGF pursuant to the RBS Debt Assignment, comprising a principal sum of £7.0 million
“SGL”	Stanley Gibbons Limited, a wholly owned subsidiary of the Company
“Shareholder(s)”	holders of Ordinary Share(s) from time to time
“Subscription”	the conditional subscription for the Subscription Shares by Phoenix UK Fund on and subject to the terms and conditions of the Subscription Letter
“Subscription Letter”	the subscription letter dated 23 February 2018 entered into between the Company and Phoenix UK Fund pursuant to which Phoenix UK Fund has conditionally agreed to subscribe for the Subscription Shares, the principal terms of which are set out in section 8.11 of Part 5 of this Document
“Subscription Price”	£0.025 per Subscription Share, (or such lower price per Subscription Share as results from dividing an aggregate subscription price of £6.2 million by the number of Ordinary Shares which if issued to Phoenix UK Fund would result in it holding a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission)
“Subscription Resolutions”	the resolutions required to grant the Board the requisite authority to allot the Subscription Shares to Phoenix UK Fund on completion of the Subscription, being resolutions 1, 2 and 3 as set out in the Notice of Extraordinary General Meeting
“Subscription Shares”	248,000,000 new Ordinary Shares to be issued at the Subscription Price (or, as the case may be, such greater number of Ordinary Shares as shall result in Phoenix UK Fund holding a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission)
“Supplemental Debenture”	a supplemental English law governed debenture proposed to be entered into between the Company and certain of its subsidiaries, as chargors, and Phoenix UK Fund, as security agent, for the purposes of providing additional security to Phoenix UK Fund, the principal terms of which are set out in section 8.13(j) of Part 5 of this Document

“Takeover Code” or “Code”

the City Code on Takeovers and Mergers, as amended from time to time

“United Kingdom” or “UK”

the United Kingdom of Great Britain and Northern Ireland, its territories and possession, and all areas subject to its jurisdiction

**“uncertificated” or
“in uncertificated form”**

an ordinary share recorded on a company’s share register being held in uncertificated form in CREST and title to which, by virtue of the CREST Order, may be transferred by means of CREST

A reference to “£” is to pounds sterling, being the lawful currency of the UK.

PART 1

LETTER FROM THE CHAIRMAN OF THE COMPANY

The Stanley Gibbons Group Plc

(Incorporated in the Island of Jersey with registered number 13177)

Directors

Harry Wilson (*Chairman*)
Andrew Cook (*Chief Finance Officer*)
Clive Whiley (*Director*)
Louis Castro (*Non-Executive Director*)
Henry Turcan (*Non-Executive Director*)

Registered Office:

18 Hill Street
St Helier
Jersey
JE2 4UA

Proposed Director

Graham Elliot Shircore (*Non-Executive Director*)

27 February 2018

Dear Shareholder,

**Subscription for new Ordinary Shares
Approval of a waiver of obligations under Rule 9 of the Takeover Code
Debt Restructuring
and
Notice of Extraordinary General Meeting**

1. Introduction

The Company announced the Proposed Transaction on 23 February 2018, pursuant to which it proposes to raise approximately £6.2 million (£5.4 million net of the expenses of the Proposed Transaction) by way of the Subscription by Phoenix UK Fund for 248,000,000 new Ordinary Shares. On completion of the Subscription, Phoenix UK Fund will hold approximately 58.09 per cent. of the Enlarged Issued Share Capital. The Subscription is subject to Shareholders passing the necessary resolutions to give the Board the authority to issue the Subscription Shares and the Independent Shareholders passing the Rule 9 Waiver Resolution, for the purposes of approving a waiver of any obligation on Phoenix UK Fund to make a Rule 9 Offer as a result of the proposed Subscription.

In addition to the Subscription, the Company announced a Debt Restructuring, under which terms have been agreed with the Group's existing lender, RBS, for the acquisition by Phoenix UK Fund and SGF (a wholly owned subsidiary of the Company incorporated specifically for the purposes of the Debt Restructuring) of the whole of the RBS Debt (expected to be approximately £17.0 million) on completion of the Proposed Transaction. To the extent that on completion of the Proposed Transaction the RBS Debt exceeds £17.0 million, Phoenix UK Fund has agreed to pay RBS up to £500,000 to purchase at par any such excess indebtedness.

Phoenix UK Fund will also acquire and hold all of the existing security granted by the Group in favour of RBS. In addition, Phoenix UK Fund has agreed terms with SGL for the purchase of the SG Guernsey Intercompany Indebtedness.

The overall effect of the Proposed Transaction (which equates to a total investment of up to £19.45 million by Phoenix UK Fund) will be:

- to reduce the Group's external debt finance to £10.0 million (which sum shall not be repayable, as to principal and interest, until the fifth anniversary of completion of the Proposed Transaction (absent any default under the Debt Facility Restatement Agreement));

- to provide the Company with a cash injection of £6.2 million, of which it is intended £1.2 million will be ear-marked for the acquisition of trading inventory and the balance will be utilised to discharge transaction expenses, existing creditors and provide working capital; and
- to provide Phoenix UK Fund with such proceeds from the administration, liquidation or other insolvency process of SG Guernsey as would otherwise be payable to either RBS (as a creditor in respect of the RBS Debt) or the Group by virtue of the SG Guernsey Intercompany Indebtedness, in consideration for which Phoenix UK Fund has agreed a one-off payment of £2.75 million.

Phoenix UK Fund has separately reached agreement with the Administrators for the acquisition of certain trading inventory of SG Guernsey (primarily comprising stamps and other collectibles). The acquisition of such inventory is conditional on completion of the Proposed Transaction.

Under the terms of the Subscription, Phoenix UK Fund will have a right, for so long as it (and/or its associates) continues to hold not less than 20 per cent. of the issued voting share capital of the Company to nominate a director to the Board. Phoenix UK Fund's first such nominated director will be Mr Graham Elliott Shircore, who will be appointed to the Board on completion of the Proposed Transaction.

Each of the Subscription, the Debt Restructuring and the Acquisition are inter-conditional, such that they will only become effective if all are completed simultaneously. Completion of the Proposed Transaction and the Acquisition are expected to take place on Admission.

Following Admission, Phoenix UK Fund intends to transfer the Subscription Shares to a yet to be incorporated wholly owned special purpose vehicle.

Due to the number of Ordinary Shares to be subscribed by Phoenix UK Fund pursuant to the Subscription and the need for approval of the Rule 9 Waiver, the Proposed Transaction is conditional on the passing of the Resolutions. Accordingly, an Extraordinary General Meeting is being convened for 10.30 a.m. on 16 March 2018, at which Shareholders will be asked to approve the Resolutions required to give effect to the Subscription and Independent Shareholders will be asked to approve the Rule 9 Waiver Resolution to approve the granting of the Rule 9 Waiver.

The purpose of this Document is to provide information on the background to the Group's current position, to explain why the Board considers that the Subscription, the Debt Restructuring and other elements of the Proposed Transaction are in the best interests of Shareholders as a whole and to provide you with details of and to seek your approval of the Resolutions necessary to implement the Subscription, so as to enable the Proposed Transaction as a whole to proceed to completion.

In particular, Independent Shareholders will be asked to waive an obligation on Phoenix UK Fund which would otherwise arise under Rule 9 of the Takeover Code for it to make a mandatory offer for the Company's ordinary shares as a result of its acquisition of the Subscription Shares.

Shareholders' attention is particularly drawn to paragraph 2 of this Part 1 which sets out the current financial position and the current funding available to the Company. The Company is not generating sufficient cash to enable it to fund capital repayments due to RBS pursuant to the terms of the RBS Debt Facility Agreement. Additionally, there have been a number of historic breaches of the covenants in the RBS Debt Facility Agreement and although some have been waived by RBS, the existing facilities are currently in default and therefore repayable on demand.

Based on projected cash flows, and without taking into account the requirement to repay the indebtedness owed to RBS under the RBS Debt Facility Agreement before its maturity date at the end of May 2018, the Board believes the Company requires additional capital in the short term of approximately £5.0 million.

If the Proposed Transaction does not proceed, and in the absence of alternative solutions, the Group would not have the funding it needs to meet its obligations under the RBS Debt Facility Agreement or its trading activities.

If the Resolutions and the Rule 9 Waiver Resolution are not approved by the requisite number of Shareholders or the Proposed Transaction does not proceed for any other reason, the Company will be required to secure financing from alternative sources, which may not be forthcoming.

The Company remains in default of all of its facilities and it may not be possible to secure alternative financing and, even were it to be possible, will not, in the Directors opinion, result in a more favourable outcome for Shareholders. In that scenario, the Company could have insufficient working capital to continue trading as a going concern, which would be likely to have a significant negative impact on the Company's existing equity share capital.

2. Background to and reasons for the Proposed Transaction

Over the last two years, the Group has undergone a programme of intense rationalisation as the Board has sought to streamline the Group to a business which is capable of trading profitably, reducing its debt burden and seeking to enhance value for Shareholders. During that time, a number of businesses and assets have been sold or closed, overhead costs have been reduced significantly and the Group's focus has been re-aligned to its heritage of serving the philatelic and numismatic collectibles market.

As announced on 21 November 2017, this decline and certain legacy issues in the investments division led to the administration of the Company's wholly owned subsidiary, SG Guernsey, through which the Group's investments division activities were conducted; although the rest of the Group was not affected and has continued to trade normally throughout.

Accordingly, the Group has reached a turning point where, following completion of the Proposed Transaction, the Board believes that the Company will finally be in a position to rebuild for the future.

Restructuring update

The strategic review, initiated in January 2016, led to a wholesale change of the Board and the majority of senior executives. Since then, the new management team has comprehensively reviewed every facet of the Group's business and implemented the following changes:

- we have integrated the coin and stamp acquisitions made in 2013 and 2014, to belatedly harness some of the benefits which should have been derived following completion of those transactions;
- there has been a complete change in the Company's advisors serving at the outset of the restructuring plan, including the former auditors who resigned in February 2016;
- the closure of "The Marketplace" division in September 2016, which brought to an end an ill-conceived project, which had severely over-run budgeted expenditure, consuming some £10.0 million in cash over the previous three years and having failed to deliver the E-Commerce platform hoped for at the outset;
- we cooperated with the U.S. Securities & Exchange Commission and the Department of Justice (the "DOJ") investigations into transactions involving a former client and a director of a New York-based subsidiary of Mallett Plc, where the DOJ concluded its criminal prosecution in April 2017. The Board is now pursuing civil action against the former director and/or others in respect of losses it has incurred as a result of these matters;
- in June 2017, we initiated a formal sale process (under note 2 on Rule 2.6 of the Code) to explore the full bandwidth of commercial options available to the Board. This led to discussions with a number of interested parties. However, given the complicated restructuring which the business has gone through and certain legacy liabilities which remained, it became clear to the Board that an asset sale or strategic investment would be likely to provide a more favourable outcome for shareholders than an offer for the Company as a whole. Accordingly, the Company announced the end of the formal sale process on 2 October 2017;
- on 21 November 2017, an administration order was granted in respect of the Group's wholly owned subsidiary, SG Guernsey, through which our investments division activities were conducted. SG Guernsey's assets comprised £12.6 million of philatelic inventory whereas its potential liabilities primarily consisted of around £54.0 million contingent liabilities, relating to buy-back guarantees, and a further approximately £11.0 million of other balance sheet liabilities;
- the Directors believe that the administration of SG Guernsey has fundamentally limited the exposure of the Group to the buyback liabilities and removed the cashflow burden associated therewith. The outstanding indebtedness currently owed to the Group by SG Guernsey amounts to approximately £6.5 million and the Group ranks as an unsecured creditor in respect of that amount alongside other

unsecured creditors of SG Guernsey. Under the terms of the Debt Restructuring, this indebtedness will be assigned to Phoenix UK Fund; and

- over the same period, cost saving measures have been identified and implemented that will reduce annualised total operating costs, excluding professional fees associated with the restructuring, by over £12.0 million (65 per cent.) and we have generated cash of some £6.0 million from the sale of parts of the Interiors Division and the disposal of non-core businesses and assets. Although the full benefit will not become apparent until the financial year ending 31 March 2019, total monthly employment costs, as at the end of January 2018, have fallen by over 75 per cent. since January 2016.

The future business of the Group

Although we have been successful in streamlining the business activities of the Group, the ability to grow its core businesses has been hampered by a lack of working capital in the Group. This has arisen both from the need to reduce the Group's debt, which had previously reached unsustainable levels, and due to the one-off costs of the restructuring programme. These included the final redundancy costs and the professional fees that we incurred as we dealt with the long-running litigation, the administration and the inevitable demands for close scrutiny by our bankers in order that they felt able to continue providing their much needed support throughout this period.

Throughout, the Board's central objective has been to restore value by building long-term relationships with our clients across a wide range of international markets, where we can provide differentiated offerings and build brand recognition. The Board also continues to believe that there is an opportunity to grow online revenues and we plan to refocus our E-commerce strategy on selling the Group's own proprietary assets of high quality collectibles and world renowned publications.

The core activities of the Group are conducted through the Stanley Gibbons and Baldwins divisions, which share similar characteristics and benefit from commercial advantages associated with being market leaders in the philatelic and numismatic markets respectively, including:

- large global markets;
- brand integrity and leadership;
- loyal collector customer base; and
- invaluable industry expertise which is revered worldwide.

Hence, we now have a clear focus and understanding of our heritage brands and expertise, competitive advantages and achievable corporate goals and the Directors remain convinced that the Group has undeveloped strategic value, not only in its existing markets but also across the broader global collectibles market.

Bank debt finance

As reported on 29 December 2017, total bank debt finance stood at £16.8 million as at 27 December 2017 and the Group was in default under its bank facilities. In consequence, the Group has continued to be reliant upon the ongoing support of RBS, with whom we have worked closely over the last two years. This has allowed the management team the latitude to accommodate the decline in trading performance, at the same time as progressing the restructuring of the business. However, following completion of the Proposed Transaction, RBS will cease to be the Group's principal lender. External debt finance will, instead, be provided by Phoenix UK Fund which will also be a longer term strategic investor in the Group via the Subscription. The Group's external debt finance will be reduced to £10.0 million, repayable (as to principal and interest) at the end of five years following completion of the Proposed Transaction (absent any default under the Debt Facility Restatement Agreement).

Under the terms agreed with Phoenix UK Fund for the Debt Restructuring, Phoenix UK Fund will have the right to take such action as it considers necessary under the Debt Facility Restatement Agreement and/or in respect of the security interests assigned to it pursuant to the RBS Debt Assignment (as the case may be), for the purposes of preserving its position as a creditor in the administration, subsequent liquidation or other insolvency process relating to SG Guernsey, until such time as that process comes to a close.

Management and Board changes

The initial restructuring review undertaken by the Board identified the need for major management changes across the Group and these have been made over the last two years.

There has been a wholesale change in the Board composition, which has been reinforced by the introduction of directors with specialist change management, financial and collectibles experience, which have now been in place for over eighteen months. Furthermore, all of the operational executives of the Group are now London-based, allowing for the introduction of the robust measures implemented by the Board as part of its restructuring plans.

We are aware that the delivery of a premium service to our customers is dependent upon maintaining a strong specialist capability within our staff as experts in their field. Therefore, as part of our plan to reinforce our executive team, as we rebuild for the future, Guy Croton joined the Company as Managing Director of Philately in November 2017. Guy, who has worked in the industry for 22 years, is highly respected in his field. For the last 15 years Guy has worked at Spink, latterly as Head of The Philatelic Division and his recruitment has had an immediate impact on our stamps business.

Following completion of the Proposed Transaction, the Board will no longer require such a strong emphasis on change management. Hence, it is proposed that the following board changes will take place:

- Harry Wilson, who was appointed in May 2016, and temporarily assumed the role of Executive Chairman upon the departure of the former Chief Executive Officer in July 2016, will return to his role as Non-executive Chairman.
- Under the terms agreed with Phoenix UK Fund for the Subscription, Phoenix UK Fund will have a right, for so long as it (and/or its associates) continues to hold not less than 20 per cent. of the issued voting share capital of the Company, to nominate a director to the Board. Phoenix UK Fund's first such nominated director will be Mr Graham Elliott Shircore, who will be appointed to the Board on completion of the Proposed Transaction.
- Henry Turcan (who has represented the interest of funds or accounts managed or sub-advised by Lombard Odier Asset Management (USA) Corp and Lombard Odier Asset Management (Europe) Limited) will stand down from the Board on completion of the Proposed Transaction.

In addition, on completion of the Proposed Transaction, ESCL, which was appointed in December 2015 to oversee the restructuring of the business, will conclude the provision of its consultancy services to the Group. Notwithstanding this, Clive Whiley, who is managing director of ESCL, and who has been an executive director of the Company since March 2016, has agreed to remain as a Non-executive Director thereafter for a period of at least one year following completion of the Proposed Transaction.

The Directors believe that the injection of liquidity contemplated by the Subscription and also the Debt Restructuring will give the Group the opportunity to become a market-leading, capital-light, stamp and coin dealing platform. The Group will be better placed to maximise the opportunities available to it alongside a strategic partner whose interests are wholly aligned with all other stakeholders. We look forward to working with Phoenix UK Fund to achieve this.

Accordingly, the Board is unanimous in recommending that Shareholders approve the Resolutions which are necessary to allow the Proposed Transaction to proceed.

3. Current trading and prospects

As announced on 29 December 2017, Group trading continues to be subdued in large part due to legacy issues including, in particular, a reduction in investment sales of high end collectibles and a shortage of working capital.

However, on completion of the Proposed Transaction, the realignment of available resources will be complete and with the distractions of many non-core activities removed, we will be able to look to the future. Completion of the Proposed Transaction will provide the Group with a breathing space, alongside reducing total debt to a level more commensurate with the lower level of business activity. Furthermore, the proposed Subscription by Phoenix UK Fund will provide the working capital necessary to invest in new inventory, potentially allowing trading volumes to be increased and to facilitate a controlled investment in

digitisation of the intellectual property surrounding the Group's publications and brands. In summary, it will provide some headroom from the day to day financial pressures under which the Group has been operating and allow us the confidence to invest for the future.

The Board believes that in addition to the financial benefits from the Proposed Transaction, the introduction of a long term strategic partner in the shape of Phoenix UK Fund, with experience of supporting similar businesses through transition, will add value beyond just the financial investment to the Group.

4. Use of Subscription proceeds and cash position

The gross proceeds of the Subscription are expected to be utilised as follows:

£5.0 million: Working capital requirements, discharging existing creditors and transaction expenses

£1.2 million: Ear-marked for the acquisition of trading inventory (both stamps and coins)

Following completion of the Proposed Transaction:

- the Group's cash resources will be increased by approximately £5.4 million after the expenses of the Proposed Transaction (being approximately £0.3 million of share issue costs and £0.5 million of other related professional fees); and
- the Group's total obligations to external debt finance (comprising the Phoenix Debt) will be reduced to £10.0 million (which sum will, absent any default under the Debt Facility Restatement Agreement, not be repayable as to principal and interest until the fifth anniversary of completion of the Proposed Transaction).

The attention of Shareholders is drawn to Part 3 of this Document which incorporates the pro forma balance sheet of the Group included in the Company's unaudited interims report and accounts for the six months ended 30 September 2017, but further extended to show the estimated impact of the Proposed Transaction on the Group balance sheet, if it had occurred on 30 September 2017.

5. Summary of principal agreements required to give effect to the Proposed Transaction

Escrow and Framework Agreement

Each of the Subscription, the Debt Restructuring and the Acquisition are inter-conditional, such that they will each only become effective if all are completed simultaneously. The Escrow and Framework Agreement governs how the completion of the Subscription, the Debt Restructuring and the Acquisition will be effected. Under the terms of the Escrow and Framework Agreement, the parties have agreed that on Admission (which must take place by 29 March 2018) and subject to the satisfaction of the steps and conditions described in the Escrow and Framework Agreement, the agreements relating to the Subscription, the Debt Restructuring and the Acquisition, as further described below, will simultaneously and irrevocably complete.

Further information on the terms of the Escrow and Framework Agreement is set out in paragraph 8.13 of Part 5 of this Document.

Subscription Letter

Under the terms of the Subscription Letter, the Company has conditionally agreed to issue the Subscription Shares to Phoenix UK Fund at the Subscription Price, raising approximately £6.2 million for the Company. On completion of the Subscription, Phoenix will hold approximately 58.09 per cent. of the Enlarged Issued Share Capital.

Completion of the Subscription is subject to the satisfaction of certain conditions, including the passing of the Resolutions and Admission. Completion is also subject to the Independent Shareholders passing the Rule 9 Waiver Resolution for the purposes of approving the waiver of any obligation on Phoenix UK Fund to make a Rule 9 Offer as a result of its acquisition of the Subscription Shares. In addition, the Subscription Letter will only proceed to completion if the Debt Restructuring and the Acquisition complete simultaneously in accordance with the terms of the Escrow and Framework Agreement.

Under the terms of the Subscription Letter, Phoenix UK Fund will have the right, for so long as it (and/or its associates) continues to hold not less than 20 per cent. of the issued voting share capital of the Company, to nominate a director to the Board.

Phoenix UK Fund has also made a commitment that, for so long as the Ordinary Shares continue to be traded on AIM, it will procure that a majority of directors on the Board from time to time are independent of Phoenix UK Fund.

Further information on the terms of the Subscription Letter is set out in paragraph 8.11 of Part 5 of this Document.

Debt Restructuring

The Debt Restructuring will be effected in accordance with the terms of the Escrow and Framework Agreement and is conditional on completion of the Subscription and the Acquisition. The primary agreements relating to the Debt Restructuring comprise the RBS Debt Assignment Agreements, the Supplemental Debenture, the SG Guernsey Intercompany Indebtedness Assignment and the Debt Facility Restatement Agreement, the principal terms of which will be as follows:-

(i) RBS Debt Assignment Agreements

Under the terms of the RBS Debt Assignment Agreements, on completion of the Proposed Transaction, RBS will sell and assign all of its right, title and interest in the RBS Debt to Phoenix UK Fund and SGF as follows:

- SGF Debt: £7.0 million in principal sum of the RBS Debt will be acquired by SGF; and
- Phoenix Debt: the balance of the RBS Debt, in the principal sum of up to £10.5 million, will be acquired by Phoenix UK Fund.

To the extent that the RBS Debt at completion of the Proposed Transaction exceeds £17.0 million, Phoenix UK Fund has agreed to pay an additional sum to RBS of up to £500,000 for the acquisition at par of the amount of such excess. In the event that Phoenix UK Fund makes such an additional payment, the Company will reimburse Phoenix UK Fund by making a mandatory prepayment of an amount equal to such additional payment and the Phoenix Debt will be reduced by such amount accordingly.

Phoenix UK Fund (in its capacity as security agent on behalf of Phoenix UK Fund and SGF as lenders) will also acquire all of the existing security granted in favour of NatWest under the RBS Debt Facility Agreement. Such existing security (assigned to Phoenix UK Fund pursuant to the RBS Debt Assignment Agreements) will continue to constitute first ranking security over the business and assets of the Company and certain operating companies within the Group.

Phoenix UK Fund will have the right to take such action as it considers necessary under the Debt Facility Restatement Agreement and/or in respect of the security interests assigned to it pursuant to the RBS Debt Assignment Agreements (as the case may be) for the purposes of preserving its position as a creditor in the administration, subsequent liquidation or other insolvency process relating to SG Guernsey following completion of the RBS Debt Assignment until such time as that process comes to a close.

(ii) Supplemental Debenture

Phoenix UK Fund will also have the benefit of the Supplemental Debenture which will create additional security over the business and assets of the Company and certain companies within the Group and, in particular, certain intellectual property rights within the Group.

(iii) SG Guernsey Intercompany Indebtedness Assignment

Under the terms of the SG Guernsey Intercompany Indebtedness Assignment, the SG Guernsey Intercompany Indebtedness will be assigned to SGL by those other members of the Group to which such indebtedness is owed.

Phoenix UK Fund will then pay £2.75 million to SGL as consideration for the absolute assignment by SGL to Phoenix UK Fund of all SGL's right title and interest in the SG Guernsey Intercompany Indebtedness. Accordingly, Phoenix UK Fund will receive such proceeds from the administration, liquidation or other insolvency process of SG Guernsey as would otherwise be payable to the Group by virtue of the assignment of the SG Guernsey Intercompany Indebtedness.

SGL will then capitalise SGF for £2.75 million by way of a subscription for shares, so as to provide SGF with the necessary funds to acquire the SGF Debt from RBS.

(iv) Debt Facility Restatement Agreement

Under the terms of the Debt Facility Restatement Agreement, Phoenix UK Fund, the Administrators, SGF, the Company and all of the other obligors under the RBS Debt Facility Agreement will agree that on and with effect from completion of the Proposed Transaction, the terms of the RBS Debt Facility Agreement will be amended and restated, such that:

- absent any default under the Debt Facility Restatement Agreement, the residual amount of the Phoenix Debt will be repayable as to principal and all accrued interest on the fifth anniversary of the Completion Date, or on such earlier date or dates as the Company and Phoenix UK Fund may agree from time to time;
- interest on the Phoenix Debt will accrue at a rate of 5.0 per cent. per annum but will not be payable until the expiry of the term or earlier repayment or termination (interest will be capitalised annually);
- no interest will be payable on the SGF Debt;
- Phoenix as lender may (in its absolute discretion) make available a new uncommitted facility to SGL and The Fine Art Auction Group Limited as borrowers, up to a maximum amount of £5.0 million; and
- the only financial covenants will be (i) a cash flow test and (ii) an EBITDA test which will, in each case, be tested for the 12 month periods ending on (i) the last day of each financial year and (ii) the last day of each financial quarter, starting March 2019 with test hurdles of up to a maximum amount of £2.5 million in year 4.

Further information on the terms of the RBS Debt Assignment Agreements, the Supplemental Debenture, the SG Guernsey Intercompany Indebtedness Assignment and the Debt Facility Restatement Agreement is set out in paragraph 8.13 of Part 5 of this Document.

Inventory Acquisition Agreement

In connection with the Proposed Transaction, Phoenix UK Fund has separately reached agreement with the Administrators for the Acquisition of certain trading inventory of SG Guernsey (primarily comprising stamps and other collectibles) for an aggregate consideration of £3.25 million. The completion of the Inventory Acquisition Agreement will be governed by the terms of the Escrow and Framework Agreement and the Acquisition is conditional on completion of the Proposed Transaction.

Further information on the Inventory Acquisition Agreement is set out in paragraph 8.15 of Part 5 of this Document.

6. Information on Phoenix UK Fund

Phoenix UK Fund is a Bahamian domiciled mutual fund with approximately 145 underlying investors comprised of a mixture of institutional and high net worth individuals. The investment objective of Phoenix UK Fund is to deliver excellent long term investment returns mainly from UK equities.

Phoenix UK Fund has assets of approximately £215 million under management as at 31 January 2018 (being the latest practicable date prior to publication of this document).

PAMP is the investment manager of Phoenix UK Fund.

Further details in relation to Phoenix UK Fund and PAMP are set out in paragraphs 1 and 3 of Part 4 of this Document.

7. Intentions of Phoenix UK Fund in respect to the Group

Phoenix UK Fund has a long and successful history of investing in high quality companies and taking a very long term approach, it often follows companies for many years prior to making an investment. This is the case with Stanley Gibbons, and while the size of the stake being taken is relatively unusual for Phoenix UK Fund, this accentuates rather than detracts from their long term perspective and desire to see the business focus on the future.

Phoenix UK Fund is particularly attracted to the Group's strong brands which have leading positions in their respective markets and believes that with a strengthened balance sheet and the flexibility to invest for the future, these brands can become sustainably profitable. In this context, Phoenix UK Fund has had a number of discussions with the management of the Group and is supportive of this team and their strategic plans, as set out in paragraph 2 of this letter under the heading "The Future Business of the Group". Phoenix UK Fund intends to work collaboratively with the management and Board to give the business and its future direction the greatest chance of success.

Following a sustained period of restructuring and downsizing by the current management team, which Phoenix UK Fund believes was entirely necessary, a new phase in the Group's development is required; this involves Phoenix UK Fund investing in the business, the brand, the people and the wider markets in which the Company operates. Phoenix UK Fund does not intend to drive unsustainable profitability by reducing headcount, making material changes to employment conditions or changing the balance of skills in the Group. On the contrary, it hopes to see the Group grow successfully over many years. Similarly there are no plans to change the Group's main places of business or headquarters, nor to rationalise the Group's fixed asset base. The Group does not have material research and development operations, and accordingly, Phoenix UK Fund does not intend to make any changes in this regard.

In terms of employees, Phoenix UK Fund has already begun considering ways to improve incentives for staff at all levels of the organisation and is committed to helping to build a culture in which employees are excited to work. In addition, it has been agreed in principle to give a second charge over the Group's assets to the pension schemes which are currently in deficit and Phoenix UK Fund looks forward to working constructively with the pension scheme trustees for many years to come.

Phoenix UK Fund has confirmed that it has no intention that would affect the maintenance of the existing trading of the Ordinary Shares on AIM.

The Board views the Proposed Transaction as a very clear confirmation of Phoenix UK Fund's belief in the opportunities that still exist for the Company and demonstrative of Phoenix UK Fund's long term support in achieving this.

8. Waiver of the obligation to make a general offer under Rule 9 of the Takeover Code

The Subscription gives rise to certain considerations under the Takeover Code. Brief details of the Takeover Code and the protection this affords Shareholders are described below.

The Takeover Code is issued and administered by the Panel. The Code and the Panel operate to ensure fair and equal treatment of shareholders in relation to takeovers, and also provide an orderly framework within which takeovers are conducted. The Code applies to all takeovers and merger transactions, where the company is, among others, a listed or unlisted public company with its registered office in the United Kingdom, the Channel Islands or the Isle of Man or falls within certain categories of private limited companies. Stanley Gibbons is such a company and accordingly its Shareholders are entitled to the protection afforded by the Code.

Under Rule 9 of the Takeover Code, when (i) a person acquires an interest in shares which, taken together with shares in which he and persons acting in concert with him are interested in, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code, or (ii) any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the

voting rights of the company subject to the Takeover Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him, or any persons acting in concert with him, for shares in that company or an interest in shares in that company within the preceding 12 months, for all the remaining equity share capital of that company.

Under the Takeover Code, a “concert party” arises, *inter alia*, when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company. Under the Takeover Code, control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. In this context, voting rights means all the voting rights attributable to the capital of the company which are currently exercisable at a general meeting. The Takeover Code also states that, directors of a company will be presumed to be acting in concert with the company of which they are a director.

Under Note 1 on the Notes on the Dispensations from Rule 9, the Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 (a “**Rule 9 Offer**”) if, *inter alia*, those shareholders of the Company who are independent of the person who would otherwise be required to make an offer pass an ordinary resolution on a poll at a general meeting approving such a waiver.

As at the date of this Document, Phoenix UK Fund and its concert parties do not hold any interest in Ordinary Shares of the Company. Following completion of the Subscription, Phoenix UK Fund will hold the Subscription Shares which will represent approximately 58.09 per cent. of both the Enlarged Issued Share Capital and total voting rights of the Company.

In relation to the Proposed Transaction, the Panel has been consulted and has agreed, subject to Independent Shareholders’ approval on a poll of the Rule 9 Waiver Resolution, to waive the requirement for Phoenix UK Fund or any persons acting in concert with it to make a Rule 9 Offer to all Shareholders where such an obligation would otherwise arise as a result of the Subscription. The Rule 9 Waiver Resolution will be passed if approved by a simple majority of votes cast by the Independent Shareholders on a poll.

Following completion of the Proposed Transaction and Admission, Phoenix UK Fund will hold Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company. As such Phoenix UK Fund will be free to acquire further interests in shares in the Company (including Ordinary Shares) without being obliged to make any Rule 9 Offer to all Shareholders under the Takeover Code. In the event that the Rule 9 Waiver Resolution is passed, Phoenix UK Fund will not be restricted from making an offer for the Company if it chooses to. The Code requires the Directors to obtain competent independent advice regarding the merits of the transaction which is the subject of the Rule 9 Waiver Resolution, the controlling position which it will create and the effect it will have on the Shareholders generally. Accordingly, finnCap has been appointed as the Company’s independent financial adviser for the purposes of recommending that Independent Shareholders vote in favour of the Rule 9 Waiver Resolution.

9. Extraordinary General Meeting

An Extraordinary General Meeting of the Company is being convened for 10.00 a.m. on 16 March 2018 to be held at the Company’s head office at 399 Strand, London WC2R 0LX at which the Resolutions will be proposed. Notice of the Extraordinary General meeting is set out at the end of this Document.

The Subscription Resolutions, which are conditional on the passing of the Rule 9 Waiver Resolution, will be proposed as follows:-

- Resolution 1 will be proposed as a special resolution to increase the Company’s authorised share capital to allow for the issue of the Subscription Shares.
- Resolution 2 will be proposed as a special resolution (and will be conditional on the passing of Resolutions 1 and 3) to empower the Directors to allot and issue the Subscription Shares pursuant to the authority granted by Resolution 3 free of the pre-emption rights contained in the articles of association of the Company. The power granted by this resolution, if passed, will be in addition to,

and will not revoke or supersede, the power to allot Ordinary Shares on a non pre-emptive basis granted to the Directors at the annual general meeting of the Company held on 1 November 2017.

- Resolution 3 will be proposed as an ordinary resolution (and will be conditional on the passing of Resolution 1) to authorise the Directors to allot and issue the Subscription Shares pursuant to the Subscription. The authority granted by this resolution, if passed, will be in addition to, and will not revoke or supersede, the authority to allot Ordinary Shares granted to the Directors at the annual general meeting of the Company held on 1 November 2017.

The Rule 9 Waiver Resolution, which will approve the granting of the Rule 9 Waiver by the Panel, will be proposed as an ordinary resolution and will require a simple majority of the votes cast to be cast in favour, in order for it to be passed. The Rule 9 Waiver Resolution will be decided on a poll. Only the Independent Shareholders will be entitled to vote on the Rule 9 Waiver Resolution.

10. Action to be taken in respect of the Extraordinary General Meeting

Please check that you have received with this Document a reply-paid (in the UK only) Form of Proxy for use in respect of the Extraordinary General Meeting.

Whether or not you propose to attend the Extraordinary General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, BR3 4TU, by no later than 10.00 a.m. on 16 March 2018 (or, in the case of an adjournment of the Extraordinary General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your Ordinary Shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of Extraordinary General Meeting set out at the end of this Document). Proxies submitted via CREST must be received by the Company's agent (RA10) by no later than 10.00 a.m. on 14 March 2018 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the Extraordinary General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the Extraordinary General Meeting, or any adjournment thereof, in person should you wish to do so.

11. Positive outcome for the Group and its Shareholders

The Directors believe that the Proposed Transaction, if implemented, will help to create a stronger capital structure and will provide the Company with a strategic partner that will assist in enabling the execution of the Board's strategy to put Stanley Gibbons back at the heart of worldwide philatelic and numismatic trading. Accordingly, the Directors believe the Proposed Transaction to be in the best interest of all those with an economic interest in the Group.

The Company is not currently generating sufficient cash to enable it to fund capital repayments due to RBS pursuant to the terms of the RBS Debt Facility Agreement. Additionally, there have been a number of historic breaches of the covenants in the RBS Debt Facility Agreement and, although some have been waived by RBS, the existing facilities are currently in default and therefore repayable on demand.

Based on projected cash flows, and without taking into account the requirement to repay the indebtedness owed to RBS under the RBS Debt Facility Agreement before its maturity date at the end of May 2018, the Board believes the Company requires additional capital in the short term of approximately £5.0 million.

If the Proposed Transaction is not implemented, the Group will not have the funding it needs and to meet its obligations under the RBS Debt Facility Agreement and its trading activities.

Completion of the Proposed Transaction will:

- result in reduction of the Group's overall external debt finance to £10.0 million and a reduced interest and covenant burden for the Group;
- provide working capital headroom to enable the Board to complete the turnaround strategy pursued since January 2016; and
- secure for the Group a strategic partner with a history of investing in brand-led consumer businesses.

12. Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting in respect of a total of 54,473,988 Ordinary Shares equating to 30.44 per cent. of the Existing Ordinary Shares currently in issue.

Details of these irrevocable undertakings are as follows:

- Lombard Odier Asset Management (USA) Corp, acting as discretionary investment manager in respect of in aggregate 37,736,795 Ordinary Shares, equating to approximately 21.09 per cent. of the Existing Ordinary Shares;
- Lombard Odier Asset Management (Europe) Limited acting as discretionary investment manager or sub-adviser in respect of in aggregate 12,437,193 Ordinary Shares equating to approximately 6.95 per cent. of the Existing Ordinary Shares;
- the Directors who hold in aggregate 2,500,000 Ordinary Shares equating to approximately 1.40 per cent. of the Ordinary Shares currently in issue; and
- ESCL which holds 1,800,000 Ordinary Shares equating to approximately 1.00 per cent. of the Existing Ordinary Shares.

13. Recommendation

The Directors, having been so advised by finnCap, consider the Subscription, the other terms for the Proposed Transaction and the Rule 9 Waiver to be fair and reasonable and in the best interests of Independent Shareholders and the Company as a whole. In providing advice to the Directors, finnCap has taken into account the Directors' commercial assessments.

If the Resolutions and the Rule 9 Waiver Resolution are not approved by the requisite number of Shareholders or the Proposed Transaction does not proceed for any other reason, the Company will be required to urgently secure financing from alternative sources, which may not be forthcoming. The Company remains in default of all of its facilities and it may not be possible to secure alternative financing and, even were it to be possible, will not, in the Directors opinion, result in a more favourable outcome for Shareholders. In that scenario, the Company could have insufficient working capital to continue trading as a going concern, which would be likely to have a significant negative impact on the Company's existing equity share capital.

Accordingly, the Directors unanimously recommend that all Shareholders vote in favour of the Subscription Resolution and that all Independent Shareholders vote in favour of the Rule 9 Waiver Resolution to be proposed at the Extraordinary General Meeting, as they have irrevocably undertaken to do in respect of their beneficial holdings which amount to, in aggregate, 2,500,000 Ordinary Shares, representing approximately 1.40 per cent. of the Company's issued share capital.

Yours faithfully,

Harry Wilson
Chairman

PART 2

FINANCIAL INFORMATION

1. The Stanley Gibbons Group Plc

The following information is incorporated by reference into this Document pursuant to Rule 24.15 of the Code and is available free of charge on the Company's website at <http://www.stanleygibbonsplc.com>. A Shareholder may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by writing to The Stanley Gibbons Group Plc, 399 Strand, London WC2R 0LX or between 9.00 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) by calling +44 (0)20 7836 8444.

- (i) The unaudited interims results for the six months ended 30 September 2017;
- (ii) The annual report and accounts of the Company for the year ended 31 March 2017;
- (iii) The annual report and accounts of the Company for the year ended 31 March 2016; and
- (iv) The annual report and accounts of the Company for the year ended 31 March 2015.

All reports referenced above can be found at the following website address:

www.stanleygibbonsplc.com

The Company's annual report and accounts listed above contain the Company's audited consolidated financial statements for the financial years ended 31 March 2017, 31 March 2016 and 31 March 2015, together with the audit report in respect of each year.

<i>Information incorporated by reference to this Document</i>	<i>Reference document</i>	<i>Page number in reference document</i>
For the Six Months ended 30 September 2017		
Interim results announcement dated 29 December 2017	Interim Results Announcement	
For the year ended 31 March 2017		
Independent auditor's report	Annual Report 2017	27-29
Consolidated statement of comprehensive income for the year ended 31 March 2017	Annual Report 2017	30
Consolidated statement of changes in equity for the year ended 31 March 2017	Annual Report 2017	32
Consolidated statement of financial position at 31 March 2017	Annual Report 2017	31
Consolidated cash flow statement for the year ended 31 March 2017	Annual Report 2017	33
Notes to the consolidated financial statements	Annual Report 2017	34-74
For the year ended 31 March 2016		
Independent auditor's report	Annual Report 2016	30-31
Consolidated statement of comprehensive income for the year ended 31 March 2016	Annual Report 2016	32
Consolidated statement of changes in equity for the year ended 31 March 2016	Annual Report 2016	34
Consolidated statement of financial position at 31 March 2016	Annual Report 2016	33
Consolidated cash flow statement for the year ended 31 March 2016	Annual Report 2016	35
Notes to the consolidated financial statements	Annual Report 2016	36-37

<i>Information incorporated by reference to this Document</i>	<i>Reference document</i>	<i>Page number in reference document</i>
For the year ended 31 March 2015		
Independent auditor's report	Annual Report 2015	13
Consolidated statement of comprehensive income for the year ended 31 March 2015	Annual Report 2015	14
Consolidated statement of changes in equity for the year ended 31 March 2015	Annual Report 2015	16
Consolidated statement of financial position at 31 March 2015	Annual Report 2015	15
Consolidated cash flow statement for the year ended 31 March 2015	Annual Report 2015	17
Notes to the consolidated financial statements	Annual Report 2015	18-43

2. Phoenix UK Fund

The following information is incorporated by reference into this Document pursuant to Rule 24.15 of the Code and is available free of charge on Phoenix UK Fund's website at <https://www.phoenixassetmanagement.com/news/26>. A Shareholder may request a copy of such information in hard copy form (hard copies will not be provided unless requested). Hard copies may be requested by writing to The Stanley Gibbons Group Plc, 399 Strand, London WC2R 0LX or between 9.00 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) by calling +44 (0)20 7836 8444.

- (i) The audited financial statements of Phoenix UK Fund for the period 1 January 2015 to 31 December 2015; and
- (ii) The audited financial statements of Phoenix UK Fund for the 1 January 2016 to 31 December 2016.

All reports referenced above can be found at the following website address: <https://www.phoenixassetmanagement.com/news/26>

Save as set out above, neither the PAMP website, nor the content of any website accessible from hyperlinks on the PAMP website, is incorporated into, or forms part of, this Document.

PART 3

PRO-FORMA BALANCE SHEET

The pro forma balance sheet that was included in the unaudited interims report and accounts for the six months ended 30 September 2017 is below and has been further extended to show the estimated theoretical impact of the above events on the Group balance sheet, if they had also occurred on 30 September 2017.

	<i>Statement of financial position as at 30 September 2017 £'000</i>	<i>Guernsey administration & Interiors disposal £'000</i>	<i>Pro forma included in Interim Report as at 30 September 2017 £'000</i>	<i>Assignment of S G Guernsey debt £'000</i>	<i>Debt restructuring £'000</i>	<i>Share issue £'000</i>	<i>Revised pro forma as at 30 September 2017 £'000</i>
Non-current assets							
Intangible assets	6,906	–	6,906	–	–	–	6,906
Property, plant and equipment	3,318	–	3,318	–	–	–	3,318
Deferred tax asset	1,344	–	1,344	–	–	–	1,344
	<u>11,568</u>	<u>–</u>	<u>11,568</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>11,568</u>
Current Assets							
Inventories	52,011	(26,505)	25,506	–	–	–	25,506
Trade and other receivables	4,221	(997)	3,224	–	–	–	3,224
Assets held for sale	951	(951)	–	–	–	–	–
Cash and cash equivalents	1,081	427	1,508	–	–	5,531	7,039
	<u>58,264</u>	<u>(28,026)</u>	<u>30,238</u>	<u>–</u>	<u>–</u>	<u>5,531</u>	<u>35,769</u>
Total assets	<u>69,832</u>	<u>(28,026)</u>	<u>41,806</u>	<u>–</u>	<u>–</u>	<u>5,531</u>	<u>47,337</u>
Current liabilities							
Trade and other payables	27,846	(18,399)	9,447	–	–	–	9,447
Borrowings	17,369	–	17,369	(2,750)	(4,250)	(369)	10,000
	<u>45,215</u>	<u>(18,399)</u>	<u>26,816</u>	<u>(2,750)</u>	<u>(4,250)</u>	<u>(369)</u>	<u>19,447</u>
Non-current liabilities							
Other payables	2,904	(2,904)	–	–	–	–	–
Retirement benefit obligations	6,086	–	6,086	–	–	–	6,086
Deferred tax liabilities	554	–	554	–	–	–	554
	<u>9,544</u>	<u>(2,904)</u>	<u>6,640</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>6,640</u>
Total liabilities	<u>54,759</u>	<u>(21,303)</u>	<u>33,456</u>	<u>(2,750)</u>	<u>(4,250)</u>	<u>(369)</u>	<u>26,087</u>
Net assets	<u>15,073</u>	<u>(6,723)</u>	<u>8,350</u>	<u>2,750</u>	<u>4,250</u>	<u>5,900</u>	<u>21,250</u>
Equity							
Called up share capital	1,789	–	1,789	–	–	2,480	4,269
Share premium account	74,847	–	74,847	–	–	3,420	78,267
Share compensation reserve	2,033	–	2,033	–	–	–	2,033
Capital redemption reserve	38	–	38	–	–	–	38
Revaluation reserve	346	–	346	–	–	–	346
Retained earnings	(63,980)	(6,723)	(70,703)	2,750	4,250	–	(63,703)
Equity shareholders' funds	<u>15,073</u>	<u>(6,723)</u>	<u>8,350</u>	<u>2,750</u>	<u>4,250</u>	<u>5,900</u>	<u>21,250</u>

PART 4

INFORMATION ON PHOENIX UK FUND

The information set out in this Part 4 which relates to Phoenix UK Fund has been accurately reproduced from information provided by Phoenix UK Fund. As far as the Company is able to ascertain from this information, no facts have been omitted which would render the information in this Part 4 which relates to Phoenix UK Fund inaccurate or misleading.

1. Information on Phoenix UK Fund

Phoenix UK Fund was incorporated in The Commonwealth of the Bahamas on 13 February 1998 (with registration number 72,182B), as an open-ended fund under the International Business Companies Act, 1989 and, as such, is governed by the laws of The Commonwealth of the Bahamas. Phoenix UK Fund's registered office is at c/o Sterling Group, P.O. Box N-9934, Suite 205-A, Saffrey Square, Bay Street, Nassau, Bahamas. PAMP is the investment manager of Phoenix UK Fund.

2. Directors

Phoenix UK Fund's board is comprised of:

- Director – Steven Tatters
- Director – Mark Wildish
- Director – Alan Cole

None of the directors of Phoenix UK Fund are directly interested in the Ordinary Shares of the Company.

3. Information on PAMP

PAMP is an investment management firm incorporated in England and Wales on 20 February 1998 with registered number 03514660, and is authorised by the Financial Conduct Authority. It has assets of approximately £800 million under management as at 31 January 2018 (being the latest practicable date prior to this document) and specialises in making long-term, value-based investments based upon its own proprietary research. It is the investment manager to Phoenix UK Fund. The investment goals of PAMP are capital preservation and excellent long-term returns.

The shareholders of PAMP and their respective percentage shareholdings as at 23 February 2018 (being the latest practicable date prior to the date of this Document) are set out in the table below:

<i>Name</i>	<i>Percentage shareholding in PAMP (%)</i>
Channon Holdings Limited	84.91
Sir Peter Thompson	9.43
Charlotte Maby	2.83
Roger Canham	2.83
Gary Channon	0.000094

A summary of each of the shareholders of PAMP is set out below:

- *Channon Holdings Limited* – Channon Holdings Limited is the majority shareholder of PAMP. It was incorporated on 20 March 2013 and receives income from its investment in PAMP. Its directors are Gary Channon, Sedef Channon and Steven Tatters. Its shareholders are Gary Channon, Sedef Channon and Steven Tatters who hold 62.64 per cent., 36.8 per cent. and 0.56 per cent respectively.
- *Sir Peter Thompson* – Sir Peter Thompson is a retired businessman, having previously been chairman of NFC Plc, F.I. Group Plc, Community Hospitals Plc and Proshare. He led the successful employee buy-out of NFC Plc from the UK government and, as a result of its success, many of the drivers and fitters who invested in such company saw their share values rise 120 times over a 9 year period.

- *Charlotte Maby* – Charlotte has been with PAMP for 16 years and became a partner in 2010. She is the managing director of PAMP and spends most of her time on research. Her areas of expertise include fast-moving consumer goods (both for national and multi-national companies), grocery retail, banking groups, pub companies and advertising. Before joining PAMP, Charlotte worked in investment management at Ernst & Young LLP, where she passed the ACA Chartered Accountancy exams. She holds a Masters in Mechanical Engineering. Charlotte also studied Manufacture & Management at the University of Birmingham and the University of Illinois and spent two years working in industry at Alvis Aerospace and Procter & Gamble.
- *Gary Channon* – Gary Channon co-founded PAMP in 1998 and has managed Phoenix UK Fund since its launch that year. Using the same strategy applied to Phoenix UK Fund, Gary also manages additional segregated accounts for pension fund clients. Gary has over 30 years of business and financial services experience. His career began in fixed income trading at Nikko Securities Europe in 1987. He joined Goldman Sachs in 1989, working in global equity derivative products trading. In 1992, Gary joined Nomura International PLC as head of equity derivative trading. He remained at Nomura International as co-head of equity and equity derivatives trading until moving on to co-found PAMP.

4. Material Contracts

The following contracts are all material contracts (not being contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this Document by Phoenix UK Fund and/or any of its subsidiaries:-

- 4.1 In the context of the formal sale process conducted by the Company in 2017 (as defined in note 2 on Rule 2.6 of the Code), the Company and PAMP, the discretionary fund manager to Phoenix UK Fund, entered into a confidentiality agreement dated 17 August 2017, pursuant to which PAMP agreed to keep confidential certain information provided to PAMP in the context of its due diligence exercise in relation to the Group.
- 4.2 The irrevocable undertakings to vote in favour of the Resolutions, as further described in paragraph 8.14 of Part 5.
- 4.3 The Subscription Letter, as further described in paragraph 8.11 of Part 5.
- 4.4 The Escrow and Framework Agreement (including to the other agreements to be entered into in order to give effect to the Debt Restructuring), as further described in paragraph 8.13 of Part 5.
- 4.5 The Inventory Acquisition Agreement, as further described in paragraph 8.15 of Part 5.

5. Financial Information on Phoenix UK Fund

The audited financial statements of Phoenix UK Fund for the period 1 January 2015 to 31 December 2015 and for the period 1 January 2016 to 31 December 2016 can be found on PAMP's website <https://www.phoenixassetmanagement.com/news/26>, from where they can be downloaded and printed, and are incorporated into this Document by reference to such website in accordance with Rule 24.15 of the Takeover Code. Please see paragraph 2 of Part 2 for details of obtaining copies of documents incorporated by reference.

The audited financial statements referenced above is available free of charge in a read only, printable format from the hyperlink set out above.

Save as set out above, neither the PAMP website, nor the content of any website accessible from hyperlinks on the PAMP website, is incorporated into, or forms part of, this Document.

PART 5

ADDITIONAL INFORMATION

1. Responsibility of the Company and the Directors

The Directors, whose names are set out on page 4 of this Document, accept responsibility for all the information contained in this Document (other than the information for which responsibility is accepted pursuant to paragraph 2 of this Part 5). To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Responsibility for information on Phoenix UK Fund and PAMP

The directors of Phoenix UK Fund, whose names are set out in paragraph 2 of Part 4 of this Document, accept responsibility for the information contained in this Document relating to Phoenix UK Fund, its concert parties and PAMP. To the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

3. Offer-Related Arrangements

3.1 In the context of the formal sale process conducted by the Company in 2017 (as defined in note 2 on Rule 2.6 of the Code), the Company and PAMP entered into a confidentiality agreement dated 17 August 2017, pursuant to which PAMP agreed to keep confidential certain information provided to PAMP in the context of its due diligence exercise in relation to the Group.

3.2 Save as referred to in paragraph 3.1 above and pursuant to the agreements referred to in this Document and entered into for the purposes of giving effect to the Proposed Transaction, there are no arrangements (as defined in paragraph 6 below) which exist between the Company or any person acting in concert with the Company and any other person. Save as aforesaid, there are no arrangements which exist between Phoenix UK Fund or any person acting in concert with Phoenix UK Fund and any other person.

4. Consent to inclusion of advice

finnCap, an independent financial adviser, is registered in England and Wales (with number 06198898) and has its registered office at 60 New Broad Street, London EC2M 1JJ. finnCap has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its recommendation herein and the references to its name in the form and context in which they are included.

5. No significant change in financial or trading position of the Company

Save as set out in the announcement of the Company's interim results for the six months ended 30 September 2017 (the "Interim Results") published by the Company on 29 December 2017, there has been no significant change in the financial or trading position of the Group since 30 September 2017, being the end of the period covered by the Interim Results.

6. Disclosure of interests and dealings in shares

6.1 Definitions

For the purposes of this Part 5:

- (a) "acting in concert" has the meaning attributed to it in the Code;
- (b) "arrangement" includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

- (c) **“connected adviser”** has the meaning attributed to it in the Code;
- (d) **“connected person”** has the meaning attributed to it in section 252 of the Act;
- (e) **“control”** means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control;
- (f) **“dealing”** or **“dealt”** includes the following:
 - i. the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities;
 - ii. the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
 - iii. subscribing or agreeing to subscribe for relevant securities;
 - iv. the exercise or conversion of any relevant securities carrying conversion or subscription rights (whether in respect of new or existing securities);
 - v. the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
 - vi. entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and
 - vii. any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- (g) **“derivative”** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (h) **“disclosure date”** means 23 February 2018, being the latest practicable date prior to the posting of this Document;
- (i) **“disclosure period”** means the period commencing on 27 February 2017, being the date 12 months prior to the date of the posting of this Document and ending on the disclosure date;
- (j) **“exempt principal trader”** or **“exempt fund manager”** has the meaning attributed to it in the Code;
- (k) being **“interested”** in relevant securities includes where a person:
 - i. owns relevant securities;
 - ii. has a right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
 - iii. by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
 - iv. is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- (l) **“relevant Phoenix UK Fund securities”** means shares in Phoenix UK Fund or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any shares in Phoenix UK Fund;
- (m) **“relevant Company securities”** means Ordinary Shares, or any securities convertible into, or exchangeable for, rights to subscribe for and options (including traded options) in respect of, and derivatives referenced to, any Ordinary Shares;
- (n) **“relevant securities”** means relevant Phoenix UK Fund securities or relevant securities in the Company; and

- (o) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

6.2 **Phoenix UK Fund’s interests in the Company**

As at the date of this Document (and save for the rights to acquire the Subscription Shares pursuant to the Subscription Letter), neither Phoenix UK Fund nor any person acting in concert with it has any interest in relevant Company securities. The maximum percentage interest in Ordinary Shares of Phoenix UK Fund following the Subscription assuming that there are no further issuances of Ordinary Shares by the Company and no disposals by Phoenix UK Fund are as follows:

	<i>As at the date of this Document</i>		<i>Following the Subscription</i>	
	<i>Ordinary Shares</i>	<i>Per cent. of Issued Share Capital</i>	<i>Ordinary Shares</i>	<i>Per cent. of Enlarged Issued Share Capital</i>
Phoenix UK Fund	–	–	248,000,000*	58.09

- * Assumes that Phoenix UK Fund will hold a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission. Under the terms of the Subscription Letter, if prior to Admission it becomes evident that Phoenix UK Fund will not hold a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission, then the Company shall issue such greater number of Ordinary Shares to Phoenix UK Fund as shall result in it holding a minimum of 58 per cent. of the Enlarged Issued Share Capital at Admission. In such case, the Subscription Price shall be reduced such that the aggregate Subscription Price payable by Phoenix UK Fund does not exceed £6.2 million.

6.3 **Market dealings in relevant Company securities by Phoenix UK Fund and persons acting in concert with it**

No dealings have taken place during the disclosure period in relevant Company securities by Phoenix UK Fund, or any other person acting in concert with Phoenix UK Fund.

6.4 **Other dealings**

As at the close of business on the disclosure date and during the disclosure period and save as set out in this Document:

6.5 **Interests and dealings in the Company**

- neither Phoenix UK Fund nor any of the Phoenix UK Fund Directors (including any members of such Phoenix UK Fund Directors’ respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant securities, nor had any such party dealt in any relevant Company securities;
- no person acting in concert with Phoenix UK Fund had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities;
- neither Phoenix UK Fund nor any person acting in concert with Phoenix UK Fund had borrowed or lent any relevant Company securities;
- neither the Company nor any person acting in concert with the Company had borrowed or lent any relevant Company securities; and
- the Company has not redeemed or purchased any relevant Company securities;

6.6 **Interests and dealings in Phoenix UK Fund**

- neither the Company nor any of the Directors (including any members of such Directors’ respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant securities, nor had any such party dealt in any relevant Phoenix UK Fund securities; and

- (b) no person acting in concert with the Company had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Phoenix UK Fund securities, nor had any such person dealt in any relevant Phoenix UK Fund securities;

6.7 **Interests and dealings in both Phoenix UK Fund and the Company**

- (a) no person acting in concert with the Company had any interest in, or right to subscribe for, or had any short position in relation to, any relevant securities;
- (b) no pension fund of the Company or person acting in concert with the Company had any interest in or right to subscribe for, or had any short position in relation to, any relevant securities;
- (c) no employee benefit trust of the Company or any person acting in concert with the Company had any interest in or right to subscribe for, or had any short position in relation to, any relevant securities; and
- (d) no connected adviser to the Company or any person acting in concert with the Company, nor any person controlling, controlled by or under the same control as any such connected adviser (except for an exempt principal trader or exempt fund manager) had any interest in or right to subscribe for, or had any short position in relation to, any relevant securities.
- 6.8. Save as disclosed in this Document, there is no agreement, arrangement, or understanding (including any compensation arrangement) between Phoenix UK Fund or any person acting in concert with it and any of the Directors, recent directors, Shareholders, or recent shareholders of the Company, or any person interested or recently interested in Ordinary Shares having any connection with or dependence upon the proposals set out in this Document.
- 6.9. No agreement, arrangement or understanding exists whereby the Ordinary Shares acquired pursuant to the Subscription will be transferred to any other party, except that Phoenix UK Fund reserves the right to transfer any such shares to any member of its group.

6.10 **Directors' interests**

As at 23 February 2018 (being the latest practicable date prior to the posting of this Document), the interests of the Directors in Ordinary Shares which have been notified to the Company pursuant to Part 22 of the Act or are interests of a person connected with any Director which would, if the connected person were a Director, be required to be disclosed as set out below and the existence of which is known or could with reasonable diligence be ascertained by the relevant Director, are set out below:

<i>Director</i>	<i>Number of Options over Ordinary shares held</i>	<i>Number of Ordinary Share held</i>	<i>Percentage of the Company's current issued share capital</i>	<i>Percentage of the Company's share capital following Admission</i>
Harry Wilson*	2,000,000	2,000,000	1.12	0.47
Andrew Cook	2,000,000	–	–	–
Louis Castro	–	–	–	–
Clive Whiley**^	–	500,000	0.28	0.12
Henry Turcan***	–	–	–	–

* Held in the name of Park Securities Limited for Roselea Limited, both companies in which H Wilson is a director and shareholder.

** Held in the name of Zodiac Executive Pension Scheme, of which C Whiley is a beneficiary.

*** Mr Turcan does not have any beneficial interest in the ordinary shares of the Company, Lombard Odier Asset Management (Europe) Limited and Lombard Odier Asset Management (USA) Limited, Mr Turcan's ultimate employer, together hold 52,173,988 ordinary shares representing 29.16 per cent. of the Company's current issued share capital and 12.22 per cent. of the Company's issued share capital following Admission.

^ ESCL, Mr. Whiley's ultimate employer holds 1,800,000 Ordinary Shares representing 1.00 per cent. of the Company's current issued share capital and 0.42 per cent. of the Company's issued share capital following Admission.

7. Director service contracts

The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to each Director by the Group for services in all capacities to the Group in respect of the financial year ended 31 March 2017, together with the total amount set aside to provide pension, retirement or similar benefits to each Director, were as follows:

<i>Name of Director</i>	<i>Remuneration and other benefits (£'000)</i>	<i>Benefits in kind (£) (£'000)</i>	<i>Pension Contributions (£'000)</i>
Harry Wilson	106	–	3
Andrew Cook	126	–	2
Louis Castro	21	–	–
Clive Whiley	–	–	–
Henry Turcan	21	–	–

Details of the directors' service contracts or appointment letters, all of which are between each individual director and the Company (other than in the case of Clive Whiley, whose services are provided pursuant to an agreement between the Company and ESCL, are as follows:

7.1 **Harry Wilson**

Harry Wilson was engaged as a non-executive director pursuant to an appointment letter dated 13 May 2016 (the "HW Appointment Letter"). Under the HW Appointment Letter, Mr Wilson's appointment continues unless and until terminated by either party giving not less than three months' prior written notice and he is entitled to receive a fee for this appointment of £60,000 per annum. Mr Wilson is entitled to reimbursement for all reasonable expenses incurred in discharging his duties, but otherwise is not be entitled to bonus, pension scheme, share option or other benefit arrangements

Pursuant to a separate executive service contract dated 2 September 2016 (the "HW Service Agreement") and entered into between the Company and Mr Wilson following his appointment as interim executive Chairman (as announced by the Company on 15 July 2016), Mr Wilson was engaged as an executive director of Stanley Gibbons. His employment in that capacity is deemed to have commenced on 12 July 2016. Mr Wilson's employment continues until terminated by either party giving not less than three months' prior written notice. Mr Wilson receives a basic salary of £90,000 per annum (in addition to the remuneration to which is entitled pursuant to the HW Appointment letter) and received a one off option award over two million Ordinary Shares as disclosed in paragraph 6.10 of this Part 5. Under the HW Service Agreement, Mr Wilson is eligible to participate in the Company's auto-enrolment defined contribution pension scheme and is entitled to reimbursement for all reasonable expenses incurred in discharging his duties but otherwise has no entitlement to bonus, enhanced pension scheme or other benefit arrangements.

Pursuant to an agreement dated 23 February 2018, it has been agreed between the Company and Mr Wilson that, with effect from completion of the Proposed Transaction, Mr Wilson will step down from his position as an executive director, but resume his role as a non-executive director and Non-Executive Chairman of the Company. Mr Wilson will not be entitled to any compensation in respect of termination of the HW Service Agreement and his appointment will thereafter be governed solely by the HW Appointment Letter.

7.2 **Andrew Cook**

Andrew Cook is employed as an executive director and the Group Managing Director of Stanley Gibbons pursuant to a service agreement dated 31 March 2016. His employment is deemed to have commenced on 31 May 2016. Mr Cook's employment continues unless and until terminated by either party giving not less than six months' prior written notice. On 14 July 2016, Mr Cook joined the Board as the Chief Finance Officer of Stanley Gibbons.

Mr Cook receives a basic salary of £150,000 per annum and is eligible for a discretionary annual bonus as determined by the Board. Mr Cook received a one off option award over two million Ordinary Shares as disclosed in the table above. Mr Cook is also entitled to private medical scheme,

life assurance cover and contribution by the Company (equating to 5 per cent. of salary) to his personal pension plan.

7.3 **Louis Castro**

Louis Castro was appointed as a non-executive director of Stanley Gibbons pursuant to a letter of appointment dated 28 September 2016. His appointment is deemed to have commenced on 3 October 2016. Mr Castro's appointment continues until terminated by either party giving not less than three months' prior written notice. Mr Castro receives a fee for this appointment of £35,000 per annum. Mr Castro is entitled to reimbursement for all reasonable expenses incurred in discharging his duties but otherwise has no entitlement to bonus, pension scheme, share option or other benefit arrangements.

7.4 **Clive Whiley**

The Company entered into an agreement with ESCL on 23 December 2015 pursuant to which ESCL was engaged to, *inter alia*, provide management support, assist with raising equity capital and identify joint venture partners to assist in the development of the Company's overseas business on a non-exclusive basis (the "ESCL Service Agreement"). In furtherance of the services provided by ESCL pursuant to the ESCL Service Agreement, Clive Whiley (who is a director of ESCL) was appointed as an executive director of Stanley Gibbons on 31 March 2016. Mr Whiley is remunerated by ESCL. Under the terms of the ESCL Service Agreement, ESCL is entitled to a monthly fee of £25,000 plus applicable VAT.

Pursuant to an agreement dated 23 February 2018, it has been agreed between the Company, ESCL and Clive Whiley that, with effect from completion of the Proposed Transaction, the ESCL Service Agreement will be terminated and Mr Whiley will thereupon become a non-executive director of the Company.

Mr Whiley's appointment will be governed by an appointment letter to be entered into between the Company and Mr Whiley (the "CW Appointment Letter"). Under the CW Appointment Letter, Mr Whiley's appointment will be for an initial term of twelve months and will continue thereafter unless and until terminated by either party giving not less than three months' prior written notice. Mr Whiley will receive a fee for this appointment of £35,000 per annum which will be paid to his employer ESCL. Mr Whiley will be entitled to reimbursement for all reasonable expenses incurred in discharging his duties but otherwise will have no entitlement to bonus, pension scheme, share option or other benefit arrangements.

7.5 **Henry Turcan**

Henry Turcan was appointed as a non-executive director of Stanley Gibbons pursuant to a letter of appointment dated 23 May 2016. Mr Turcan's appointment continues unless and until terminated by either party giving not less than three months' prior written notice. Mr Turcan receives a fee for this appointment of £35,000 per annum which is paid to his employer Lombard Odier Asset Management (UK) Limited. Mr Turcan is entitled to reimbursement for all reasonable expenses incurred in discharging his duties but otherwise has no entitlement to bonus, pension scheme, share option or other benefit arrangements.

Pursuant to an agreement dated 22 February 2018, subject to and conditional on completion of the Proposed Transaction, Mr Turcan has agreed to resign as a non-executive director of the Company.

7.6 **Proposed Director – Graham Elliot Shircore**

On completion of the Proposed Transaction, it is proposed that Graham Elliot Shircore, an employee of PAMP, will be appointed as an additional non-executive director of the Company.

Mr Graham Elliot Shircore's appointment will continue for so long as Phoenix UK Fund continues to hold not less than 20 per cent. of the issued voting share capital for the time being. Under the terms of the Subscription Letter, Phoenix UK Fund has a right to remove Mr Graham Elliot Shircore and appoint another representative in his place from time to time. Neither Mr Graham Elliot Shircore nor

Phoenix UK Fund will receive any fee for this appointment. Mr Graham Elliot Shircore will be entitled to reimbursement for all reasonable expenses incurred in discharging his duties, but otherwise will have no entitlement to bonus, pension scheme, share option or other benefit arrangements.

Save as expressly referred to above, none of the existing directors' service contracts have been entered into or amended during the period of six months immediately preceding the date of this Document.

8. Stanley Gibbons Material Contracts

The following contracts are all material contracts (not being contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this Document by members of the Group:

8.1 Underwriting Agreement

The Company entered into an Underwriting Agreement with finnCap on 11 March 2016 pursuant to which finnCap agreed to use its reasonable endeavours as agent of the Company to: (i) procure placees in respect of 92,300,000 new Ordinary Shares to be issued at 10 pence per Ordinary Share; and (ii) procure conditional placees in respect of 37,696,286 new Ordinary Shares which were subject to certain clawback (together the "2016 Placing").

Under the Underwriting Agreement, finnCap received a fee of £150,000 and a commission of £260,000.

The Company also paid finnCap certain costs and expenses incurred in connection with the Fundraising and the AIM application.

8.2 Receiving Agent Agreement with Capita Registrars Limited

The Company entered into a receiving agent agreement with Capita Asset Services dated 18 February 2016 pursuant to which the Company appointed Capita Asset Services to, *inter alia*, provide professional advisory services, receiving agency services and additional services in relation to shareholder voting to assist with the 2016 Placing. The Company agreed, *inter alia*, to provide Capita Asset Services with such assistance to enable Capita Asset Services to perform its obligations and to promptly instruct third parties to provide Capita Asset Services with such information, records and other materials as Capita Asset Services may require.

Under the Receiving Agent Agreement, Capita Asset Services received a fee of £17,068.76.

8.3 RBS Debt Facility Agreement

Various members of the Group entered into a term and revolving facilities credit agreement with, amongst others, NatWest and RBS as security agent on 26 September 2014 which was amended and restated on 31 March 2016 (and as otherwise further amended from time to time).

The debt facilities provided under the RBS Debt Facility Agreement are split between (i) an up to £10,000,000 multicurrency term loan facility (the "**Term Loan**"), and (ii) an up to £10,000,000 multicurrency revolving credit facility (the "**RCF**"). The Term Loan was drawn as a single loan and was to be repaid in equal quarterly instalments spanning the life of the Term Loan, with the last instalment falling due and payable on 31 May 2018.

Following its re-statement on 31 March 2016, the RBS Debt Facility Agreement also affords SGL, an ancillary overdraft facility (the "**Overdraft Facility**").

The rate of interest under the RBS Debt Facility Agreement is the aggregate of: (i) LIBOR/EURIBOR (depending on the currency of the drawing); and (ii) margin (initially 1.3 per cent. per annum and then, subject to the operation of a leverage based margin ratchet, specific levels between a ceiling of 2.75 per cent. per annum, and a floor of 1.3 per cent. per annum).

The RBS Debt Facility Agreement includes obligations, subject to specified exceptions, on the members of the Group in relation to compliance with financial covenants (in particular net assets and charged stock cover), financial reporting, obtaining any necessary authorisations in relation to the

financing, compliance with laws and maintenance of insurances. The RBS Debt Facility Agreement also contains customary representations, positive and negative undertakings and events of default (including certain restrictions on making acquisitions, disposals, incurrence of financial indebtedness and a negative pledge) and provides for cancellation and/or acceleration on the occurrence of certain events of default and mandatory prepayment on a change of control in certain circumstances.

The obligations of the Group under the RBS Debt Facility Agreement are secured via (i) an English law governed all assets debenture entered into by the Company and certain other members of the Group in favour of RBS as security agent; (ii) a Jersey law governed security interest agreement entered into by the Company in favour of RBS as security agent; and (iii) a Guernsey law governed security interest agreement entered into by the Company in favour of RBS as security agent.

8.4 Sale Agreement in respect of leasehold premises at Ely House and 13 Berkley Street, London

Mallet & Son (Antiques) Limited (“MSAL”), a subsidiary undertaking of the Company, entered into a sale agreement on 19 May 2016 for the sale of leaseholder premises of MSAL at Ely House and 13 Berkley Street, London to Thaddaeus Ropac Gallery Limited for a cash consideration of £2,500,000. The sale was conditional on the obtaining of landlord consent and completed on 16 June 2016.

8.5 Share Purchase Agreement: Intra-group reorganisation

The Company entered into a share purchase agreement with its wholly owned subsidiary, SG Guernsey, on 21 September 2016 to give effect to an intra-group reorganisation, pursuant to which SG Guernsey sold all 13,156,395 of the ordinary shares of 25 pence each in the capital of Stanley Gibbons Holdings Limited (the “SGH Shares”) to the Company for £5,388,000 representing the book value of the SGH Shares (the “SGH Consideration”), such consideration being satisfied by the release of SG Guernsey from any obligation to repay an equivalent amount of outstanding intercompany loans owing to the Company.

The share purchase agreement was varied on 16 November 2017 to amend the SGH Consideration so as to reflect the parties’ best estimate of the market value (and not the book value as originally documented) that was attributable to the SGH Shares at the time of the share purchase agreement. Accordingly, the purchase price for the SGH Shares was amended to £8,988,000, the consideration for which was satisfied by the release of SG Guernsey to repay an equivalent amount of outstanding intercompany loans owing to the Company.

8.6 Joint venture agreement and agreement for the provision of services in respect of Baldwin’s of St James’s Limited

A. H. Baldwin & Sons Limited (“Baldwin”) (a subsidiary undertaking of the Company), St James’s Auctions Limited (“St James”), Dean Arnold and Stephen Fenton entered into a combined shareholders’ agreement and agreement for the provision of services (the “JV Agreement”) on 30 December 2016 for an initial term of 5 years (and thereafter continuing annually, subject to serving a 12 months’ notice by either Baldwin or St James to the other) in respect of the joint venture corporate entity, Baldwin’s of St James’s Limited (the “JV”).

The parties to the JV Agreement incorporated the JV for the purpose of combining the parties’ respective auction sales operation, insofar as they relate to coins, medals, medallions, banknotes, tokens together with books and other items related to coins, medals, medallions, banknotes and tokens (together the “Relevant Items”).

Pursuant to the terms of the JV Agreement, Baldwin procures that: (i) all Relevant Items that it (or any of its subsidiaries) owns and determines that it wishes to sell by auction from time to time (the “Baldwin Auction Inventory Stock”); and (ii) Relevant Items that Baldwin (or any of its subsidiaries) receives a mandate from third party customers to sell by auction from time to time, will be auctioned through the JV. Equally, St James and Mr Fenton both procure that: (i) all Relevant Items that St James and any of Mr Fenton’s associated businesses own and determine (being the “SF Businesses”) and which they wish to sell by auction from time to time; and (ii) all Relevant Items that any SF Businesses receive a mandate from third party customers to sell by auction from time to time, will be auctioned through the JV.

In the case of Baldwin, it was also agreed to transfer to the JV its existing business relating to the sale of Relevant Items by it through auctions that operated outside of the UK in partnership with third parties, including auctions in New York and Hong Kong which were carried out under contracts or informal relationships between Baldwin and the relevant third parties (being the “Relevant Third Party Auctions”). Accordingly, all income generated from the Relevant Third Party Auctions are included in the income of the JV and all costs previously incurred by Baldwin in connection with its participation in the Relevant Third Party Auctions were borne by St James and recouped as part of the monthly management fee that it is entitled to.

Nothing in the JV Agreement compels any of Baldwin, St James, Mr Fenton or the SF Businesses to actively persuade their respective retail customers to place orders for auction of Relevant Items as opposed to retail sale of the Relevant Items.

In consideration for the monthly management charge, the day to day operation and management of the JV are undertaken by St James and Mr Fenton who is obliged to procure that all auctions conducted by the JV are conducted to the same standard as those operated by St James, with a view to maximising the income generated within the JV. Certain matters, such as permitting the registration of any third party as a member of the JV, altering the articles of association of the JV, adopting or amending the business plan of the JV in respect of each financial year or changing auctioneers from those historically used by Baldwin or St James require the prior written approval of the holders of a majority of the A Shares (which are currently held by Baldwin) and a majority of the B Shares (which are currently held by St James as to 45 B shares and Mr Arnold as to 5 B Share).

At any time in the first 5 years of the JV Agreement, St James is obliged to make available to Baldwin a direct sale facility in respect of any Baldwin Auction Inventory Stock which Baldwin may elect to sell by auction through the JV, provided that St James is not obliged to acquire any sale items which remain unsold and has an aggregate estimate in excess of £1,000,000 and the maximum amount that St James is required to commit to the purchase of any sale item will be limited to £5,000,000.

8.7 Agreement for the sale and purchase of ‘Dreweatts’ and related assets

The Fine Art Auction Group Limited (“TFAAG”), a subsidiary undertaking of the Company, entered into an agreement (the “Millicent Sale Agreement”) on 9 May 2017 with: (i) Millicent Holdings Limited (“Millicent”) (acting as the buyer); and (ii) Gavin Alexander and Mark Law (guaranteeing the obligations of the buyer) for the sale and purchase of certain assets used by the business carried on by TFAAG under the ‘Dreweatts’ and ‘Dreweatts 1759’ brands and related assets, known as the Group’s “Interiors” business (the “Dreweatts Assets”).

In accordance with the terms of the Millicent Sale Agreement, immediately prior to the contractual date for completion, the Dreweatts Assets were transferred into Dreweatts 1759 Limited, a newly incorporated company owned by TFAAG and which TFAAG had agreed to sell to Millicent for a consideration of £2,400,000, payable as to £2,250,000 on completion and £150,000 on 30 November 2017. However, notwithstanding the satisfaction of all of the conditions under the Millicent Sale Agreement, Millicent was unable to perform its completion obligations at completion. As a consequence, the proposed sale of the Dreweatts Assets did not proceed to completion and TFAAG terminated the Millicent Sale Agreement on 3 August 2017.

8.8 Share Purchase Agreement: sale of 6,250 ordinary shares in the capital of Masterpiece London Limited to Masterpiece London Limited

MSAL entered into a share purchase agreement with Masterpiece London Limited (“Masterpiece”) on 26 May 2017, pursuant to which Masterpiece bought back the 6,250 of its own ordinary shares of £1.00 each that were registered in the name of MSAL for a cash consideration of £1,400,000.

MSAL provided customary warranties to Masterpiece in connection with the sale.

8.9 Share Purchase Agreement: sale of 60 ordinary shares in the capital of H.J. Hatfield & Sons Limited to Gurr Johns Limited

MSAL entered into a share purchase agreement with Gurr Johns Limited (“Gurr Johns”) on 29 September 2017, pursuant to which Gurr Johns purchased the 60 ordinary shares of £1.00 each

in the capital of H.J. Hatfield & Sons Limited (“Hatfield”) owned by MSAL for an aggregate sum of £1.00 resulting in Gurr Johns owning the entire issued share capital of Hatfield. On completion, Gurr Johns procured the payment by Hatfield of £99,999 to MSAL (representing residual outstanding intercompany indebtedness).

8.10 *Share Purchase Agreement: sale of the entire issued share capital of Dreweatts 1759 Limited to Gurr Johns Limited*

TFAAG entered into a share purchase agreement on 1 October 2017 with Gurr Johns who acquired the entire issued share capital of Dreweatts 1759 Limited, the vehicle which was incorporated to hold the Dreweatts Assets (as further described in paragraph 8.7 above) for a consideration of £1,250,000 paid to TFAAG in cash on completion. In addition, TFAAG is entitled to deferred consideration, dependent on the aggregate revenues of the Dreweatts business exceeding certain minimum level. Any deferred consideration is subject to a maximum of £400,000 and is payable over 24 months (alongside the assumption of certain other liabilities associated with the interiors division). The sale of the Group’s “interiors business to Gurr Johns pursuant to the sale of the shares in Dreweatts 1759 Limited initially excluded the “Mallett” brand. However, pursuant to a subsequent assignment deed dated 8 December 2017, the “Mallett” brand was sold to Gurr Johns for an additional consideration of £120,000 plus VAT.

8.11 *The Subscription Letter*

The Company and Phoenix UK Fund have entered into the Subscription Letter pursuant to which the Company has conditionally agreed to issue the Subscription Shares to Phoenix UK Fund at the Subscription Price, to raise £6.2 million for the Company. Immediately following the allotment and issue of the Subscription Shares, Phoenix UK Fund will hold approximately 58.09 per cent. of the enlarged ordinary share capital of the Company.

Completion of the Subscription Letter is subject to the satisfaction of certain conditions, including: (i) the granting by the Panel of a Rule 9 Waiver, (ii) the Company receiving irrevocable undertakings from Lombard Odier Asset Management (Europe) Limited and Lombard Odier Asset Management (USA) Limited to vote in favour of the Resolutions, (iii) the passing of the Resolutions, (iv) the Subscription Letter not having been terminated in accordance with its terms, as further described below, and (iv) Admission occurring by not later than 8.00 a.m. on 21 March 2018 (or such later as agreed to by all parties, providing that completion occurs by 29 March 2018). In addition, the Subscription Letter will only proceed to completion if the Debt Restructuring and the Acquisition are completed simultaneously. The terms of the Escrow and Framework Agreement govern how completion of the Subscription Letter will be effected.

Pending completion of the Subscription Letter and save to the extent that such actions are necessary in order to comply with the obligations of any Group company under the Subscription Letter or any documents contemplated by it, the Company has provided to Phoenix UK Fund certain negative pledges, including, *inter alia*, not: (i) permitting or causing the principal amount of the RBS Debt outstanding to fall below £17.0 million or exceed £17.5 million, (ii) departing from its usual course of business as regards the nature, scope and matter of the business, and (iii) entering into or agreeing to enter into any capital commitment or any contact involving any expenditure on capital account or the purchase of any capital equipment or other items of a capital nature.

Under the terms of the Subscription Letter, Phoenix UK Fund will have a right, for so long as it (and/or its associates) continues to hold not less than 20 per cent. of the issued voting share capital of the Company, to nominate a director to the Board and to receive certain information from the Company regarding the progress of the Group’s business and its financial condition.

Phoenix UK Fund has also committed that, for so long as the Ordinary Shares continue to be traded on AIM, it will procure that a majority of directors on the Board from time to time are independent of Phoenix UK Fund.

The Subscription Letter contains certain customary warranties (as qualified by disclosures), undertakings and an indemnity given by the Company in favour of Phoenix UK Fund.

Phoenix UK Fund acting in its absolute and sole discretion may, at any time before Admission, give notice to the Company to terminate the terms of the Subscription Letter if (i) any of the conditions set out in the Subscription Letter has not been fulfilled and/or satisfied or waived, (ii) there is a breach of any of the warranties set out in Schedule 1 of the Subscription Letter, save to the extent that it has been disclosed with sufficient explanation and detail to identify clearly the nature and scope and implications of the matter so disclosed, (iii) there has been a material adverse change; or (iv) there is a change in national or international financial, monetary, economic, political, environmental or stock market conditions which will or is likely to be prejudicial to the Group or any part of the Proposed Transaction

8.12 **RBS Consent Letter**

The Company (for itself and on behalf of certain other companies within the Group which are parties to the transaction effecting the Debt Restructuring (“Group Companies”)) has entered into a letter agreement with RBS dated 23 February 2018 pursuant to which RBS has given its consent to the Company to proceed with the Debt Restructuring in the manner described in this document. Such consent is expressed to be subject to a reservation of the rights of RBS under the RBS Debt Facility Agreement pending completion of the Debt Restructuring. The Company has given an undertaking to pay the professional fees of RBS incurred in connection with the Debt Restructuring and the Proposed Transaction.

8.13 **The Escrow and Framework Agreement**

The Company and certain other Group Companies have entered into the Escrow and Framework Agreement with SG Guernsey, Phoenix UK Fund, the Administrators and RBS on 23 February 2018. The Escrow and Framework Agreement governs the manner in which the Debt Restructuring will be implemented, including certain aspects concerning completion of the Subscription and the Acquisition.

Under the terms of the Escrow and Framework Agreement, each of the parties has agreed to enter into certain transaction documents necessary to give effect to the Debt Restructuring and the Acquisition in an agreed form (each as described in paragraphs (a) to (k) of this paragraph 8.13) (the “**Transaction Documents**”).

Completion of the Escrow and Framework Agreement is conditional on the Subscription Letter being completed in accordance with its terms, the Inventory Acquisition Agreement being completed in accordance with its terms, Admission having occurred, certain documents having been delivered to Phoenix UK Fund and RBS prior to the expected date of completion and the Escrow and Framework Agreement not having been terminated in accordance with its terms prior to such date.

The parties have agreed that on completion of the Proposed Transaction and the Acquisition (which must be by 29 March 2018 (the “**Long Stop Date**”)) and subject to the satisfaction of the steps and conditions described in the Escrow and Framework Agreement, the Transaction Documents will be entered into and completed in accordance with their terms.

The Escrow and Framework Agreement includes certain termination events, including in circumstances where (i) any one of the steps contemplated by the Escrow and Framework Agreement is not completed within the prescribed timeframe, (ii) there is an insolvency event in respect of any party, (iii) any party breaches its obligations under the Escrow and Framework Agreement (iv) the Subscription Letter is terminated in accordance with its terms or (v) certain enforcement actions or events of default under the RBS Debt Facility Agreement occur.

If a termination event occurs (including, without limitation, if the Proposed Transaction does not complete prior to the Long Stop Date), certain parties to the Escrow and Framework Agreement may elect to terminate it and any transaction document entered into by that time, and the parties to those documents will be released and discharged from any obligations thereunder (save for certain accrued costs obligations and any liabilities for breach).

The Transaction Documents in the agreed form under the Escrow and Framework Agreement comprise the following:-

(a) *Agent Resignation Deed*

A resignation deed (the "Agent Resignation Deed") will be entered into between the Company, RBS (in various capacities), NatWest, Phoenix UK Fund, SG Guernsey and the Administrators, pursuant to which, on completion of the Debt Restructuring in accordance with the Escrow and Framework Agreement, RBS will resign as the existing agent and the existing security agent under the RBS Debt Facility Agreement and NatWest (as lender) will appoint Phoenix UK Fund as agent and security agent under the RBS Debt Facility Agreement.

The Company is a party to this deed in its capacity as Obligors' Agent (as defined in the RBS Debt Facility Agreement) for the purposes of certain notice requirements thereunder and also to confirm that each of SGF and Phoenix UK Fund qualify as permitted transferees for the purposes of the RBS Debt Facility Agreement.

SG Guernsey and the Administrators are party to this deed solely for the purpose of agreeing to the various waivers of the RBS Debt Facility Agreement relating to the resignation of RBS as the existing agent and existing security agent.

(b) *Continuing Facilities Letter*

A continuing facilities letter will be entered into between the Company, and certain other Group Companies. The letter sets out terms on which RBS will continue to support the Company's and relevant Group Companies' clearing banking requirements in the period from the closing of the Debt Restructuring up to and including 31 May 2018.

In consideration for RBS continuing to make such clearing facilities available to the Group, the Company is required to pay an amount of cash collateral to RBS, being such amount as is equal to RBS' commitment in respect of each continuing facility. If liabilities relating to a particular continuing facility have been fully discharged, RBS shall pay to the Company, within 5 Business Days of such liabilities being fully discharged, an amount equal to the cash collateral attributable to the relevant facility, less any costs, losses or liabilities that RBS has incurred in connection with such facility (to the extent not already repaid or reimbursed by the Company).

From 1 June 2018, all accounts of the Group with RBS will be closed and connected facilities terminated.

(c) *Debt Facility Restatement Agreement*

The Debt Facility Restatement Agreement will be entered into between the Company (for itself and on behalf of certain other Group Companies), Phoenix UK Fund, SG Guernsey and the Administrators. The Debt Facility Restatement Agreement comprises an English law governed amendment and restatement deed pursuant to which, on and with effect from completion of the Debt Restructuring, the terms of the RBS Debt Facility Agreement will be amended and restated in the form attached thereto.

Pursuant to the Debt Facility Restatement Agreement:

- i. there will be an automatic and immediate mandatory prepayment if the amount of the RBS Debt purchased by Phoenix UK Fund pursuant to the RBS Debt Assignment is more than £10.0 million. Such prepayment shall be for an amount equal to the excess indebtedness over and above £10.0 million and shall be paid to Phoenix UK Fund;
- ii. the Company discloses to Phoenix UK Fund certain events of default under the RBS Debt Facility Agreement which will, with the exception of the event of default relating to the administration of SG Guernsey, be waived. Phoenix UK Fund will retain the right until SG Guernsey is dissolved to take such enforcement action as it considers necessary under the RBS Debt Facility Agreement in respect of that event of default, for the purposes of securing its position as a creditor in respect of the whole of the indebtedness due to RBS (and acquired by it and SGF) pursuant to the RBS Debt Assignment;

- iii. certain representations and warranties customary for such a document of this nature will be given by the Company; and
- iv. the RBS Debt Facility Agreement will be amended and restated on completion.

Appended to the Debt Facility Restatement Agreement will be a form of the amended and restated RBS Debt Facility Agreement (the "Amended Facility Agreement"), which will take effect from completion of the Debt Restructuring, such that:

- i. £10.0 million will be owed to Phoenix UK Fund;
- ii. £7.0 million will be owed to SGF;
- iii. an accordion facility pursuant to which Phoenix UK Fund may, on an uncommitted basis and in its absolute discretion, make a further loan of up to £5.0 million available to The Fine Art Auction Group Limited and SGL;
- iv. interest on the debt owed to Phoenix UK Fund will accrue at a rate of 5 per cent. per annum but will not be payable until the expiry of the term or earlier repayment or termination, and such interest would be capitalised annually; and
- v. no interest will be payable on the debt owed to SGF;
- vi. absent any default or mandatory prepayment event under the Amended Facility Agreement, the residual amount of the debt owed to Phoenix UK Fund (i.e. £10.0 million) will be repayable as to principal and all accrued interest on the fifth anniversary of the completion date or on such earlier date as the Company and Phoenix UK Fund may agree from time to time;
- vii. the financial covenants to which the Company will be subject under the Amended Facility Agreement will be significantly reduced from the covenant suite under the current RBS Debt Facility Agreement and be limited to tests for minimum EBITDA and free cash flow. Such covenants will be tested by reference to annual aggregate hurdles and to the Company's accounts; and
- viii. the Company and Obligors will give representations and warranties, and be bound by various covenants and undertakings, standard for a facility agreement of this nature.

(d) Deed of Creditor Arrangements

The Company (for itself and as agents' obligor under the Amended Facility Agreement), Phoenix UK Fund and SGL will enter into a deed of creditor arrangements (the "Creditors Deed") which will regulate the relationship between Phoenix UK Fund and SGL in respect of rights and security interests under the Debt Facility Restatement Agreement following completion of the Debt Restructuring. Under the terms of the Creditors Deed:

- i. SGF and Phoenix UK Fund will give representations and warranties, and be bound by various covenants and undertakings, standard for an agreement of this nature;
- ii. SGF will agree, unless directed to do so by Phoenix UK Fund, not to: (1) demand payment of any debt owed to it pursuant to the Amended Facility Agreement; (2) discharge all or part of the debt by set-off or any right of combination of accounts (except where set-off is mandatory under any insolvency laws); (3) accelerate any debt owed to it or take any step to enforce any finance document; (4) exercise any rights or pursue any remedy in respect of any misrepresentation in connection with or breach of any finance document; (5) agree to any consent, waiver or variation or exercise any rights whatsoever in respect of the finance documents; or (6) take an step which may lead to the insolvency of an obligor under the Amended Facility Agreement (an "Obligor");
- iii. if an Obligor is or becomes insolvent, SGF will exercise all rights in respect of that insolvency as instructed by Phoenix UK Fund;
- iv. SGF will pay to Phoenix UK Fund a fee of such amount as is equal to any amount paid to SGF in its capacity as a finance party pursuant to the Amended Facility Agreement and will direct Phoenix UK Fund in its capacity as agent to pay to Phoenix UK Fund as lender, for its own account, any amount received by Phoenix UK Fund (as agent) and which is payable to the facility B lender in its capacity as a finance party pursuant to the finance documents

in order to discharge SGF's obligation to the aforementioned fee to Phoenix UK Fund. Any amounts received by SGF or Phoenix UK Fund shall discharge amounts due to SGF in its capacity as lender, despite such amounts being on-paid to Phoenix UK Fund as a fee;

- v. SGF will be permitted to borrow up to £10,000 per annum from the Group in respect of its corporate administrative costs, but otherwise SGF shall not be permitted to incur any indebtedness to any Obligor;
- vi. SGF will agree to enter into an assignment by way of security in favour of Phoenix UK Fund as security for its obligation to pay the fee to Phoenix UK Fund as described above; and
- vii. on the date ten years after the date on which SG Guernsey is dissolved pursuant to applicable Guernsey law, any obligation owed by any Obligor to SGF in its capacity as a finance party shall be released and all rights of SGF pursuant to the finance documents shall be extinguished, including any right to repayment of any amount then outstanding.

The Company is party to the Creditors Deed for itself and as Obligors' Agent, and consents to and acknowledges the terms of the agreement.

(e) *Deed of Partial Release*

Phoenix UK Fund and the Company (and certain other Group Companies) will enter into an English law deed of partial release (the "**Release**") pursuant to which Phoenix UK Fund (in its capacity as agent and as security agent on behalf of Phoenix UK Fund and SGF as lenders following completion of the RBS Debt Assignment) will (i) consent to the SG Guernsey Intercompany Indebtedness Assignment, (ii) release and discharge the receivables representing the SG Guernsey Intercompany Indebtedness from the security created pursuant to security documents and reassign the receivables to each entity (as applicable) and (iii) release from security and consent to the disposal by SG Guernsey of the assets which are subject to the Acquisition.

(f) *RBS Debt Assignment Agreements*

SGF, Phoenix UK Fund and NatWest will enter into the RBS Debt Assignment Agreements, pursuant to which it is intended that all of NatWest's interest in the RBS Debt and the RBS Debt Facility Agreement will be assigned to Phoenix UK Fund and SGF. To give effect to this, a number of assignment documents (the "Assignment Documentation") will be entered into between Phoenix UK Fund and NatWest and between SGF and NatWest, and in each case acknowledged by the Company (as obligors' agent other than in respect of SG Guernsey).

The Assignment Documentation will consist of:

- i. an LMA trade confirmation to be entered into by NatWest as seller and Phoenix UK Fund as buyer, together with a corresponding assignment for the purchase of the aggregate principal amount of the debt outstanding to NatWest under the RBS Debt Facility Agreement (the "Outstanding Principal Amounts") less £7.0 million, addressed to Phoenix UK Fund as agent and security agent and acknowledged by the Company (as obligors' agent, other than in respect of SG Guernsey) and SG Guernsey; and
- ii. an LMA trade confirmation to be entered into by NatWest as seller and SGF as buyer, together with a corresponding assignment for the purchase of the £7,000,000 of the Outstanding Principal Amounts.

Although after completion of the RBS Debt Assignment, SGF will own a portion of the indebtedness constituted by the RBS Debt Facility Agreement, it will agree to assign by way of security that interest to Phoenix UK Fund (as security for certain obligations of SGF to make payments to Phoenix UK Fund pursuant to the Creditors Deed) and that element of the indebtedness will be waived in due course.

(g) *Security Assignment*

SGF will enter into an English law deed of security assignment in favour of Phoenix UK Fund, creating a security interest in favour of Phoenix UK Fund over SGF's rights and interests in:

- i. the Amended Facility Agreement;
- ii. the debt owed to SGF pursuant to the Amended Facility Agreement; and
- iii. all security interests of any nature held by SGF in respect of the Amended Facility Agreement and debt owed to SGF pursuant to the Amended Facility Agreement, and all rights for enforcing such security.

The security is to secure SGF's obligation to pay certain fees to Phoenix UK Fund under the Creditors Deed and will be enforceable in the event of a breach by SGF of such obligations.

(h) SGF Subscription Documents

SGF and SGL will enter into a subscription agreement (the "SGF Subscription Agreement") pursuant to which SGL will use the £2.75 million received by it from Phoenix UK Fund pursuant to the SG Guernsey Intercompany Indebtedness Assignment to subscribe for 2,750,000 new ordinary shares of £1 each in the capital of SGF at par value.

The subscription monies will then be used by SGF to purchase certain of the RBS Debt pursuant to the RBS Debt Assignment.

(i) SG Guernsey Intercompany Indebtedness Assignment

The Company will enter into the SG Guernsey Intercompany Indebtedness Assignment with certain other Group Companies (including SGL) and Phoenix UK Fund. The SG Guernsey Intercompany Indebtedness Assignment will comprise a Guernsey law assignment of intercompany receivables owed by SG Guernsey to various Group Companies pursuant to which, immediately prior to completion of the Debt Restructuring in accordance with the Escrow and Framework Agreement:

- i. all Group Companies will assign their interest in intercompany indebtedness owed to them by SG Guernsey to SGL at a discount, for an aggregate purchase price of £2,4020,659. No cash consideration will be paid by SGL for the purchase of the receivables but instead either:
 - 1. SGL will exercise a right of set-off and debt owed to it by the relevant Group Company will be reduced by the amount owed by SGL to that entity pursuant to the SG Guernsey Intercompany Indebtedness Assignment; or
 - 2. the consideration from SGL to the relevant Group Company will be settled by the existing inter-company balance owed by SGL being increased accordingly; and
- ii. the aggregate SG Guernsey Intercompany Indebtedness owing to SGL (following the assignment referred to in paragraph 8 13(i)(i)(1) above) will be assigned by SGL to Phoenix UK Fund for a cash consideration of £2.75 million, also representing a discount on the total amount of the SG Guernsey Intercompany Indebtedness.

After completion of the SG Guernsey Intercompany Indebtedness Assignment, all of the Group's interest in the SG Guernsey Intercompany Indebtedness will be held by Phoenix UK Fund and Phoenix UK Fund will be a creditor of SG Guernsey for the full amount of the SG Guernsey Intercompany Indebtedness.

(j) Supplemental Debenture

The supplemental debenture will be entered into between the Company, certain other Group Companies who are currently security providers in respect of the RBS Debt Facility Agreement, together with Stanley Gibbons International Limited and Stanley Gibbons E-Commerce Limited (neither of which are currently security providers). The terms of the supplemental debenture are closely based on the terms of the existing debenture, which will remain on foot, but enhanced security is granted over the relevant security providers' intellectual property rights and the covenant and warranty obligations of the security providers reflect this.

(k) *Transaction Security Restatement Deeds*

The Company has previously granted a Jersey law governed security interest agreement dated 26 September 2014 (the “Jersey SIA”) between the Company as grantor and RBS as Security Agent, pursuant to which the Company granted security interests in favour of RBS as security agent in relation to all the shares held by the Company in Minden Place Limited, in connection with the facilities provided pursuant to the RBS Credit Agreement.

The Company, RBS and Phoenix UK Fund will enter into an assignment and confirmation of security interest agreement, pursuant to which, in consideration of the payment of £1, RBS will agree to transfer the security interests created pursuant to the Jersey SIA to Phoenix UK Fund as security agent.

The Company has previously granted a Guernsey law governed security interest agreement dated 26 September 2014 (the “Guernsey SIA”) between the Company as grantor and RBS as Security Agent, pursuant to which the Company granted security interests in favour of RBS as security agent in relation to all the shares held by the Company in Stanley Gibbons Guernsey, in connection with the facilities provided pursuant to the RBS Credit Agreement.

The Company, RBS and Phoenix UK Fund will enter into an assignment and confirmation of security interest agreement, pursuant to which, in consideration of the payment of £1, RBS will agree to transfer the security interests created pursuant to the Guernsey SIA to Phoenix UK Fund as security agent.

8.14 ***Irrevocable Undertakings***

Pursuant to irrevocable undertakings entered into between certain shareholders of the Company and the Company and Phoenix UK Fund dated 23 February 2018, those shareholders have irrevocably undertaken to vote or procure votes in favour of all of the Resolutions in respect of in aggregate 54,473,988 Ordinary Shares equating to 30.44 per cent. of the Existing Ordinary Shares currently in issue. Details of the shareholders entering into such irrevocable undertakings and the number of Ordinary Shares concerned are set out in paragraph 12 of Part 1 of this document.

8.15 ***Inventory Acquisition Agreement***

Phoenix UK Fund has, subject to the completion of the Proposed Transaction, agreed with the Administrators to acquire certain trading inventory of SG Guernsey (primarily comprising stamps and other collectibles), pursuant to the terms of the Inventory Acquisition Agreement which is governed by the law of the Island of Guernsey. The completion of the Inventory Acquisition Agreement will be governed by the terms of the Escrow and Framework Agreement.

SG Guernsey’s right, title and interest in the inventory will pass to Phoenix UK Fund on completion of the Inventory Acquisition agreement. If SG Guernsey fails to give possession of the inventory to Phoenix UK Fund following completion, such inventory will be treated as a “non-delivered asset” and the purchase price will be adjusted downwards accordingly.

The aggregate purchase price payable by Phoenix UK Fund for the Acquisition is £3.25 million. To the extent that any inventory is not delivered to Phoenix UK Fund, the purchase price will be adjusted downwards based on the cost price of each non-delivered asset.

Under the Inventory Acquisition Agreement, Phoenix UK Fund acknowledges that some of the inventory may belong to third parties and has agreed that such inventory is not the subject of any sale under the Inventory Acquisition Agreement. To the extent that possession is given to Phoenix UK Fund of any inventory owned by a third party, Phoenix UK Fund will seek to obtain the consent of the relevant third party owner of such inventory to Phoenix UK Fund’s continued possession, use or purchase of it. If a third party refuses to sell such inventory or otherwise make it available to Phoenix UK Fund, then Phoenix UK Fund will deliver the relevant inventory back to such relevant third party.

Phoenix UK fund has agreed to indemnify SG Guernsey and the Administrators against all claims that may be brought against SG Guernsey or the Administrators in respect of the transfer of any inventory

not owned by SG Guernsey, but only where those claims arise post-completion and are against the Administrators in their personal capacity or constitute administration expense claims.

The Administrators have entered into the Inventory Acquisition Agreement solely for the purpose of obtaining the benefit of the provisions in their favour and neither SG Guernsey, nor the Administrators, nor the Administrators' firm, nor their respective representatives, employees, or agents or advisers will incur any personal liability in relation to any claim in respect of the Inventory Acquisition Agreement.

As the Acquisition is a sale by an insolvent company (i.e. SG Guernsey) in circumstances where the Administrators' knowledge of the inventory is limited, the Inventory Acquisition Agreement does not contain any warranties, representations, undertakings, guarantees, stipulations or indemnities in favour of Phoenix UK Fund, in respect of the inventory to be acquired by it pursuant to the Inventory Acquisition Agreement. Phoenix UK Fund has agreed to purchase the inventory on an "as seen" basis and subject to any encumbrances relating to such inventory.

9. Market Quotations

The following table shows the closing middle market quotations of the Ordinary Shares, as derived from the London Stock Exchange plc on the first Business Day of each of the six months immediately before the date of this Document and on 23 February 2018 (being the latest practicable date prior to the posting of this Document).

<i>Date</i>	<i>Price per Ordinary Share (pence)</i>
1 September 2017	8.4
2 October 2017	7.9
1 November 2017	6.6
1 December 2017	3.4
1 January 2018	3.9
1 February 2018	5.0
23 February 2018	5.3

10. Documents Available for Inspection

Copies of the following documents will be available for inspection during normal business hours on any weekdays (Saturdays, Sundays and public holidays excepted) at 399 Strand, London WC2R 0LX and may be viewed on the Company's website (www.stanleygibbonsplc.com) from the date of this Document until the date of the Extraordinary General Meeting:

- a. the Memorandum and Articles of Association of the Company;
- b. the Memorandum and Articles of Association of Phoenix UK Fund;
- c. the audited consolidated accounts of the Company for the years ended 31 March 2015 and 31 March 2016 and 31 March 2017;
- d. the unaudited interim results of the Company for the six months ended 30 September 2017
- e. the consent letter from finnCap referred to in paragraph 4 above;
- f. the irrevocable undertakings referred to in paragraph 8.14 of this Part 5;
- g. a copy of this Document together with the Notice; and
- h. the material contracts entered into by Phoenix UK Fund and the Company in connection with the Proposed Transaction, as referred to in paragraphs 4.1 to 4.5 of Part 4 and paragraphs 8.11 to 8.15 of this Part 5.

PART 6

The Stanley Gibbons Group Plc

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting (the "**Extraordinary General Meeting**") of The Stanley Gibbons Group plc ("**Company**") will be held at 399 Strand, London WC2R 0LX at 10.00 a.m. on 16 March 2018 for the purpose of considering and, if thought fit, adopting the following resolutions at the Extraordinary General Meeting or any adjournment thereof. Resolution 4 is to be taken on a poll.

SUBSCRIPTION RESOLUTIONS –

Special Resolutions

1. THAT, pursuant to Article 38(1)(a) of the Companies (Jersey) Law 1991, as amended, the authorised share capital of the Company be increased from £2,500,000 divided into 250,000,000 ordinary shares with a par value of £0.01 each to £5,000,000 divided into 500,000,000 ordinary shares with a par value of £0.01 each, and that references in the memorandum and articles of association of the Company be accordingly amended such that:
 - (a) paragraph 6 of the Company's memorandum of association be deleted in its entirety and replaced with the following as a new paragraph 6: "The capital of the Company is £5,000,000 divided into 500,000,000 Ordinary Shares with a par value of one penny (£0.01) each."; and
 - (b) paragraph 2.1 of the Company's articles of association (the "**Articles**") be deleted in its entirety and replaced with the following as a new paragraph 2.1: "The authorised share capital of the Company is five million pounds sterling (£5,000,000), divided into five hundred million (500,000,000) Ordinary Shares with a par value of one penny (£0.01) each."
2. THAT, subject to the passing of the ordinary resolutions numbered 1, 3 and 4 in this notice of Extraordinary General Meeting, the Directors be given the general power to allot and issue 248,000,000 ordinary shares of 1p each in the Company ("**Subscription Shares**") in connection with the Subscription (as defined in the Company's circular dated 27 February 2018) for cash pursuant to the authority conferred by the ordinary resolution numbered 3 in this notice of Extraordinary General Meeting as if the pre-emption rights contained in article 2.7 of the Articles did not apply to any such allotment and issue. The disapplication of pre-emption rights conferred by this resolution is in addition to, and does not revoke or supersede, the disapplication of pre-emption rights approved at the Company's annual general meeting held on 1 November 2017.

Ordinary Resolution

3. THAT, subject to the passing of special resolution numbered 1 in the notice of Extraordinary General Meeting, in accordance with article 2.2(b) of the Articles, the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot and issue the Subscription Shares referred to in resolution numbers 2 in this notice of Extraordinary General Meeting. The authority conferred by this resolution is in addition to, and does not revoke or supersede, the authority to allot shares granted to the directors at the Company's annual general meeting held on 1 November 2017.

RULE 9 WAIVER RESOLUTION

Ordinary Resolution of Independent Shareholders to be taken on a poll

4. THAT, the waiver by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on Phoenix UK Fund Ltd and/or persons acting in concert with it, to make a general offer pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the Subscription be and is hereby approved.

By order of the board of Directors of
The Stanley Gibbons Group plc
RK Purkis
Secretary

Dated: 27 February 2018

Registered Office Address: 18 Hill Street, St Helier Jersey JE2 4UA

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint a proxy to exercise all or any of your rights to attend, speak (with permission of the Chairman) and vote on your behalf at a general meeting of the Company.
2. An instrument for the purposes of appointing a proxy is enclosed. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint a person other than the Chairman of the meeting as your proxy, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. 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.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you must complete a separate Form of Proxy for each proxy or, if appointing multiple proxies electronically, follow the instructions given on the relevant electronic facility. Members can copy their original Form of Proxy, or additional Forms of Proxy can be obtained from Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
4. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in paragraph 13 below) 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. To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'. 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. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. To be valid any proxy form or other instrument appointing a proxy must be:
 - completed and signed;
 - sent or delivered to Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or 12 Castle Street, St. Helier, Jersey JE2 3RT; and
 - received by Link Asset Services no later than 10.00 a.m. on 14 March 2018.
7. 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).
8. In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the Company or an attorney for the Company.
9. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
10. As an alternative to completing your hard-copy proxy form, you can appoint a proxy electronically at www.signalshares.com. For an electronic proxy appointment to be valid, your appointment must be received by no later than 10.00 a.m. on 14 March 2018.
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

12. You may not use any electronic address provided in your proxy form to communicate with the Company for any purposes other than those expressly stated.
13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting to be held on 16 March 2018 and any adjournment(s) thereof by using 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 should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction 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 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 Company's agent, Link Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company'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 sponsor or voting service provider should note that Euroclear UK & Ireland Limited 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, to procure that his CREST sponsor or voting service provider takes) 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 sponsor or voting service provider 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 Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
14. Pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those members entered on the register of members of the Company as at 10.00 a.m. on 14 March 2018 or, if the meeting is adjourned, 48 hours before the time fixed for 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 10.00 a.m. on 14 March 2018 or, if the meeting is adjourned, on the register of members 48 hours before the time fixed for the adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.
15. 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.
16. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:
 - to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the company or the good order of the meeting to answer the question.

