

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Private Equity Investor PLC will be held at the offices of JP Morgan Cazenove and Co Limited at 20 Moorgate, London EC2R 6DA at 9.30 am on Wednesday, 22 September 2010, for the following purposes:

**Ordinary business** – To propose as Ordinary Resolutions the following:

1. To adopt the accounts for the year ended 31 March 2010, together with the Reports of the Directors and Auditor.
2. To receive the Directors' remuneration report.
3. To re-elect Peter Dicks a Director of the Company.
4. To re-elect Lady Barbara Judge a Director of the Company.
5. To re-elect Rory Macnamara a Director of the Company.
6. To re-appoint Ernst & Young LLP as Auditor to the Company, and to authorise the Directors to determine their remuneration.

**Special business** – To propose as a Special Resolution the following:

7. That in substitution for the Company's existing authority to make market purchases of Ordinary Shares of 0.01p each in the capital of the Company ("Ordinary Shares"), the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided that:
  - (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 4,871,886, or if less, 14.99% of the number of shares in issue immediately following the passing of this resolution;
  - (ii) the minimum price which may be paid for each Ordinary Share is 0.01p;
  - (iii) the maximum price payable by the Company for each Ordinary Share is the higher of (i) 105% of the average of the mid-market value of the Ordinary Shares in the Company for the five business days prior to the date of the market purchase and (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by Article 5(1) of Buy-Back and Stabilisation Regulation;
  - (iv) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2011 or, if earlier, on the expiry of 18 months from the passing of this Resolution, unless such authority is renewed prior to such time; and
  - (v) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

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*(CONTINUED)*

8. To consider and if thought fit pass the following resolution as a Special Resolution:

THAT

- (i) the Articles of Association of the Company be amended by deleting all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- (ii) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

Registered Office:  
Beaufort House  
51 New North Road  
Exeter EX4 4EP

By Order of the Board  
CAPITA SINCLAIR HENDERSON LIMITED  
*Secretary*  
30 July 2010

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### NOTES:

1. A member entitled to attend and vote at this meeting may appoint one or more persons as his/her proxy to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. If multiple proxies are appointed they must not be appointed in respect of the same shares. To be effective, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, should be lodged at the office of the Company's Registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU, not later than 48 hours before the time of the meeting. If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. CREST members should use the CREST electronic proxy appointment service and refer to Note 6 below in relation to the submission of a proxy appointment via CREST. The appointment of a proxy will not prevent a member from attending the meeting and voting in person if he/she so wishes. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every ordinary share of which he/she is the holder. The termination of the authority of a person to act as proxy must be notified to the Company in writing.
2. A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Note 1 above does not apply to a Nominated Person. The rights described in that Note can only be exercised by registered members of the Company.
3. As at 29 July 2010 (being the last business day prior to the publication of this notice) the Company's issued share capital and total voting rights amounted to 32,500,910 Ordinary Shares carrying one vote each.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Register of Members of the Company as at 6.00 pm on 20 September 2010 (or in the event that the meeting is adjourned, only those shareholders registered on the Register of Members of the Company as at 6.00 pm on the day which is two days (excluding weekends and bank holidays) prior to the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares:
  - a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way;
  - b) if they do not purport to exercise the power in the same way as each other, the power is treated as not exercised.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on the above date 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(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service 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, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in Note 1 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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7. Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
8. In accordance with Section 319A of the Companies Act 2006, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:
  - a) to do so would:
    - (i) interfere unduly with the preparation for the meeting, or
    - (ii) involve the disclosure of confidential information;
  - b) the answer has already been given on a website in the form of an answer to a question; or
  - c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
9. The following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at the offices of JP Morgan and Co Limited, 20 Moorgate, London EC2R 6DA until the conclusion of the meeting:
  - a) copies of the letters of appointment of the Chairman and the Non-Executive Directors of the Company.
  - b) a copy of the existing Articles of Association of the Company.
  - c) a copy of the proposed new Articles of Association of the Company.
10. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 29 July 2010 (the business day prior to the publication of this Notice) and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website: [www.peiplc.com](http://www.peiplc.com).

Registered in England and Wales No. 3912487.

## FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING OF PRIVATE EQUITY INVESTOR PLC

I/We (Block Capitals please) .....

being a member/members of Private Equity Investor PLC (“the Company”), hereby appoint the Chairman of the Meeting/(or insert name)

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the offices of JP Morgan Cazenove and Co Limited at 20 Moorgate, London EC2R 6DA at 9.30 am on Wednesday, 22 September 2010, and at any adjournment thereof.

Signature .....

Date ..... 2010

Please tick here to indicate that this proxy appointment is one of multiple appointments being made.

Please indicate with an X in the spaces below how you wish your votes to be cast.

		FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
RESOLUTION 1	To adopt the accounts for the year ended 31 March 2010, together with the Reports of the Directors and Auditor.				
RESOLUTION 2	To receive the Directors’ remuneration report.				
RESOLUTION 3	To re-elect Peter Dicks a Director of the Company.				
RESOLUTION 4	To re-elect Lady Barbara Judge a Director of the Company.				
RESOLUTION 5	To re-elect Rory Macnamara a Director of the Company.				
RESOLUTION 6	To re-appoint Ernst & Young LLP as Auditor to the Company, and to authorise the Directors to determine their remuneration.				
RESOLUTION 7	To approve the passing of Resolution 7 authorising the Company to purchase its own shares as set out in the Notice of Annual General Meeting.				
RESOLUTION 8	To amend the Companies Articles of Association.				

**NOTES:**

1. A member may appoint a proxy of his or her own choice. If such an appointment is made, delete the words “the Chairman of the Meeting” and insert the name of the person appointed proxy in the space provided.
2. The “Vote Withheld” option is provided to enable you to instruct the registered holder to abstain from voting. A “Vote Withheld” is not a vote in law and will not be counted in the calculation of the proportion of the votes “For” or “Against” a Resolution.
3. You are entitled to appoint more than one proxy provided that each proxy is appointed to exercise rights attached to a different share or shares held by you. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional Proxy Form(s) may be obtained by contacting the Registrars helpline on 0871 664 0300 (calls will cost 10p per minute plus network charges) or you may photocopy this form. Please indicate in the box next to the proxy holder’s name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided, if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
4. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
5. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
6. If this form is returned without any indication as to how the person appointed proxy shall vote, he/she will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
7. To be valid, this form must be completed and deposited at the office of the Registrar of the Company by post to Capita Registrars, PXS, 34 Beckenham Road, Beckenham BR3 4TU not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
8. CREST members should use the CREST electronic proxy appointment service and refer to Note 6 of the Notice of Annual General Meeting in relation to the submission of a proxy appointment via CREST.
9. Please post proxy card in an enclosed envelope.



## APPENDIX

### EXPLANATORY NOTES OF PRINCIPAL PROPOSED CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION TO BE CONSIDERED AT THE 2010 AGM

Set out below is a summary of the principal changes in the New Articles. References to Article numbers are those used in the New Articles (except where reference is made to a provision which has been deleted).

#### 1 GENERAL

The proposed amendments to the Current Articles change the basis upon which the limit on Directors' fees is calculated and reflect changes in the law under the Companies Act 2006 that came into force between 2008 and 2009 as amended by the Companies (Shareholders' Rights) Regulations 2009 (the "Shareholders' Rights Regulations") and to make certain clarifying and conforming changes.

#### 2 THE COMPANY'S OBJECTS

The provisions regulating the operations of the Company are currently set out in the Current Articles and the memorandum of association of the Company ("Memorandum"). The Memorandum contains the objects clause which sets out the scope of the activities the Company is authorised to undertake. This clause is drafted to give a wide scope.

Under the Companies Act 2006, the objects clause and all other provisions which are currently contained in a company's memorandum of association are, from 1 October 2009, deemed to be contained in a company's articles and can be removed by special resolution.

The Companies Act 2006 further states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause, together with all other provisions of its Memorandum which, by virtue of the Companies Act 2006, are to be treated as forming part of the Company's Articles. The limited liability of members will be preserved in the New Articles. Resolution 8 confirms the removal of these provisions.

#### 3 AUTHORISED SHARE CAPITAL

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the Current Articles are being amended to reflect this. The Directors will still be limited as to the number of shares they can at any time allot because authority to allot new shares continues to be required under the Companies Act 2006.

#### 4 REDEEMABLE SHARES

At present if a company wishes to issue redeemable shares, it must include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles will contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would seek shareholders' authority to issue new shares in the usual way.

#### 5 AUTHORITY TO PURCHASE OWN SHARES ETC

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares and to reduce its share capital or other reserves. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

#### 6 TRANSFERS OF SHARES

To bring the Current Articles into line with the Companies Act 2006, the New Articles will provide that the Directors must give notice of their reasons for refusing to register any transfer of shares as soon as practicable and not merely within 2 months as required by the Current Articles and the ability to close the Register Members is removed.

#### 7 UNCERTIFICATED SHARES

Generally the opportunity has been taken to bring the New Articles up to date in relation to holding shares in uncertificated shares such as through Crest.

## APPENDIX (CONTINUED)

### 8 ADJOURNMENTS FOR LACK OF QUORUM

Under the Companies Act 2006, as amended by the Shareholders' Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles will reflect this requirement.

### 9 PROXIES

Under the Companies Act 2006 multiple proxies may be appointed by a shareholder provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect these new provisions. The New Articles also deal with persons who hold more than one proxy and their right to exercise more than one vote on a show of hands. The Company is not obliged to enquire whether a proxy votes as instructed by their appointor.

### 10 CORPORATE REPRESENTATIVES

The Shareholders' Rights Regulations have amended the Companies Act 2006 in order to enable multiple representatives appointed by the same corporate member to vote in different ways on both a show of hands and a poll. The Company is not obliged to enquire whether a corporate representative votes as instructed by their appointor. The New Articles contain provisions which reflect these amendments.

### 11 SECURITY ARRANGEMENTS

The New Articles will clarify the power of the chairman of general meetings to make arrangements to preserve the comfort and security of members and others attending general meetings.

### 12 VOTING RECORD DATE

Under the Companies Act 2006, as amended by the Shareholders' Rights Regulations, the company may determine the right of members to vote at a general meeting by reference to the register not more than 48 hours before the time for the holding of the meeting, not taking account of days which are not working days. The New Articles contain provisions which reflect this requirement.

### 13 CHANGE OF NAME

Currently, a company can only change its name by special resolution. The Companies Act 2006 additionally allows directors to resolve to change a company's name, provided they are so authorised by the company's articles. The New Articles will give the Directors this power.

### 14 BOARD MEETINGS

The New Articles will permit Directors to be given notice of Board meetings by email if they provide an address for that purpose and will also expand the ability of the Board to hold meetings by conference call or other electronic means in line with the model articles for public companies produced by the Department for Business, Innovation and Skills.

### 15 DIRECTORS FEES

The Current Articles limit Directors' fees to 0.5% per annum of the net assets of the Company. In the year ended 31 March 2010 the fees paid to the Directors totalled £120,000. The present intention of the Directors is to continue to make capital returns to shareholders from cash flows received from the Company's investments which will have the effect of reducing the net assets of the Company and therefore also the annual limit on Directors' fees. Accordingly the New Articles provide that the limit on Directors' fees will be a fixed sum of £150,000 per annum. There is no present intention to increase Directors' fees from the current overall level.

### 16 ELECTRONIC COMMUNICATIONS

The New Articles update the Current Articles, in line with the Companies Act 2006, in relation to communication with shareholders by website.

### 17 OTHER

Generally the opportunity has been taken to bring clearer language into the New Articles, to take account of other legislative changes which do not have a material impact and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.