
This document is important and requires your immediate attention. If you are in doubt as to the action you should take you should seek advice from your stockbroker, bank manager, solicitor, tax adviser, accountant or other independent financial adviser. If you have sold or transferred all of your shares in European Convergence Development Company plc, please pass this document (including the Form of Proxy) at once to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible. Neither the Isle of Man Financial Supervision Commission nor any other regulatory body has reviewed this document.

EUROPEAN CONVERGENCE DEVELOPMENT COMPANY PLC

(Incorporated and registered in the Isle of Man under the Isle of Man Companies Act 2006 with registered number 002391V)

PROPOSALS RELATING TO THE CANCELLATION OF ADMISSION TO TRADING ON AIM AMENDMENT OF THE EXISTING MANAGEMENT AGREEMENT RECOMMENDED PROPOSAL TO CHANGE THE INVESTING POLICY NOTICE OF EXTRAORDINARY GENERAL MEETING OF THE COMPANY

Notice of an Extraordinary General Meeting of the Company, to be held at the offices of Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB on **Thursday 2 October 2014 at 4.30pm**, is set out at the end of this document. Whether or not you propose to attend the EGM, you are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to be received by Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB, as soon as possible and, in any event, no later than Tuesday 30 September at 4.30pm.

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Proposed Timetable of Principal Events

Despatch of this document and Form of Proxy and notice provided to London Stock Exchange to cancel Admission	10 September 2014
Latest time and date for receipt of Forms of Proxy for the EGM	4.30pm on Tuesday 30 September 2014
EGM	4.30pm on Thursday 2 October 2014
Cancellation of Ordinary Shares from trading on AIM	7am on Friday 10 October 2014

Part 1

Letter from the Non-Executive Director of European Convergence Development Company plc

(incorporated and registered in the Isle of Man under the Isle of Man Companies Act 2006 with registered number 002391V)

Directors

Anderson Whamond (Chairman)
James Rosapepe (Independent Non-executive Director)
Donald McCrickard (Independent Non-executive Director)

Registered Office

Millennium House,
46 Athol Street,
Douglas, Isle of Man,
IM1 1JB

10 September 2014

Dear Shareholder,

Proposals relating to the cancellation of admission of the Company's Ordinary Shares to trading on AIM

1 Introduction

Further to the Company's 2014 annual general meeting held on 6 August 2014 and the subsequent adjournment of that meeting, the Directors believe that it is in the best interests of the Company and its Shareholders to call an Extraordinary General Meeting for the purpose of (i) considering the cancellation of the Company's Ordinary Shares to admission to trading on AIM; and (ii) the adoption of a proposed New Investing Policy so that no investments in new real estate projects or assets are made and to seek to exit all existing Properties as soon as practicable.

This document explains the background to the proposal to seek the cancellation of the Company's Ordinary Shares from trading on AIM and sets out the reasons why the Directors consider the Cancellation to be in the best interests of the Company and its Shareholders as a whole and why they recommend that you should vote in favour of the Cancellation at the EGM. Notice of the EGM, which is to be held on Thursday 2 October 2014 at 4.30pm at Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB, is set out at the end of this document.

In addition to the Resolutions, this document sets out proposed changes to the Existing Management Agreement including revisions to the annual management fee and performance fee payable to the Manager, and a reduction in the notice period.

2 Reasons for Proposing the Cancellation

2.1 Facilitation of Restructuring and Change of Investment Objective

As stated in the Chairman's report in the 2013 annual report, the Directors believe that a delisting is an important first step in the restructuring of the Company as outlined below. Both the Directors and Manager believe that this restructuring is best managed without the necessary public regulatory disclosure requirements to which a Company admitted to trading on AIM is subject. Following the Cancellation, it is the intention of the Directors and the Manager to offer a greater

level of detail in respect of the individual Properties and the disposal strategy to be employed by the Company.

The Directors and the Manager believe that it is in the best interests of the Company as a whole to adopt a New Investing Policy so that no investments in new real estate projects or assets will be made. The proposed New Investing Policy will be to dispose of all existing Properties as soon as practicable and as the property markets will allow, whilst maximising the return to Shareholders. Any further investment in existing Properties will be to further the New Investing Policy. Shareholders will be notified of any further investment made in existing Properties in accordance with the proposed New Investing Policy by way of quarterly update reports.

The Company is an “investing company” for the purposes of the AIM Rules. Rule 8 of the AIM Rules requires an investing company to state and to follow an investing policy and to seek the prior consent of its shareholders at a general meeting for any material change to such policy. The adoption of the New Investing Policy represents a material change from its Existing Investing Policy, and as such must be approved by the Shareholders in a general meeting. Accordingly, Resolution numbered 1 in the notice seeks Shareholder approval for this adoption of a New Investing Policy, and this is being proposed as an ordinary resolution requiring a majority of those present and entitled to vote or voting by proxy in a general meeting to vote in favour for it to be passed.

2.2 Reduction in Operational Costs

The Directors do not consider that it is in the interests of Shareholders that the Company continues to incur the costs associated with maintaining the admission of the Company’s Ordinary Shares to trading on AIM.

In order to further reduce the costs and expenses of the Company and to support the New Investing Policy, the Board and the Manager have agreed that the following changes to the Existing Management Agreement will come into effect immediately following the passing of Resolution numbered 2, by way of amendment of the Existing Management Agreement:

- The annual management fee payable to the Manager will be reduced to a fixed fee of €250,000 per annum (currently the Manager receives a fee quarterly in arrears at the rate of 2% of the NAV valued as at the last Business Day of each March, June, September and December quarter and in 2013 received approximately €490,000). This fee will be subject to review after a period of three years commencing on the date of the Cancellation.
- The Manager has agreed to a reduction in its notice period from 18 to 9 months
- Under the Existing Management Agreement, the Manager is entitled to a performance fee equivalent to 15% of any excess of Net Asset Value per Ordinary Share over the Benchmark Net Asset Value per Ordinary Share multiplied by the time weighted average number of shares in issue during that financial year. The Directors believe that the Benchmark Net Asset Value per Ordinary Share is unlikely to be exceeded. In consideration of the Manager agreeing to the reduction in its management fee and effectively reducing its notice period

under the Existing Management Agreement and therefore its entitlement to 18 months management fee at the existing NAV level, and agreeing to less favourable termination arrangements, and in order to align the Manager's interests with the achievement of the objectives of the proposed New Investing Policy, the Directors (other than Anderson Whamond who abstained by virtue of his connection with the Manager) believe that it is appropriate to agree to an adjustment of the basis on which the Manager is entitled to receive a performance fee as follows: the Manager's performance fee will be calculated at a rate of 15% of the cash returned to Shareholders in excess of €16,996,539, during the three years following the Cancellation. For the avoidance of doubt, for these purposes, cash returned would include by way of dividend, share buy backs or by way of liquidation. This performance fee percentage will reduce to 12.5% in year four and 10% in year five and beyond.

The amount of €16,996,539 has been determined by the Board, following negotiation with the Manager, as an appropriate level relative to the 31 December 2013 reported NAV, to incentivise the Manager to seek an exit of all the existing Properties whilst maximising the return to Shareholders, as well as a structure that seeks to compensate the Manager in part for a reduced annual management fee and notice period under the amendments to the Existing Management Agreement. The amount of €16,996,539 represents a discount of approximately 34% relative to the 31 December 2013 reported NAV.

Under the AIM Rules, the Manager is deemed to be a related party of the Company, and the amendment to the terms of the Existing Management Agreement is deemed to be a related party transaction for the purposes of Rule 13 of the AIM Rules.

The Directors (other than Anderson Whamond for the reason stated above) consider, having consulted with the Company's Nominated Adviser, Panmure Gordon (UK) Limited, that the amendment to the terms of the Existing Management Agreement are fair and reasonable insofar as its Shareholders are concerned.

Additionally the Board and the Manager will continue to work together to further reduce ongoing operational costs where possible and appropriate.

Following the Cancellation, the Company will seek to maintain sufficient cash to cover approximately three year's estimated operational costs (together with retention of sufficient monies for its existing Properties). Anything over and above this amount that is deemed by the Directors to be in excess of the Company's requirements would be distributed to Shareholders.

3 Effect of the Cancellation

The principal effects of the Cancellation would be that:

- 3.1 there would no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM or any other recognised market or trading exchange;
- 3.2 the Company would not be obliged to announce material events, administrative changes or material transactions nor to announce interim or final results, however the Company has confirmed in section 5 below that it will make certain information available on its website and publish annual report and accounts as well as quarterly update reports;
- 3.3 the Company would no longer be required to comply with any of the additional specific corporate governance requirements for companies admitted to trading on AIM;
- 3.4 the Company would no longer be subject to the AIM Rules (or to have a nominated adviser) and Shareholders would no longer be required to vote on certain matters as provided in the AIM Rules.

It is possible that the Cancellation could have taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent adviser.

4 Cancellation of Admission to Trading on AIM

In accordance with Rule 41 of the AIM Rules, the Company has notified the intended Cancellation, giving at least 20 business days' notice. Under the AIM Rules, it is also a requirement that the Cancellation Resolution must be approved by not less than 75 per cent of those present and entitled to vote or voting by proxy in a general meeting. Accordingly, the resolution numbered 2 in the Notice seeks Shareholder approval for the cancellation. **Subject to the Cancellation Resolution being passed by the requisite majority at the EGM, and following a further five business days (which must pass following approval by the Shareholders in accordance with the AIM Rules), it is expected that trading on AIM in the Ordinary Shares will cease at the close of business on 9 October 2014 with the Cancellation becoming effective at 7.00am on 10 October 2014.**

5 Governance following Cancellation

The Directors' intention is that the Company should remain a public limited company but without having its shares admitted to trading on a public market or a multilateral trading facility. Notwithstanding the Cancellation, the Company will continue to publish annual reports and accounts and hold Annual General Meetings and other General Meetings in accordance with the applicable statutory requirements and the Company's articles of association, and also publish quarterly update reports which will include detail of any further investments into existing Properties. The Directors also intend to retain the Company's website to provide information on the business, though shareholders should be aware that there will be no obligation on the Company to update the website as required under AIM Rules. The Company is not, and will not be, required to comply with The UK Corporate Governance Code (the "Code"). Nevertheless, the Directors recognise the value of the Code and intend to operate the Company such that it seeks to

comply with the Code, so far as it is possible and appropriate given the Company's size, nature of business and number of shareholders.

Shareholders should note that, even if the Cancellation is approved and becomes effective, the Company will remain subject to the provisions of the City Code on Takeovers and Mergers (the "City Code") for a period of 10 years. The City Code provides an orderly framework within which takeovers and mergers are conducted and operates principally to ensure that shareholders are treated fairly and not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code will however cease to apply to the Company 10 years after the Cancellation becomes effective. However, the regulatory regime imposed through the AIM Rules, which applies solely to companies with shares admitted to trading on AIM, will no longer apply. Upon Cancellation becoming effective, Panmure Gordon (UK) Limited will therefore cease to be nominated adviser and broker to the Company.

6 Trading facility following Cancellation

Following the Cancellation, although the Ordinary Shares will remain transferable, they will no longer be tradable on AIM. Consequently, it is likely to be more difficult for a Shareholder to purchase or sell any Ordinary Shares following the Cancellation. With this in mind, the Directors have initiated discussions with an off market broker, in order to facilitate a matched bargain arrangements to enable Shareholders to trade the Ordinary Shares following the Cancellation. Under this proposed facility, it is intended that Shareholders or persons wishing to acquire Ordinary Shares would be able to leave an indication with the broker that they are prepared to buy or sell at an agreed price. In the event that the matched bargain settlement facility provider is able to match that order with an opposite sell or buy instruction, the broker will contact both parties and then effect the bargain. Shareholders who do not have their own broker may need to register with the broker as a new client. This can take some time to process and therefore shareholders who consider they are likely to use this facility are encouraged to commence it at the earliest opportunity. Once a facility has been arranged, details will be made available to shareholders on the Company's website. Shareholders should note that there is no guarantee that they will be able to sell their shares using this facility.

7 Regulatory status of the Manager

The Manager is authorised by the Isle of Man Financial Supervision Commission. Charlemagne Capital (UK) Limited, a member of the CCL group of companies is a company authorised and regulated by the Financial Conduct Authority.

8 Independence of the Board and the Nominated Adviser

The Company confirms that the Board as a whole, and the Nominated Adviser, are independent from the Manager. Furthermore, the Company confirms that the Board as a whole, and the Nominated Adviser, are independent of any substantial shareholders (as defined in the AIM Rules), or investments (and any associated investment manager) comprising over 20 per cent. of the gross assets of the Company.

Anderson Whamond, as a non-executive director of the Manager, and a shareholder of CCL, the parent of the Manager, and with an indirect family interest in shares of CCL, is not independent of the Manager.

9 Extraordinary General Meeting and Resolution

The Extraordinary General Meeting has been convened for the purpose of seeking Shareholder approval for the Proposals. Shareholders will find at the end of this document a Notice convening the EGM and a Form of Proxy for use at the EGM. The EGM is convened for 4.30pm on Thursday 2 October 2014 and will be held at Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB,.

At the EGM, the following resolutions will be proposed:

- An ordinary resolution to adopt the New Investing Policy of the Company.
- A special resolution to cancel the admission of the Company's Ordinary Shares to trading on AIM in accordance with the AIM Rules.

10 Action to be Taken

A Form of Proxy is attached for use at the EGM. Whether or not you intend to be present at the EGM in person, you are requested to complete the attached Form of Proxy and return for the attention of Ian Dungate c/o Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB (Fax No: +44 (0)1624 692601) by **no later than** 4.30pm on Tuesday 30 September 2014

The completion and return of a Form of Proxy will not preclude you from attending the EGM and voting in person if you so wish.

11 Recommendation

The Directors, other than Anderson Whamond, unanimously consider the Proposals to be in the best interests of the Company and its shareholders as a whole and those Directors recommend that Shareholders vote in favour of the resolutions to be proposed at the EGM.

Anderson Whamond is not independent of the Manager and therefore has not taken any part in the Board's consideration of the Proposals.

Yours faithfully,

Don McCrickard
Director
for and on behalf of
European Convergence Development Company plc

PART 2 – NEW INVESTING POLICY

Investing Policy

Investing strategy – asset allocation – geographic focus and sector focus

The Board will seek to realise the Company's Properties in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Board (in its absolute discretion) may determine.

Assets or companies in which the Company can invest

The Company will not make any investments in new properties.

However, this will not preclude the Board (in its absolute discretion) from making any investment in existing Properties in the following circumstances:

- where the Board, as advised by the Manager, believes such investment is to protect or enhance the value and saleability of such Property;
- where the Company is contractually committed to make such investment;
- authorising the expenditure of such capital as is necessary to: (i) acquire any joint venture party's interests in any of the Company's existing investments; or (ii) carry out any construction necessary to maximise value and saleability of any existing Property; and
- entering into any contract or other arrangement with any third party to realise all or any part of its existing Properties.

These above restrictions will not preclude the Company making investments in short dated cash or near cash equivalent securities, which form part of its cash management practices.

Strategy by which the investing policy will be achieved

The Board and the Manager will investigate a number of approaches to realisation of its Properties, which will include, but not be limited to, sales of individual assets or groups of assets or a sale of the entire portfolio (or a combination of such methodologies).

The Board and the Manager may decide to appoint independent advisers to assist in the execution of the New Investing Policy, including, but not limited to, property valuers and property agents.

Whether investments will be active or passive investments

The Manager assumes a proactive approach to every Property project in the Company's Property portfolio.

Holding period for investments

The New Investing Policy includes an orderly realisation of the Company's Properties with a view to maximising returns for Shareholders. Accordingly, the Board will seek to realise the Company's Properties and exercise all legal rights of the Company in such manner and on such timescale as the Directors see fit, with a view to ensuring that returns to shareholders are maximised.

Spread of investments and maximum exposure limits

The Company does not have a prescribed policy in relation to the spread of investments or maximum exposure limits.

The realisation of the Company's Properties over time, may result in the Company having a reduction in the diversification of investments. However, the realisation of the Company's Properties over time will also result in the reduction of the Company's overall investment in real estate assets.

Policy in relation to gearing and cross holdings

Given that the New Investing Policy is to seek to exit the Company's Properties as soon as practicable, it is not expected that the Company will secure additional debt financing other than where the Company believes it is required to protect or enhance the value and saleability of such Property.

Investing restrictions

Other than the requirement for the Manager to manage any potential conflicts of interest, and the requirement to invest in accordance with its New Investing Policy, there are no other investing restrictions.

Nature of returns that the Company will seek to deliver to Shareholders

Under the New Investing Policy, the Board will seek to return any surplus funds to Shareholders when appropriate. The net proceeds of all Property realisations will be returned to Shareholders, at the Board's discretion, having regard to:

- the requirement to invest further funds in the Company's existing Property projects only to protect or enhance the value and saleability of such Property, and/or where the Company is contractually committed to make such investment;
- the Company's operational cost requirements and running costs (including the fees payable under the amendments to the Existing Management Agreement);
- the cost and tax efficiency of individual transactions and/or distributions; and
- Isle of Man Companies Act 2006.

It is expected that surplus capital will be returned to Shareholders over time in a manner which may involve dividends, share buy-backs, voluntary tender offers, dividends and/or capital reductions. The

decision to make any such returns, the method through which such returns are effected, as well as the quantum and timing of any such returns will be at the sole discretion of the Board.

Other matters

Cash management

Pending future returns of value to Shareholders, all of the Company's funds (whether in the form of cash or otherwise) will be kept under the control of the Board or as it may direct.

Management of liabilities

The Company will endeavour, at the direction of the Board (in its absolute discretion), to manage all actual or potential material liabilities, risks or exposures of the Company (including, without limitation, any existing contractual commitments, disputes (potential or actual) and litigation (threatened or actual)) in a manner consistent with the orderly realisation of the Company's Properties.

Conflict policy

The Directors, the Manager and any member of the Charlemagne Group and any of their shareholders, officers, employees, agents and affiliates ("Interested Parties") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Company. The Manager (or any other Interested Party) may, for example, make investments on its own behalf or for other clients. Situations may arise in which the Manager's own account activities or those of its affiliates or those made on behalf of other clients may disadvantage the Company.

PART 3 – CURRENT INVESTING POLICY

The Company's current investing policy is as follows:

INVESTING POLICY

European Convergence Development Company plc is an Isle of Man company established to take advantage of opportunities that exist in the property markets of South-East Europe. The principal target countries are Bulgaria, Romania and Turkey, with the ability to invest in Croatia and Slovakia.

The Company may invest in commercial, retail, residential and industrial property, with a view to taking advantage of the potential for capital appreciation. The Company primarily seeks to invest in early stage developments; however it may also invest in partially completed assets and may also continue to hold and operate completed developments for a substantial period post-completion at the sole discretion of the Board. The Board must believe that it is in the long term benefit of the investors to hold completed developments.

A proportion of the Company's portfolio may be held in cash or cash-equivalent investments from time to time.

The Company will establish a subsidiary structure which will primarily invest equity and debt financing of development projects with the use of local special purpose vehicles ("SPVs"). The Company intends that its SPV investments will be in the form of partnerships with local or international property developers.

Pending investment, cash held will be invested in bank deposits or fixed income securities issued by governments or banks but not corporate bonds.

It may be advantageous for the Company to borrow at the level of its SPV subsidiaries. The Company may negotiate suitable borrowing facilities with one or more lenders. The Directors do not intend the Company or its SPVs to borrow in respect of any property more than 75 per cent of its value on completion.

The Company expects to invest in early stage projects with a construction period of 2 to 4 years. Whilst the Company intends to exit from such assets post-completion, depending on prevailing market conditions, it may be in the best interests of the Company to hold the operating asset post completion until market conditions are such that the Company can obtain a suitable price for the asset.

The Company may reinvest the proceeds of sale of any properties or return the capital or profits to Shareholders depending on market conditions prevailing at the relevant time. Shareholders will be given the opportunity to vote on the continued life of the Company at the Company's annual general meeting to be held in 2016. If the resolution to curtail the life of the Company is not passed, a similar resolution will be proposed at every fifth annual general meeting thereafter.

It is anticipated that the Company's investment portfolio will be between 6 to 12 investments. Upon completion of the investment programme, it is anticipated that, at that time, no single investment will represent more than 50 per cent of the Company's total capital. In exceptional circumstances the Company may make an investment which represents in excess of 50 per cent of the Company's total capital. In such circumstances the anticipated investment portfolio may be correspondingly reduced below the number of investments described above.

Part 4 Definitions

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

"Admission"	admission of 101,228,894 Ordinary Shares to trading on AIM on 21 June 2007
"AIM"	a market of the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies as published from time to time by the London Stock Exchange
"Benchmark Net Asset Value per Ordinary Share"	equal to the higher of (i) the Placing Price; (ii) 0.80 Euros increased by 20 per cent. per annum compound from the closing of the Initial Placing until Admission; and (iii) the highest net asset value per Ordinary Share following Admission and giving rise to the payment of a performance fee.
"Board" or "Directors"	the directors of the Company
"Business Day"	any day on which the London Stock Exchange is open for business
"Cancellation"	cancellation of the admission of the Company's Ordinary Shares to trading on AIM
"Cancellation Resolution"	resolution 2 to be proposed at the EGM
"CCL"	Charlemagne Capital Limited
"Charlemagne Group"	Charlemagne Capital Limited and/or its subsidiaries from time to time
"Company"	European Convergence Development Company plc
"EGM" or "Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held on Thursday 2 October 2014 at 4.30pm (or any adjournment thereof), notice of which is set out at the end of this document
"Existing Investing Policy"	the Company's existing investing policy which is set out in Part 3 of this circular
"Existing Management Agreement"	the management agreement dated 2 August 2006 as summarised in the Company's admission document dated 15 June 2007
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the EGM
"Initial Offering Document"	the offering document issued by the Company dated 2 August 2006
"Initial Placing"	the Placing of 38,071,000 Ordinary Shares as described in the Initial Offering Document
"London Stock Exchange"	London Stock Exchange plc
"Manager"	Charlemagne Capital (IOM) Limited
"NAV"	the net asset value of the Company, being the value of its gross assets less its liabilities
"NAV per Ordinary Share"	at any time the NAV attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Shares held in treasury) at the date of calculation
"New Investing Policy"	the Company's proposed new investing policy, which is set out in Part 2 of this circular

"Notice"	the notice convening the EGM which is set out at the end of this document
"Ordinary Shares"	ordinary shares of the Company
"Placing Price"	€0.95 per Ordinary Share
"Properties"	the directly or indirectly held property or property interests held by the Company and/or its subsidiary undertakings
"Proposals"	the proposals for Cancellation and the change in the Company's Investing Policy
"Resolutions"	the resolutions to be proposed at the EGM
"Shareholders"	holders of Ordinary Shares

NOTICE OF EXTRAORDINARY GENERAL MEETING

European Convergence Development Company plc

(incorporated and registered in the Isle of Man under the Isle of Man Companies

Acts 2006 with registered number 002391V)

NOTICE is hereby given that an Extraordinary General Meeting of European Convergence Development Company PLC (the "**Company**") will be held at Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB on **Thursday 2 October** 2014 at **4.30pm** for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION

1. That the Company adopt a New Investing Policy as set out in Part 2 of the circular of the Company dated 10 September 2014 (the "Circular").

SPECIAL RESOLUTION

2. That the admission of the Company's shares to trading on AIM be cancelled in accordance with Rule 41 of the AIM Rules for Companies published by the London Stock Exchange plc.

By Order of the Board
Galileo Fund Services Limited as
Registered Agent
Date: 10 September 2014

Registered Office
Millennium House
46 Athol Street
Douglas
Isle of Man IM1 1JB
British Isles

NOTES:

- 1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him; a proxy need not be a member of the Company. In the case of joint holders, if more than one of such joint holders is present, only the person whose name stands first in the register of members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy.
- 2 A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude a member from attending and voting at the EGM if he so wishes. In the event that a member who has lodged a form of proxy attends the EGM, his form of proxy will be deemed to have been revoked.
- 3 In order to be valid the form of proxy should be completed and deposited with Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB Attn: Ian Dungate (Fax No: +44 (0)1624692601) not later than 4.30pm on Tuesday 30 September 2014, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority.
- 4 All defined terms used in the Notes to this Notice shall have the same meanings as in the Circular to Shareholders of the Company dated 10 September 2014 of which this Notice forms part.

EUROPEAN CONVERGENCE DEVELOPMENT COMPANY PLC

(the "Company")

FORM OF PROXY

To be used for the Extraordinary General Meeting of the Company to be held at the offices of Galileo Fund Services Limited, , Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB on Thursday 2 October 2014 at 4.30pm

I/We _____ ¹
of _____ ¹ being member(s) of
the Company, hereby appoint the Chairman of the meeting ² or _____
of _____ as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held on Thursday 2 October 2014 and at any adjournment thereof.

I/We direct my/our proxy to vote in respect of the Resolution to be proposed at such Extraordinary General Meeting in the following manner³:-

1. ORDINARY RESOLUTION

That the Company adopt its New Investing Policy as set out in Part 2 of the circular of the Company dated 10 September 2014 (the "Circular").

FOR	AGAINST	ABSTAIN

2. SPECIAL RESOLUTION

That the admission to trading on AIM of the Company's Ordinary Shares be cancelled.

FOR	AGAINST	ABSTAIN

Signed by: _____

Date: _____

Number of Shares: _____

NOTES:

- 1 Full name(s) and address (es) to be inserted in BLOCK CAPITALS. The name of all joint holders should be stated.
- 2 If you wish to appoint a person other than the Chairman of the meeting as your proxy please delete the words "the Chairman of the meeting" and print the name and address of the person you wish to appoint in the space provided.
- 3 Please indicate with an "X" in the appropriate space beside the appropriate resolution how you wish your proxy to vote on your behalf on a poll. Except as otherwise instructed, your proxy will exercise his discretion as to how he votes or whether he abstains from voting.
- 4 This form of proxy must be signed by the member or his attorney duly authorised in writing, or if the appointer is a corporation the form of proxy must be executed under its common seal or under the hand of an officer of the corporation duly authorised on their behalf.
- 5 A member entitled to attend and vote is entitled to appoint one or more parties to attend and, on a poll, to vote instead of him. A proxy need not also be a member. In the case of joint holders, if more than one such joint holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy. Where a corporation is to be represented at the meeting by a personal representative, such corporation must deposit a certified copy of the resolution of its directors or other governing body authorising the appointment at the Company's registered office not later than 48 hours before the time fixed for the meeting.
- 6 This form of proxy should be completed and deposited at the offices of Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB Attn: Ian Dungate, (Fax No: +44 (0)1624 692601). To be valid the form of proxy must be received at the above address or fax number, by 4.30pm on Tuesday 30 September 2014 together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority.