

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or transferred all your ordinary shares in Artisan (UK) plc, please send this document and the accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

ARTISAN (UK) PLC

(Registered in England and Wales, Company Number 3630998)

Directors:

Geoffrey Hugh Melamet, *Non-executive Chairman*
Michael John Eyres
Ian David Dyke
Geoffrey James Lawler

Registered Office:

2b, Vantage Park
Washingley Road
Huntingdon
Cambs
PE29 6SR

31 May 2017

To the holders of Ordinary Shares

Dear Shareholder

At the end of this letter is notice of a General Meeting of Artisan (UK) plc ("**the Company**") which will be held at the Company's offices at Unit 2b, Vantage Park, Washingley Road, Huntingdon PE29 6SR on Thursday, 22 June 2017 at 10.30 a.m.

I am writing this letter to you as Geoffrey Melamet, the non-executive chairman of the Company, is interested in the business of the General Meeting ("**the Meeting**").

The business for consideration at the Meeting is a proposal that Rippon Homes Limited, a subsidiary of the Company, sells a parcel of land which it owns at Lowdham, Nottinghamshire, to Zengreen Limited, a company of which Mr Melamet is the sole director and shareholder. By reason of Mr Melamet's interest in Zengreen Limited, the sale of the land to it by Rippon Homes Limited will require shareholder approval in accordance with s.190 of the Companies Act 2006.

The purpose of this letter is to explain to you the background to and reasons for the proposal, and to give you the independent directors' unanimous recommendation to shareholders in relation to the proposal.

Background to and reasons for the proposal

Shareholders will be aware that the Company and its subsidiaries ("**the Group**") have been undergoing change as the Group adapts to changing market and economic conditions, particularly changing requirements for financial support from lending institutions.

You will also be aware that, following repayment of the transitional facilities provided to the Group by Tenax Credit Opportunities Fund Ireland Limited, the Group has been without a lending bank relationship, and has, in consequence, been reliant on project-specific funding with specialised funders. Such funding comes at higher borrowing costs than the Group previously faced.

In order for the Group to revert to a continuing banking relationship at more market-related costs, the directors have in recent months sought opportunities to realise assets which have been held within the Group for some time, without providing any economic return.

Rippon Homes Limited ("**Rippon**") has owned a piece of land at Lowdham Farm, Caythorpe Road, Lowdham ("**the Caythorpe Land**") since 1999. Rippon has held the Caythorpe Land in the hope that it would prove possible at some date to obtain planning permission for residential development on it. To date, no planning permission has been obtained and the Caythorpe Land is outside the area currently earmarked by the local planning authority for development. Rippon has, however, recently submitted a planning application in respect of the Caythorpe Land to test the local planning authority's policies on residential development in the locality of the site. There is no certainty that planning permission will be obtained, but the directors believe it is unlikely that a decision on the current application will be received before the Company's year-end on 30 June 2017.

The carrying value of the Caythorpe Land in Rippon's accounts is currently £60,000. If planning permission were to be granted for a residential development of ten dwellings on the Caythorpe Land, the directors estimate that its realisable value, after taking account of Community Infrastructure Levy and other development costs, would be in the region of £750,000.

The proposal

For the purposes of this proposal, the "Independent Directors" comprise Michael Eyres, Geoffrey Lawler and Ian Dyke. Having declared his interest in the proposal, Geoffrey Melamet has taken no part in decisions taken by the Board in relation to the proposal.

The Independent Directors propose that, subject to shareholders' approval, Rippon will sell the Caythorpe Land to Zengreen Limited for a price of £500,000 which the independent directors are satisfied exceeds its current market value. The sale would be completed no later than 30 June 2017, enabling Rippon to show a realisation of this asset in the current financial year.

The Independent Directors further intend to protect Rippon's interests by including in the sale contract provisions that:

- (a) in the unlikely event of planning permission for the development of the Caythorpe Land being granted before completion of the sale, the sale price will be increased to £750,000; and
- (b) if planning permission is granted for the development of the Caythorpe Land in the future, Rippon will be given the first opportunity to carry out the development and so secure a share in the development profits.

Mr Melamet, acting in this instance on behalf of Zengreen Limited, has indicated that Zengreen Limited will accept these terms.

General meeting

As I have explained, the sale of the Caythorpe Land to Zengreen Limited, being a company in which Mr Melamet is interested, requires approval by the Company's shareholders.

A resolution to approve the sale will, accordingly, be proposed at the General Meeting.

Action to be taken

Shareholders are requested to complete and return the enclosed form of proxy for use at the General Meeting, in accordance with the instructions printed on the form, so as to arrive at the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, and in any event no later than 10.30 a.m. on Tuesday, 20 June 2017. Completion and return of the form of proxy will not prevent you from attending the General Meeting and voting in person, if you wish to do so.

Directors' recommendations

The Independent Directors are of the opinion that the proposal set out in the Notice of General Meeting at the end of this letter is in the best interests of the Company and its shareholders as a whole. Accordingly, the Independent Directors unanimously recommend that shareholders vote in favour of the resolution set out in the Notice of General Meeting ("the Resolution") as they intend to do so in respect of the shares in which they are beneficially interested, totalling 900 ordinary shares, representing approximately 0.0068% of the issued ordinary share capital of the Company.

The Independent Directors have been informed that Aspen Finance Limited intends to vote in favour of the Resolution in respect of the 9,268,721 ordinary shares which it holds, representing approximately 69.55% of the issued ordinary share capital of the Company.

Yours faithfully

MICHAEL EYRES
Director

ARTISAN (UK) PLC

(Registered in England and Wales, Company Number 3630998)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Artisan (UK) plc ("**the Company**") will be held at the Company's offices at Unit 2b, Vantage Park, Washingley Road, Huntingdon PE29 6SR on Thursday, 22 June 2017 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

That the sale by the Company's subsidiary company, Rippon Homes Limited, of its land at Lowdham Farm, Caythorpe Road, Lowdham, Nottinghamshire to Zengreen Limited (being a company with which Geoffrey Hugh Melamet, a director of the Company is connected) for the price of £500,000 or (if planning permission for the residential development of the land is granted before completion of the sale) for the price of £750,000 and otherwise on such terms as the directors may approve, be approved.

BY ORDER OF THE BOARD

Philip R Speer
Company Secretary

Registered Office:
2b Vantage Park
Washingley Road
Huntingdon
PE29 6SR

Date: 31 May 2017

Notes:

1. If you are a member of the Company entitled to attend the General Meeting, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this Notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. To be valid, a proxy form must be completed and signed, and sent or delivered to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by them no later than 10.30 a.m. on Tuesday, 20 June 2017. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or other authority under which a proxy form is signed (or a duly certified copy of that power or authority) must be included with the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to your proxy.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned in the same envelope.
5. 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, the first named being the most senior.
6. The appointment of a proxy does not preclude you from attending and voting in person at the General Meeting.
7. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's Register of Members at close of business on Tuesday, 20 June 2017 will be entitled to attend and vote at the General Meeting.

