

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at a General Meeting of the Company to be held on 2 December 2015. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000, as amended ("FSMA").

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred only part of your registered holding of Ordinary Shares in the Company, you should retain this document and the accompanying documents.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, reviewed or approved by the Financial Conduct Authority ("FCA") pursuant to sections 85 and 87 of FSMA, London Stock Exchange Group plc ("London Stock Exchange") or any authority or regulatory body.

Application will be made to the London Stock Exchange for the Placing Shares and the New Ordinary Shares to be admitted to trading on AIM. It is anticipated that such admission will become effective and that dealings in the Placing Shares and the New Ordinary Shares will commence at 8.00 a.m. on 3 December 2015.

reach4entertainment enterprises plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 2725009)

Bank Refinancing,

Placing of 400,000,000 New Ordinary Shares of 0.5 pence each at 1 penny per share,

Capital Reorganisation and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 6 to 11 of this document, which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

The Notice of a General Meeting of reach4entertainment enterprises plc, to be held at 10.00 a.m. on 2 December 2015 at the offices of Clintons, 55 Drury Lane, London WC2B 5RZ, is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.00 a.m. on 30 November 2015. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Allenby Capital Limited ("**Allenby**"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in relation to the Placing and Admission. The responsibilities of Allenby (as the Company's nominated adviser and broker under the AIM Rules for Companies and AIM Rules for Nominated Advisers published by London Stock Exchange) are owed solely to London Stock Exchange and are not owed to the Company nor to any of its directors, shareholders or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Allenby is acting solely for the Company and no one else in relation to Admission. Allenby does not make or give any representation or warranty, express or implied, as to the contents of this document. Allenby will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing, any acquisition of shares in the Company or Admission.

Unless otherwise excluded by FSMA or by law, Allenby does not accept any liability whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in respect of the Capital Reorganisation or Placing. Allenby accordingly disclaims all and any liability which it might otherwise have in respect of this document.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in reach4entertainment enterprises plc nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. 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.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Circular	13 November 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 30 November 2015
General Meeting	10.00 a.m. on 2 December 2015
Completion Date*	4 December 2015
Admission and dealings in the New Ordinary Shares and the Placing Shares expected to commence on AIM*	8.00 a.m. on 3 December 2015

PLACING STATISTICS

Number of Existing Ordinary Shares in issue	74,894,792
Number of New Ordinary Shares in issue immediately following the Capital Reorganisation*	74,894,792
Number of Deferred Shares in issue immediately following the Capital Reorganisation*	74,894,792
Placing Price per Placing Share	1 penny
Number of Placing Shares being placed on behalf of the Company	400,000,000
Number of New Ordinary Shares in issue following Admission*	474,894,792
Number of Placing Shares as a percentage of the Enlarged Share Capital	84.2%
Number of Warrants in issue on the Completion Date	24,994,462
Estimated net proceeds of the Placing receivable by the Company	£3.75 million

**Conditional on the passing of the Resolutions at the General Meeting*

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended);
“Admission”	the admission of the Placing Shares and the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“agreed form”	a document in the form agreed by the parties and initialled by them or on their behalf for identification;
“AIB”	AIB Group (UK) P.L.C.;
“AIB Joint Ventures”	AIB Joint Ventures Limited a private limited company registered in England and Wales whose registered number is 02094213 and whose registered office is at AIB, St. Helen’s, 1 Undershaft, London EC3A 8AB;
“AIM”	the market of that name operated by London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers published by London Stock Exchange;
“Allenby”	Allenby Capital Limited, the Company’s nominated adviser and broker;
“Availability Confirmation Letter”	the letter from PNC to the Company and Allenby confirming, <i>inter alia</i> , (i) that PNC’s client intake procedures have been carried out to PNC’s satisfaction, (ii) whether any amendments are required to the terms of the New Facility as a result of any matter which has been identified by PNC during its audit of the accounts receivable of the Company, together with details of such amendments, and (iii) the amount available to be drawn down under the New Facility;
“Bank Refinancing”	the refinancing being undertaken by the Company and r4e Inc, as further described in paragraph 2 of the Letter from the Chairman contained in this document;
“Board” or “Directors”	the directors of the Company, whose names are set out on page 6 of this document;
“Capita Asset Services”	the trading name of Capita Registrars Limited;
“Capital Reorganisation”	the reorganisation of the share capital of the Company, further described in paragraph 5 of the Letter from the Chairman of the Company contained in this document;
“Cash Settlement”	the £9,000,000 (nine million pounds sterling) plus applicable accrued interest, credit card expenses, costs and fees due to be paid to AIB or its professional advisers on the Completion Date, pursuant to the Settlement Agreement;
“Company” or “r4e”	reach4entertainment enterprises plc;
“Completion Date”	4 December 2015;

“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Deferred Shares”	the 74,894,792 deferred shares of 2 pence each to be created pursuant to the Capital Reorganisation;
“Enlarged Share Capital”	the issued share capital of the Company immediately following Admission;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Form of Proxy”	the form of proxy enclosed with this document for use in connection with the GM;
“Facility”	the secured sterling term loan facilities in the aggregate principal amount of fourteen million seven hundred and eighty five thousand pounds sterling (£14,785,000) made available to the Company and other members of its group under the Facility Agreement;
“Facility Agreement”	the loan facility agreement entered into between r4e and AIB dated 29 August 2008 as amended by way of an amendment letter dated 17 December 2009, an amendment and restatement agreement dated 2 September 2010, an amendment agreement dated 9 February 2011, an amendment agreement dated 26 April 2011, an amendment and restatement agreement dated 14 November 2012 and an amendment and restatement agreement dated 7 April 2014;
“General Meeting” or “GM”	the general meeting of the Company convened for 10.00 a.m. on 2 December 2015, notice of which is set out at the end of this document;
“London Stock Exchange”	London Stock Exchange Group plc;
“New Facility”	the conditional cash flow term facility of £1 million and a revolving credit facility of up to £8.5 million, to be entered into between the Company and PNC on the Completion Date, as further described in paragraph 3 of the Letter from the Chairman of the Company contained in this document;
“New Facility Agreement”	the agreement to be entered into between the Company and PNC setting out the terms and conditions of the New Facility;
“New Ordinary Shares”	the ordinary shares of 0.5 pence each in the capital of the Company to be created pursuant to the Capital Reorganisation;
“Notice of GM”	the notice convening the GM, which is set out at the end of this document;
“Ordinary Shares” or “Existing Ordinary Shares”	the 74,894,792 Ordinary Shares of 2.5 pence each in the capital of the Company in issue at the date of this document;
“Placees”	subscribers for Placing Shares;
“Placing”	the conditional placing by Allenby of the Placing Shares with the Placees pursuant to the Placing Agreement;

“Placing Agreement”	the conditional agreement dated 13 November 2015 between the Company and Allenby relating to the Placing;
“Placing Price”	1 penny per Placing Share;
“Placing Shares”	the 400,000,000 New Ordinary Shares to be issued pursuant to the Placing;
“PNC”	PNC Business Credit, a trading style of PNC Financial Services UK Ltd;
“Proposals”	the Capital Reorganisation, the Placing and the Bank Refinancing;
“r4e Inc.”	reach4entertainment, Inc., a company incorporated and registered in Delaware whose registered office is at 160 Greentree Dr Ste 101, Dover, Delaware, 19904, United States of America;
“Registrar”	Capita Asset Services;
“Resolutions”	the resolutions set out in the Notice of GM at the end of this document;
“Settlement Agreement”	the conditional settlement agreement to be entered into between the Company and AIB on the Completion Date, as further described in paragraph 2 of the Letter from the Chairman of the Company contained in this document;
“Shareholders”	holders of Existing Ordinary Shares at the date of this document and, following the Capital Reorganisation and Placing, the holders of New Ordinary Shares;
“Takeover Code”	the City Code on Takeovers and Mergers which is administered by the Panel on Takeovers and Mergers;
“Trading Day”	any day during which AIM is open for business;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“Warrant Instrument”	the equity warrant instrument to be issued by the Company in favour of AIB Joint Ventures and which is set out in the schedule to the Settlement Agreement; and
“Warrant”	the warrants to subscribe for 24,994,462 new ordinary shares of 0.5 pence each in the Company at a purchase price of one penny per share as more fully described in paragraph 2 of the Letter from the Chairman of the Company contained in this document.

Letter from the Chairman of reach4entertainment enterprises plc



(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 2725009)

Directors:

David Stoller (*Executive Chairman/Acting CEO*)
Marcus Yeoman (*Non-Executive Director*)
Richard Ingham (*Non-Executive Director*)

Registered Office:

Wellington House
125 Strand
London
WC2R 0AP

13 November 2015

Dear Shareholder

Bank Refinancing, Placing, Capital Reorganisation and Notice of General Meeting

1. Introduction

I am pleased to be able to write to you and set out your Board's proposals for re-launching the Company. As you will know, the Company has been severely constrained by the costs associated for paying for the high level of debt the Company currently has compared to its market capitalisation which has restricted our ability to invest. As a Board we have been working to address this issue for some time and so it is pleasing to now be able to set out below our proposals for re-launching the Company supported by new investment, a new capital structure and a refinancing of the current debt facilities.

Earlier today the Company announced that it has conditionally raised £4,000,000 (before expenses) by way of a placing of 400,000,000 New Ordinary Shares at a price of 1 penny per share. The Placing has been undertaken in connection with the Bank Refinancing, further details of which are set out in paragraph 2 below. In order to proceed with the Placing, the Capital Reorganisation will need to be undertaken by the Company, further details of which are set out in paragraph 5 below. In addition to the Placing, in order to complete the Bank Refinancing, it is proposed that the Company will enter into the New Facility with PNC, further details of which are set out in paragraph 3 below.

The Placing Shares have been conditionally placed with institutional and other investors, subject to the passing of the Resolutions at the GM, Allenby being satisfied with the contents of the Availability Confirmation Letter and Admission. The proceeds of the Placing will be used to finance the Cash Settlement due under the Settlement Agreement which, together with the New Facility, are expected to secure full and final settlement of the Company's obligations under the Facility. On the Completion Date, it is proposed that the Company will enter into and complete the Settlement Agreement and the New Facility, both of which will be in agreed form prior to Admission. In the case of the New Facility, PNC is expected to deliver the Availability Confirmation Letter prior to Admission confirming, amongst other matters, the amount available for drawdown under the New Facility.

r4e is a world leader in providing promotion, advertising and marketing services to the theatre and live entertainment industries. The Board believes that the Proposals being recommended will strengthen the Company's financial base and enable it to pursue a strategy for growth incorporating the following key elements:

- leveraging the Company's leading brands to increase cross-over of shows between London and New York;
- seeking to broaden the geographic coverage of existing West End and Broadway shows into new markets, such as Asia;
- expanding the Company's services into adjacent markets and geographies and to new customer bases, leveraging the Company's existing brands and reputation;

- expanding the Company's digital and online offerings;
- increasing investment in online advertising and marketing, including data and analytics; and
- launching mobile and location targeted advertising.

The purpose of this document is to explain the background to and reasons for the Proposals, to explain why the Board considers the Proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions to be proposed at the GM, notice of which is set out at the end of this document.

2. Bank Refinancing and Settlement Agreement

The Company is undertaking the Bank Refinancing as the Directors believe that servicing the high level of debt being lent to the Company via the existing Facility, of which approximately £14,155,000 is outstanding, has restricted the Company in its ability to develop its operations. Furthermore, as announced by the Company on 10 June 2015, there is uncertainty over the Company's ability to meet a significant scheduled repayment of the Facility in April 2016. The Directors therefore believe that entering into the Settlement Agreement will place the Company in a more stable financial position and in a better position to pursue its expansion strategy, as noted above.

The Company has reached an agreement with AIB in principle pursuant to which upon completion of the Proposals and in accordance with the Settlement Agreement:

- the Company will pay to AIB the Cash Settlement in full and final settlement of its obligations under the Facility and for release of the security granted to AIB in connection with the Facility; and
- the Company will create and issue the Warrants to AIB Joint Ventures. The Warrants will, on issue, represent approximately five per cent. of the Enlarged Share Capital as enlarged by the exercise of the Warrants. The Warrants are exercisable at a price of one penny (1p) per share during the five year period commencing on the date of issue, subject to the closing mid-market price (as shown on AIM) of a New Ordinary Share being five pence (5p) or more on any Trading Day during that five year period, subject to the right to exercise earlier upon the occurrence of certain specified Acceleration Events (as defined in the Warrant Instrument).

The Company and AIB propose to enter into and complete the Settlement Agreement on the Completion Date and at the same time that the New Facility is completed. In addition to the above, the Settlement Agreement provides for, inter alia, the termination of the Facility and the settlement by AIB of any and all claims against the Company under the Facility Agreement.

In order to finance the Cash Settlement due under the Settlement Agreement, the Company is proposing to enter into the New Facility and has conditionally raised £4,000,000 pursuant to the Placing, both of which are described below.

3. New Facility

On 25 September 2015 the Company announced that it had received an offer letter from PNC for a three year secured asset based debt facility of £9,500,000, made up of a cash flow term facility of £1,000,000 and a revolving credit facility of up to £8,500,000 based on qualifying accounts receivable. In accordance with this, the Company proposes to enter into the New Facility Agreement providing a facility on similar terms which, along with the Placing proceeds, will be used to repay the Facility in accordance with the terms of the Settlement Agreement. Drawdown under the New Facility will likely take place on the basis of solicitors' undertakings to apply the drawdown sums (or part of them) to complete the Settlement Agreement.

The Board of r4e expects that initial funds available for drawdown under the revolving credit facility will be approximately £6,000,000, depending on accounts receivable at the time. PNC's provision of the New Facility will be subject to agreement of legal documentation and the satisfaction of certain conditions precedent.

4. Details of the Placing

The Company proposes to raise £4,000,000 (before expenses) through the issue of the Placing Shares at the Placing Price. The Placing Price represents a discount of approximately 56 per cent. to the closing mid-market price of 2.25 pence per Ordinary Share on 12 November 2015, being the last Trading Day prior to the announcement of the Placing. Having considered the price at which the Ordinary Shares are currently traded, feedback from investor marketing and other factors, the Directors have resolved that the Placing Price is appropriate. The Placing Shares will represent 84.2 per cent. of the Enlarged Share Capital.

Pursuant to the terms of the Placing Agreement, Allenby, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the GM, Allenby being satisfied with the contents of the Availability Confirmation Letter and Admission becoming effective on or before 8.00 a.m. on 3 December 2015 (or such later date as may be agreed, but not later than 18 December 2015). The Placing Agreement contains provisions entitling Allenby to terminate the Placing Agreement at any time prior to Admission in certain circumstances. If this right is exercised the Placing will not proceed. The Placing has not been underwritten by Allenby or any other person. The Company has agreed to pay a fee and commission to Allenby in respect of the Placing.

As part of the Placing, Nigel Wray, via his investment company, Euroblue Investments Limited, has agreed to subscribe for 118,900,000 Placing Shares at the Placing Price. Following Admission, Mr Wray will be interested in 124,900,000 New Ordinary Shares, representing approximately 26.30 per cent. of the Enlarged Share Capital. Nigel Wray has expressed a desire to make a further investment in the Company and it is anticipated that the Company will consider further fundraising after Admission, if the Board believes it is in the best interests of the Company and its growth strategy. If, in connection with any further investment by Mr Wray, New Ordinary Shares are proposed to be issued to Mr Wray which would cause Mr Wray and his concert party to be interested in shares carrying 30 per cent. or more of the Company's voting rights, such issue of New Ordinary Shares would be subject to the approval by independent shareholders of a waiver by the Takeover Panel of rule 9 of the Takeover Code (a "whitewash").

In addition, certain Directors have agreed to subscribe for Placing Shares as follows:

Director	At the date of this document		On Admission	
	No. of Existing Ordinary Shares held	No. of Placing Shares subscribed	No. of New Ordinary Shares held	Percentage of Enlarged Share Capital
David Stoller	19,828,973 ¹	5,000,000	24,828,973 ¹	5.23%
Marcus Yeoman	200,943	1,000,000	1,200,943	0.25%

¹901,615 of these Existing Ordinary Shares are due to be transferred to Stoller Family Partners LLP, a company in which David Stoller is a general partner, pursuant to an agreement announced by the Company on 10 July 2015.

The Placing is being made on a non pre-emptive basis. The making of a pre-emptive offer would require the production of a prospectus which would have to comply with the Prospectus Rules of the FCA and be pre-vetted and approved by the FCA. Having given the matter careful consideration, the Directors do not believe that the time and costs involved in producing a prospectus would be justified in the context of a fundraising of this size and nature.

The Placing Shares will rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions declared following Admission.

5. Capital Reorganisation

The par value of each Existing Ordinary Share is 2.5 pence, which is the minimum price at which additional Ordinary Shares can be issued. As the Existing Ordinary Shares are now trading at below this price, in order to proceed with the Placing, the Company is proposing to undertake the Capital Reorganisation so that the par value of the Ordinary Shares is reduced to below the Placing Price. This proposal would, if passed, involve splitting each issued Existing Ordinary Share into one New Ordinary Share of 0.5 pence nominal value and one Deferred Share of 2 pence nominal value. For the avoidance of doubt, the nominal value of the shares is unrelated to the AIM market price of an Ordinary Share.

The New Ordinary Shares will have the same rights (including as to voting, dividends and return of capital) as the Existing Ordinary Shares. The number of New Ordinary Shares held by Shareholders will be the same as the number of Existing Ordinary Shares held by them immediately prior to the Capital Reorganisation, but the Capital Reorganisation will allow the Placing to take place.

The rights attaching to the Deferred Shares are set out in the Notice of GM. The Deferred Shares will be effectively valueless as they will not carry any rights to vote or any dividend rights. In addition, holders of Deferred Shares will only, in extremely remote and limited circumstances, be entitled to a payment on a return of capital or on a winding up of the Company. The Deferred Shares will not be quoted on AIM or any other stock market and will not be transferable unless with the prior written consent of the Company. No share certificates will be issued in respect of any of the Deferred Shares. The Board may further appoint any person to act on behalf of all holders of the Deferred Shares to transfer all such shares to the Company (or its nominee) for an aggregate consideration of 1 penny.

It is not intended that new share certificate(s) will be issued to the holders of the New Ordinary Shares following the Capital Reorganisation. Pending the issue of a new share certificate, Shareholders' existing share certificate(s) will remain valid for the same number of shares but with a different par value of 0.5 pence. Following the Capital Reorganisation, should Shareholders wish to receive an updated share certificate, they should contact the Registrars at the address set out herein or by contacting the shareholder helpline of Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

6. Admission

Application will be made to the London Stock Exchange for the Placing Shares and the New Ordinary Shares to be admitted to trading on AIM. Conditional on, inter alia, the passing of the Resolutions, it is expected that Admission will become effective and that dealings in the Placing Shares and the New Ordinary Shares on AIM will commence on 3 December 2015.

7. Current trading and prospects

The interim accounts of the Company for the six month period ended 30 June 2015 were announced on 9 September 2015 and are available on the Company's website, www.r4e.com. Since then, the Company was pleased to announce on 6 November 2015 that it expects to report turnover for the year ending 31 December 2015 in line with market expectations. Results for the third quarter delivered EBITDA in line with budget due to strong revenues, 8.8 per cent. above budget, offsetting lower gross margins and increased personnel costs. Personnel costs have been impacted in pound sterling terms by the stronger US dollar and increased resources supporting the higher revenues. Full year results are subject to the Company's performance in Q4 which typically delivers 40-50 per cent. of the year's EBITDA. The current expectation is that the Company will deliver EBITDA for the year to 31 December 2015 in the region of £1.6 million to £1.8 million.

8. Share incentive scheme

The Directors are aware of the importance of retaining and incentivising its key employees. Therefore, the Board has agreed to put in place a share incentive scheme for employees and directors under which it makes grants of, in aggregate, up to 20 per cent. of the Company's issued share capital at (subject to tax and other considerations) the Placing Price.

9. General Meeting

Set out at the end of this document is the notice convening the GM to be held on 2 December 2015 at the offices of Clintons, 55 Drury Lane, London WC2B 5RZ at 10.00 a.m. at which the Resolutions will be proposed. The Resolutions to be proposed at the GM are as follows:

Resolution 1

An ordinary resolution to divide each Existing Ordinary Share in issue at the date of the Resolution into one New Ordinary Share and one Deferred Share (as described in paragraph 5 above).

Resolution 2

An ordinary resolution to grant the Directors authority pursuant to section 551 of the Act to allot New Ordinary Shares up to a nominal value of £4,974,867.10, representing the Placing Shares, New Ordinary Shares that may be issued pursuant to the exercise of the Warrant Instrument and the New Ordinary Shares that may be the subject of the share incentive scheme referred to in paragraph 8 above, plus an amount equivalent to approximately one hundred per cent. of the Enlarged Share Capital. The Board is proposing this level of authority in order to provide flexibility in future to finance and grow the Company as required and believe it is important that such headroom is available to it.

Resolution 3

A special resolution to disapply pre-emption rights pursuant to section 570 of the Act. This resolution allows the Directors to allot shares on a non pre-emptive basis, limited to:

- (a) the issue and allotment of the Placing Shares;
- (b) the possible issue and allotment of New Ordinary Shares pursuant to the exercise of the Warrant Instrument;
- (c) allotments pursuant to offers of shares to existing Shareholders in proportion to their existing holdings subject only to exclusions to deal with fractional entitlements and legal or practical problems in connection with overseas territories;
- (d) the New Ordinary Shares that may be the subject of the share incentive scheme referred to in paragraph 8 above; and
- (e) a nominal value of £3,799,867.10, representing approximately fifty per cent. of the Enlarged Share Capital. The Board is proposing this level of authority in order to provide flexibility in future to finance and grow the Company as required, without the inherent cost and delays associated with a pre-emptive offer, and believe it is important that such headroom is available to it.

Resolution 4

To amend the articles of association of the Company in respect of the rights of the Deferred Shares.

Resolutions 1 and 2 will be proposed as ordinary resolutions and require a majority of more than 50 per cent. of the Shareholders voting in person or by proxy in favour of each resolution. Resolutions 3 and 4 will be proposed as special resolutions and require not less than 75 per cent. of the Shareholders voting in person or by proxy in favour of each resolution. All authorities in respect of the issue and allotment of New Ordinary Shares contained in the Notice of GM are in substitution for those authorities approved at the Company's last Annual General Meeting.

10. Action to be taken

Shareholders will find enclosed with this document a reply-paid Form of Proxy for use at the GM. Whether or not you intend to be present at the GM, you are requested to complete and sign the Form of Proxy and return it to the Company's Registrars, Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to arrive no later than 10.00 a.m. on 30 November 2015. Unless the Form of Proxy is received by this date and time, it will be invalid. The completion and return of a Form of Proxy will not preclude you from attending the GM and voting in person if you so wish.

11. Recommendation

The Directors consider that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the GM, as they intend to do in respect of their aggregate interests of 19,354,716 Ordinary Shares (representing approximately 25.84 per cent. of the Existing Ordinary Shares).

Yours sincerely

David Stoller
Executive Chairman/Acting CEO

reach4entertainment enterprises plc

(Incorporated and registered in England and Wales under the Companies Act 1985, with registered number 2725009)

Notice of General Meeting

NOTICE is hereby given that a General Meeting of reach4entertainment enterprises plc (the "**Company**") will be held at 10.00 a.m. on 2 December 2015 at the office of Clintons, 55 Drury Lane, Covent Garden, London, WC2B 5RZ for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolutions 3 and 4 will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. THAT, subject to and conditional on the passing of resolutions 2 and 3 below, each ordinary share of 2.5 pence comprised in the share capital of the Company and in issue at 5.00 p.m. on 2 December 2015 (or such other time and date as the Directors of the Company may determine) be divided into one ordinary share of 0.5 pence ("**New Ordinary Share**") and one deferred share of 2 pence ("**Deferred Share**"), each having the rights attributable thereto in the Articles of Association of the Company ("**Articles**"), as amended by Resolution 4 below.
2. THAT, subject to and conditional upon the passing of resolutions 1 and 3, the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**"), in substitution for any such authority granted at the Annual General Meeting of the Company held on 30 June 2015 (the "**AGM**"), to allot New Ordinary Shares in the Company or grant rights to subscribe for or to convert any security into New Ordinary Shares in the Company ("**Rights**") up to a maximum nominal amount of £4,974,867.10 to such persons at such times and on such terms as they think proper, provided that this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may make an offer or agreement before the expiry of this authority which would or might require New Ordinary Shares in the capital of the Company to be allotted or Rights to be granted after such expiry and the Directors may allot New Ordinary Shares in the capital of the Company or grant Rights pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTIONS

3. THAT, subject to and conditional upon the passing of resolutions 1 and 2 above, in accordance with Section 570 of the Act and in substitution for any existing authorities granted at the AGM, the Directors be and are hereby generally empowered to allot equity securities (as defined in Section 560 of the Act) of the Company for cash pursuant to the authority conferred by resolution 2 as if section 561 of the Act did not apply to such allotment provided that this power shall be limited to:
 - (a) the allotment of £2,000,000.00 of New Ordinary Shares in the capital of the Company in connection with the Placing as described in the circular to shareholders dated 13 November 2015;
 - (b) the possible allotment of £124,972.31 of New Ordinary Shares in the capital of the Company pursuant to the exercise of the Warrant Instrument;
 - (c) the allotment of equity securities in connection with any other offer (whether by way of rights issue, open offer or otherwise) to holders of New Ordinary Shares in the capital of the Company in proportion (as nearly as may be) to their existing holdings of such shares, subject only to any exclusions or other arrangements which the Directors may deem necessary or expedient to deal

- with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory;
- (d) the allotment of equity securities pursuant to the terms of any share schemes for Directors and employees of the Company or any of its subsidiaries; and
 - (e) the allotment otherwise than pursuant to subparagraphs (a) to (c) (inclusive) above of equity securities not exceeding in aggregate the nominal amount of £1,200,000.00;

provided further that this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

4. THAT, subject to the passing of resolutions 1 to 3 (inclusive) above, the Articles be amended as follows:

- (a) by the deletion of the existing definition of “Ordinary Shares” and substituting the following new definition:

“**Ordinary Shares**” means ordinary shares of 0.5 pence each in the capital of the Company”

- (b) by the addition of a new definition as follows:

“**Deferred Shares**” means deferred shares of 2 pence each in the capital of the Company”

- (c) by deletion of the existing definition of “Share” and substituting the following new definition:

“**share**” means an Ordinary Share of the Company”;

- (d) by the deletion of the existing Article 4 and substituting the following new Article 4:

4. Ordinary Shares and Deferred Shares

The nominal value of each Ordinary Share as at the date of the adoption of these Articles is 0.5 pence. There shall be no limit to the number of Ordinary Shares that can be issued by the Company.

The nominal value of each Deferred Share as at the date of the adoption of these Articles is 2 pence. The rights attaching to the Deferred Shares are set out in Article CC below.

- (e) by the addition of the following new Article:

“CC **Deferred Shares**

- (a) As regards income the holders of the Deferred Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein.
- (b) As regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares) the holders of the Deferred Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or in specie) to the holders of the Ordinary Shares the amount of £100,000,000 in respect of each Ordinary Share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution in specie shall be ascertained in sterling, in each case in such manner as the Directors of the Company in general meeting may approve. The Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.
- (c) As regards voting the holders of Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.
- (d) The rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares. In addition neither the passing by the Company of any resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of

capital requiring the confirmation of the Court nor the obtaining by the Company or the making by the Court of any order confirming any such reduction of capital nor any such order becoming effective shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders of the Deferred Shares.

- (e) Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred Shares for an aggregate consideration of 1p (one penny).
 - (f) The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer/cancellation of the Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the Deferred Shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such Deferred Shares. No holder of any Deferred Shares(s) shall transfer such Deferred Share(s) unless the Company has given its prior written approval of such transfer.
 - (g) Notwithstanding any other provision of these Articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the Deferred Shares.
- (f) by making any necessary updates to the numbering and cross-references contained in the Articles by virtue of the amendments detailed above.

BY ORDER OF THE BOARD

David Stoller
Executive Chairman/Acting CEO

Dated: 13 November 2015

Registered Office:
Wellington House
125 Strand
London
WC2R 0AP

Notes:

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments)(Uncertificated Securities) Order 2009, only those members registered on the Company's register of members at 6.00 p.m. on 30 November 2015 shall be entitled to attend and vote at the meeting (or if the meeting is adjourned, those members registered on the register of members of the Company not later than 48 hours before the time fixed for the adjourned meeting). In calculating the period of 48 hours mentioned above, no account shall be taken of any part of a day that is not a working day. You may submit your proxy electronically using the Shareportal Service at www.capitashareportal.com If not already registered for the share portal, you will need your investor code which can be found on your share certificate.
2. A member is entitled to attend, speak and vote at the above meeting and is entitled to appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. 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, each different proxy appointment form must be received by Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the meeting.
4. 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.
5. A prepaid form of proxy is enclosed. To be valid any form of proxy and power of attorney or other authority under which it is signed or a notarially certified or office copy of such power of authority must be lodged with the Company's Registrars Capita Asset Services, PXS, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received

not less than 48 hours before the time appointed for the meeting or any adjourned meeting. The return of a form of proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by utilising 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.
7. In order for a proxy appointment 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 (EUI) 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 issuer's agent (Capita Asset Services, ID RA10) not less 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 timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.
9. 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.
10. 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).

