
Notice Of Extraordinary General Meeting

THE PARAGON GROUP OF COMPANIES PLC

(Registered in England and Wales under number 2336032)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of The Paragon Group of Companies PLC (the “Company”) will be held at the offices of UBS Limited, seventh floor, 1 Finsbury Avenue, London, EC2M 2PP on 28 January 2008 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions as special business.

Ordinary Resolutions

- 1 **THAT**, with effect from the close of business on 28 January 2008:
 - (a) all the ordinary shares of 10 pence each in the capital of the Company (“**10 Pence Ordinary Shares**”) then in issue be consolidated into ordinary shares of £1 each in the capital of the Company (the “**£1 Ordinary Shares**”) on the basis of ten 10 Pence Ordinary Shares being consolidated into one £1 Ordinary Share, each £1 Ordinary Share having the same rights as the 10 Pence Ordinary Shares provided that, where such consolidation results in any member being entitled to a fraction of a £1 Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of a £1 Ordinary Share to which other members of the Company may be entitled and the directors of the Company be and are hereby authorised to sell (or appoint any other person to sell to any person), on behalf of the relevant members, all the £1 Ordinary Shares representing such fractions at the best price reasonably obtainable to any person, and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant members entitled thereto (save that any fraction of a penny which would otherwise be payable shall be rounded up or down in accordance with the usual practice of the registrar of the Company and save that, the Company may retain the net proceeds of sale of such £1 Ordinary Shares representing such fractions where the individual amount of proceeds to which any member is entitled is less than five pounds (£5)) and that any director of the Company (or any person appointed by the directors of the Company) shall be and is hereby authorised to execute an instrument of transfer in respect of such shares on behalf of the relevant members and to do all acts and things the directors consider necessary or expedient to effect the transfer of such shares to, or in accordance with the directions of, any buyer of any such shares; and
 - (b) all authorised but unissued 10 Pence Ordinary Shares shall be consolidated into £1 Ordinary Shares, provided that where such consolidation would otherwise result in a fraction of a £1 Ordinary Share, that number of £1 Ordinary Shares which would otherwise constitute such fraction shall be cancelled pursuant to section 121(2)(e) of the Companies Act 1985;
- 2 **THAT**, subject to and conditional on Resolution 1 being approved, the authorised ordinary share capital of the Company be and is hereby increased from £17,500,000 to £310,000,000 by the creation of an additional 292,500,000 £1 Ordinary Shares.
- 3 **THAT**, subject to and conditional upon Resolutions 1 and 2 being approved, and the Underwriting Agreement having become unconditional in all respects save for any condition relating to Admission having occurred (as such terms are defined in the prospectus of the Company dated 11 January 2008, a copy of which has been produced to the meeting and initialled by the chairman of the meeting for the purpose of identification only (the “**Prospectus**”)):
 - (a) for the purposes of section 80 of the Companies Act 1985 (the “**Act**”), in substitution for all existing authorities conferred pursuant to that section to the extent unused, the directors of the Company be and are hereby unconditionally and generally authorised to exercise all powers of the Company to allot relevant securities (as defined in section 80(2) of the Act) of the Company up to an aggregate nominal amount of £293,663,469 in connection with the Rights Issue (as defined in the Prospectus);

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- (b) for a period expiring, (unless previously renewed, varied or revoked by the Company in general meeting), on the earlier of fifteen months from the date this resolution is passed and the conclusion of the annual general meeting of the Company in 2009;
- (c) save that, before such authority expires, the Company may make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities under such an offer or agreement as if the authority conferred hereby had not expired.

By order of the Board
John Gemmell
Company Secretary

11 January 2008

Registered Office
St Catherine's Court
Herbert Road
Solihull
West Midlands B91 3QE

Notes

1. *A member of the Company who is unable or does not wish to attend the general meeting is entitled to appoint a proxy to exercise all or any of his/her rights to attend and to speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company but must attend the meeting to represent you. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice (for the attention of ordinary shareholders only). If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the Registrar's helpline on 0870 707 1244. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.*
2. *A member may appoint more than one proxy in relation to the general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To appoint more than one proxy, please contact the Registrar's helpline on 0870 707 1244, who will be able to advise you on how to do this.*
3. *To be valid any form of proxy or other instrument appointing a proxy must be received by hand or by post at Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB, no later than 10.00 a.m. on 26 January 2008.*
4. *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.*
5. *Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.*
6. *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 general meeting.*
7. *The return of a completed form of proxy will not prevent a member attending the general meeting and voting in person if he/she wishes to do so.*
8. *On a vote by show of hands every member of the Company who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every member of the Company who is present in person or by way of proxy has one vote for every share of which he is the holder.*
9. *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).*
10. *If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.*
11. *Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the*

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general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

- 12. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.*
- 13. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those shareholders registered in the register of members of the Company at close of business on the day which is two days before the meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned, the Company specifies that only shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.*
- 14. As at 10 January 2008 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consists of 114,804,242 ordinary shares carrying one vote each. Therefore the total voting rights in the Company as at 10 January 2008 are 114,804,242.*
- 15. Copies of the service contracts and letters of appointment of the directors of the Company will be available for at least 15 minutes prior to the general meeting and during the general meeting.*
- 16. In view of the uncertainty regarding the application of certain provisions of the Companies Act 2006 relating to multiple corporate representatives and their ability to vote individually, separate arrangements will be put in place at the general meeting to enable the votes of all multiple corporate representatives to be taken into account. These arrangements will replace best practice at the time the Extraordinary General Meeting is held.*