

# 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 personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your shares in Photo-Me International plc, please send this document and the accompanying documents, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

## Photo-Me

**Photo-Me International plc**  
Church Road  
Bookham  
Surrey KT23 3EU  
Tel: 44 (0)1372 453399  
Fax: +44 (0)1372 459064

23 July 2015

**Dear Shareholder,  
2015 Annual Report and Annual General Meeting**

This year's Annual General Meeting will be held at The Thatcher's Hotel, Guildford Road, East Horsley, Surrey KT24 6TB on Wednesday 21 October 2015 at 12 noon.

The Notice convening the Annual General Meeting is enclosed in this circular and the items of special business to be considered at the meeting are explained in the Explanatory Notes section of the Notice.

The Board unanimously recommends that shareholders vote in favour of all the resolutions being proposed at the Annual General Meeting, which the Board considers to be in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole.

Even if you are not able to come to the meeting in person, your vote is still important and I would urge you, regardless of the number of shares you own, to please complete and return the accompanying proxy form in accordance with the instructions set out therein. Completion and return of the proxy form will not preclude you from attending and voting at the meeting.

As at 15 July 2015 (being the latest practicable date before the publication of the Notice convening the Annual General Meeting) the issued share capital of the Company was £1,866,649 divided into 373,329,778 ordinary shares of 0.5p each. Therefore the total number of voting rights in the Company as at that date was 373,329,778.

Those of you who have chosen to receive hard copies of the Annual Report, or shareholders who have joined the register since 18 July 2014, will find the 2015 Annual Report enclosed. The Annual Report can also be found on the Company's website at [http://investor.photo-me.com/financial\\_reports](http://investor.photo-me.com/financial_reports). Please note that you will need suitable internet web browser software installed on your computer, or any other web enabled device, to download documents from the Photo-Me website. If at any time you would like to change your preference as to how you receive documents such as the Annual Report, please contact our Registrars, Capita Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Yours faithfully,



**John Lewis**  
Chairman

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the fifty-third Annual General Meeting of Photo-Me International plc (the "Company") will be held at The Thatcher's Hotel, Guildford Road, East Horsley, Surrey KT24 6TB on Wednesday 21 October 2015 at 12 noon to consider and, if thought fit, pass the following Resolutions, which will be proposed in the case of Resolutions 1 to 10 as Ordinary Resolutions, and, in the case of Resolutions 11 and 12, as Special Resolutions.

## As Ordinary Business

### Ordinary Resolutions

1. THAT the Company's Accounts and the Reports of the directors and the auditor for the year ended 30 April 2015 be received.
2. THAT the directors' remuneration report for the year ended 30 April 2015 as set out on pages 34 to 46 of the Annual Report (other than the part of the report which sets out the directors' remuneration policy) be approved.
3. THAT a final dividend of 2.54p per ordinary share in respect of the year ended 30 April 2015 be declared to be payable on 12 November 2015 to shareholders on the register at the close of business on 9 October 2015.
4. THAT KPMG LLP be re-appointed auditor of the Company to hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
5. THAT the directors of the Company be authorised to fix the remuneration of the auditor.
6. THAT Mr Serge Crasnianski be re-elected as a director of the Company.
7. THAT Ms Françoise Coutaz-Replan be re-elected as a director of the Company.
8. THAT Mr Jean-Marcel Denis be re-elected as a director of the Company.
9. THAT Mr Yitzhak Apeloig be re-elected as a director of the Company.

## As Special Business

### Ordinary Resolution

10. THAT the directors of the Company be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise during the period ending either at the conclusion of the next Annual General Meeting of the Company or on the expiry of 18 months from the passing of this Resolution, whichever is the first to occur (and thereafter in pursuance of any offer or agreement made by the Company before the expiry of such period) all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £622,216 and that this authority shall be in substitution for any other authority vested in the directors to exercise the powers of the Company to allot shares or grant Rights.

### Special Resolutions

**11.** THAT, subject to the passing of Resolution 10 above, the directors of the Company be empowered, pursuant to Sections 570 and 573 of the Act, to allot equity securities (within the meaning of Section 560 of the Act) wholly for cash, pursuant to the authority conferred on them by Resolution 10 above, and to sell ordinary shares in the capital of the Company which are held by the Company in treasury, as if Section 561 of the Act did not apply to any such allotment or sale PROVIDED THAT this power shall be limited:

- (i) to the allotment of equity securities and the sale of treasury shares for cash in connection with any rights issue, open offer or any other pre-emptive offer in favour of the holders of ordinary shares in the capital of the Company at such record date or dates as the directors may determine for the purpose of the issue where the equity securities respectively attributable to the interests of all such holders are proportionate (as near as may be) to the respective numbers of ordinary shares held by them at such record date or dates so determined subject always to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical difficulties which may arise in or under the laws of any territory, or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
- (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities and sale of treasury shares for cash up to an aggregate nominal value not exceeding £93,332 being equal to 5% of the issued ordinary share capital of the Company as at 15 July 2015.

The power hereby conferred on the directors by this Resolution shall (unless previously revoked or renewed by Special Resolution of the Company) cease to have effect when the authority under Resolution 10 above is revoked or would (if not renewed) expire, save that the Company may, before the power given by this Resolution expires, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold for cash after such expiry and the directors may allot equity securities or sell treasury shares for cash pursuant to such offer or agreement as if the power conferred by this Resolution had not expired.

**12.** THAT the Company be generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 0.5p each in the Company provided that:

- (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 37,332,977, representing 10% of the issued ordinary share capital of the Company as at 15 July 2015;
- (ii) the minimum price, exclusive of expenses, which may be paid by the Company for each ordinary share is its nominal value;
- (iii) the maximum price, exclusive of expenses, which may be paid by the Company for an ordinary share shall be, in respect of an ordinary share contracted to be purchased on any day, the higher of:
  - (a) an amount which is not more than 5% above the average of the closing middle market quotations for an ordinary share (derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which that ordinary share is contracted to be purchased, or
  - (b) the higher of the price of the last independent trade or the highest current independent bid on the London Stock Exchange at the time the purchase is carried out; and
- (iv) unless renewed, the authority conferred by this Resolution shall expire either at the conclusion of the next Annual General Meeting of the Company or on the expiry of 18 months from the passing of this Resolution, whichever is the first to occur, save that the Company may, before such expiry, enter into a contract or contracts to purchase ordinary shares which would or might be executed wholly or partly after such expiry and make purchases of ordinary shares in pursuance of such contract or contracts.

By order of the Board

**Del Mansi**

Company Secretary

**Photo-Me International plc**

Church Road  
Bookham  
Surrey KT23 3EU  
23 July 2015

# Explanatory Notes

## Attendance and voting

A member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him or her. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. To be valid, the proxy form and any power of attorney or other authority under which it is executed (or a duly certified copy of such power of attorney or other authority) must be lodged with the Company's registrars, Capita Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours before the time fixed for the meeting (or any adjournment thereof), no account being taken of any part of a day that is not a working day. A proxy form is supplied with this Notice. Completion and return of the proxy form will not preclude a member from attending, speaking and voting in person at the meeting should he or she subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these explanatory notes and in the notes on the proxy form.

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered in the register of members of the Company as at 6.00 p.m. on 19 October 2015 (or, in the case of an adjournment, 6.00 p.m. on the day which is two working days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on 19 October 2015 (or, in the case of an adjournment, 6.00 p.m. on the day which is two working days before the time of the adjourned meeting) shall be disregarded in determining the rights of any person to attend, speak or vote at the meeting.

If you are not a member of the Company but you have been nominated by a member of the Company under Section 146 of the Act to enjoy information rights (a "Nominated Person"), you do not have a right to appoint any proxies under the procedures set out above. If you are a Nominated Person, you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the "Relevant Member") to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

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).

Copies of the following documents are available for inspection at the Registered Office of the Company at any time during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the conclusion of the Annual General Meeting, and will also be available for inspection at the place of the Annual General Meeting from 15 minutes before the meeting until its conclusion:

- (i) register of interests of directors in the share capital of the Company;
- (ii) service contracts of executive directors; and
- (iii) letters of appointment of the non-executive directors.

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

- (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- (ii) the answer has already been given on a website in the form of an answer to a question; or
- (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members should note that it is possible that, pursuant to requests made by members of the Company under Section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to:

- (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
- (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act.

The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

#### **Voting using CREST's electronic proxy appointment service**

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 RA10 by 12 noon on 19 October 2015. 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.

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.

CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsors or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### **Members' right to require circulation of a resolution to be proposed at the Annual General Meeting**

Under Section 338 of the Act, a member or members meeting the qualification criteria set out below, may, subject to conditions, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that:

- (i) the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (ii) the resolution must not be defamatory of any person, frivolous or vexatious;
- (iii) the request:
  - (a) may be in hard copy form or in electronic form (see note on "Submission of hard copy and electronic requests" below);
  - (b) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported;
  - (c) must be authenticated by the person or persons making it (see below); and
  - (d) must be received by the Company not later than six weeks before the Annual General Meeting.

#### **Members' right to have a matter of business dealt with at the Annual General Meeting**

Under Section 338A of the Act, a member or members meeting the qualification criteria set out below, may, subject to conditions, require the Company to include in the business to be dealt with at the meeting a matter (other than a proposed resolution) which may properly be included in the business (a "matter of business").

The conditions are that:

- (i) the matter of business must not be defamatory of any person, frivolous or vexatious;
- (ii) the request:
  - (a) may be in hard copy form or in electronic form (see below);
  - (b) must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported;
  - (c) must be accompanied by a statement setting out the grounds for the request;
  - (d) must be authenticated by the person or persons making it (see below); and
  - (e) must be received by the Company not later than six weeks before the Annual General Meeting.

# Explanatory Notes

## continued

### Members' qualification criteria

In order to be able to exercise the members' right to require:

- (i) circulation of a resolution to be proposed at the Annual General Meeting; or
- (ii) a matter of business to be dealt with at the meeting;

the relevant request must be made by:

- (a) a member or members having a right to vote at the meeting and holding at least 5% of the total voting rights of the Company; or
- (b) at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid-up share capital.

### Submission of hard copy and electronic requests

Where you, being a member or members, wish to request the Company to:

- (i) circulate a resolution to be proposed at the Annual General Meeting; or
- (ii) include a matter of business to be dealt with at the Annual General Meeting;

such request must be made in accordance with one of the following ways:

- (a) a hard copy request which is signed by you, states your full name and address and is sent to Photo-Me International plc, Church Road, Bookham, Surrey KT23 3EU for the attention of the Company Secretary, Del Mansi;
- (b) a request which is signed by you, states your full name and address and is sent by fax to +44 (0)1372 459064 marked for the attention of the Company Secretary, Del Mansi; or
- (c) a request which states your full name and address, and is sent by e-mail to IR@photo-me.co.uk. Please state "AGM 2015" in the subject line of the e-mail.

You may not use any electronic address provided either in this Notice of Annual General Meeting or the Chairman's letter in respect of the appointment of a proxy or variation or revocation of proxy voting instructions.

A copy of this Notice and information regarding the meeting, including the information required by Section 311A of the Act can be found at [www.photo-me.co.uk](http://www.photo-me.co.uk).

# Explanatory Notes to the Business of the Annual General Meeting

Resolutions 1 to 10 are Ordinary Resolutions, which will be passed if more than 50% of the votes cast are in favour.

## **Resolution 1: To receive the 2015 Annual Report**

The directors will present to the Annual General Meeting the Accounts and the Reports of the directors and the auditor for the year ended 30 April 2015. These are contained in the Company's Annual Report. Shareholders may raise any questions on the 2015 Annual Report under this resolution.

## **Resolution 2: Approval of the directors' remuneration report**

The purpose of Resolution 2 is to seek the approval of the Directors' Remuneration Report for the year ended 30 April 2015, excluding the part of the report which sets out the directors' remuneration policy. The report is set out on pages 34 to 46 of the 2015 Annual Report and Accounts. This resolution is advisory in nature and no individual director's remuneration is dependent on it. At the Company's Annual General Meeting in 2014 the directors' remuneration policy was approved by shareholders. The approved policy is set out in the remuneration report for reference purposes only.

## **Resolution 3: To declare a final dividend**

The final dividend of 2.54p per share is recommended by the directors for shareholders on the register at the close of business on 9 October 2015. If Resolution 3 is approved, the dividend will be paid on 12 November 2015. The ex-dividend date will be 8 October 2015.

## **Resolution 4: Appointment of auditor**

This Resolution proposes the re-appointment of the Company's existing auditor, KPMG LLP. The Company is required to appoint an auditor at each general meeting at which accounts are presented, to hold office until the next Annual General Meeting.

## **Resolution 5: Authorising directors to fix the remuneration of the auditor**

This Resolution authorises the directors, in accordance with standard practice, to determine the remuneration of the auditor.

## **Resolutions 6-9: Re-election of directors**

The Company's Articles of Association require that any director appointed by the Board retires and seeks re-election at the first Annual General Meeting following their appointment, and that all directors stand for re-election every three years.

## **Resolution 6: Re-election of Serge Crasnianski (Chief Executive Officer)**

Serge Crasnianski was appointed to the Board in May 2009 and was last re-appointed by shareholders in September 2012. He had previously served on the Board from 1990 to 2007; until 1994 as a Non-executive Director, from 1994 as an Executive Director and as Chief Executive Officer from 1998 to 2007. He founded KIS in 1963.

Serge Crasnianski wishes to stand for re-election. The Nomination Committee considers that Serge Crasnianski's performance as CEO has been effective and the Board recommends his re-election as a director.

## **Resolution 7: Re-election of Françoise Coutaz-Replan (Group Finance Director)**

Françoise Coutaz-Replan was appointed to the Board in September 2009 and was last re-appointed by shareholders in September 2012. She joined KIS in 1991 and was appointed Finance Director of Photo-Me France and KIS in November 2007.

Françoise Coutaz-Replan wishes to stand for re-election. The Nomination Committee considers that Françoise Coutaz-Replan's performance as Group Finance Director has been effective and the Board recommends her re-election as a director.

## **Resolution 8: Re-election of Jean-Marcel Denis (Non-executive Director)**

Jean-Marcel Denis was appointed to the Board in March 2012 and was last re-appointed by shareholders in September 2012. He has been appointed Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees. He founded his own auditing firm in 1970 in Paris, Auditeurs & Conseils Associes (ACA), and sold his interest in ACA in 2005. Subsequently he was a consultant in Finance & Conseils Associes, which specialises in business valuations.

Jean-Marcel Denis wishes to stand for re-election. The Nomination Committee considers that Jean-Marcel Denis is independent and that his performance remains effective especially with regard to his responsibilities as Chairman of the Audit Committee and as a member of other Board Committees. The Board recommends his re-election as a director.

## **Resolution 9: Re-election of Yitzhak Apeloig (Non-executive Director)**

Yitzhak Apeloig was appointed to the Board in March 2012 and was last re-appointed by shareholders in September 2012. He is a qualified accountant and Managing Partner of ATE Technology Equipment B.V. a private equity firm active mainly in Israel. He is Chairman of Leader Holdings and Investments Ltd, Polar Communications Ltd and Greenstone Industries Ltd and Director of Leader Capital Markets Ltd (all quoted on the Israeli Tel Aviv Stock Exchange). He is also Chairman of RVB Holdings Ltd (quoted on the OTCBB in the USA) and Chairman or Director of a number of other private companies. Previously he was Executive Chairman of Telit Communications plc, having led its flotation on the London AIM Market in 2005.

Yitzhak Apeloig wishes to stand for re-election. The Nomination Committee considers that Yitzhak Apeloig is independent and that his performance remains effective, and the Board recommends his re-election.

# Explanatory Notes

## to the Business of the Annual General Meeting

continued

### Resolution 10: General authority to allot shares

The effect of Resolution 10, if passed, would be to authorise the directors to allot shares up to a maximum amount of £622,216 (being equal to approximately one-third of the Company's issued ordinary share capital as at 15 July 2015 (being the latest practicable date before the publication of the Notice of Annual General Meeting, hereinafter called the "Latest Practicable Date"). The directors have no present intention of exercising this authority, which would expire at the conclusion of the next Annual General Meeting or, if earlier, 18 months from the date on which the Resolution is passed, other than in respect of the Company's share option schemes. This authority supersedes all previous authorities and the directors intend to seek its renewal at next year's Annual General Meeting. The Association of British Insurers (the "ABI") guidelines issued in December 2008 (as amended on 30 November 2009) state that ABI members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital.

Resolutions 11 and 12 are Special Resolutions, which will be passed if at least 75% of the votes cast are in favour.

### Resolution 11: Disapplication of pre-emption rights

The effect of Resolution 11, if passed, would be to enable the directors to issue shares for cash on a rights issue (or other pre-emptive offer) up to the maximum permitted by Resolution 10. It would also enable the directors to issue shares for cash (or sell shares held as treasury shares) up to an aggregate nominal amount not exceeding £93,332 (being equal to 5% of the Company's issued ordinary share capital as at the Latest Practicable Date) without first offering them to existing shareholders on a proportional basis. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding: (i) cumulative usage of authorities within a rolling three-year period without prior consultation with shareholders, and (ii) issuing no more than 5% of the ordinary share capital on a non pre-emptive basis in any one year. Therefore over a rolling three-year period, except in a rights issue or pre-emptive offer, this disapplication shall not exceed 7.5% of the issued ordinary share capital. Unless renewed, this power would expire when the authority given by Resolution 10 to allot shares expires (whether or not renewed) or is revoked (if this is earlier) and the directors intend to seek its renewal at next year's Annual General Meeting.

### Resolution 12: Authority to purchase own shares

Shareholder approval is being sought to renew the general authority to the Company to make market purchases of its own shares. The authority will be in respect of up to 37,332,977 ordinary shares (being equal to 10% of the Company's issued ordinary share capital as at the Latest Practicable Date and will be effective until the conclusion of the next Annual General Meeting or, if earlier, 18 months from the date on which the Resolution is passed. If granted, the authority would only be exercised if an improvement in earnings per share was expected to result and the purchase would be in the best interests of shareholders generally. The Company has no present intention to purchase its own shares.

The Company has the choice of cancelling shares which have been repurchased or of holding them as treasury shares (or a combination of both). Treasury shares are essentially shares which have been repurchased by the Company and which it is allowed to hold pending either reselling them for cash, cancelling them or, if authorised, using them for the purposes of its employee share plans. The directors believe that it is desirable for the Company to have this choice. Holding the repurchased shares as treasury shares would give the Company the ability to resell or transfer them quickly and cost-effectively, and would provide the Company with additional flexibility in the management of its capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. Shares held as treasury shares will not automatically be cancelled and will not be taken into account in future calculations of earnings per share (unless they are subsequently resold or transferred out of treasury).

The Company purchased no shares during the year ended 30 April 2015.

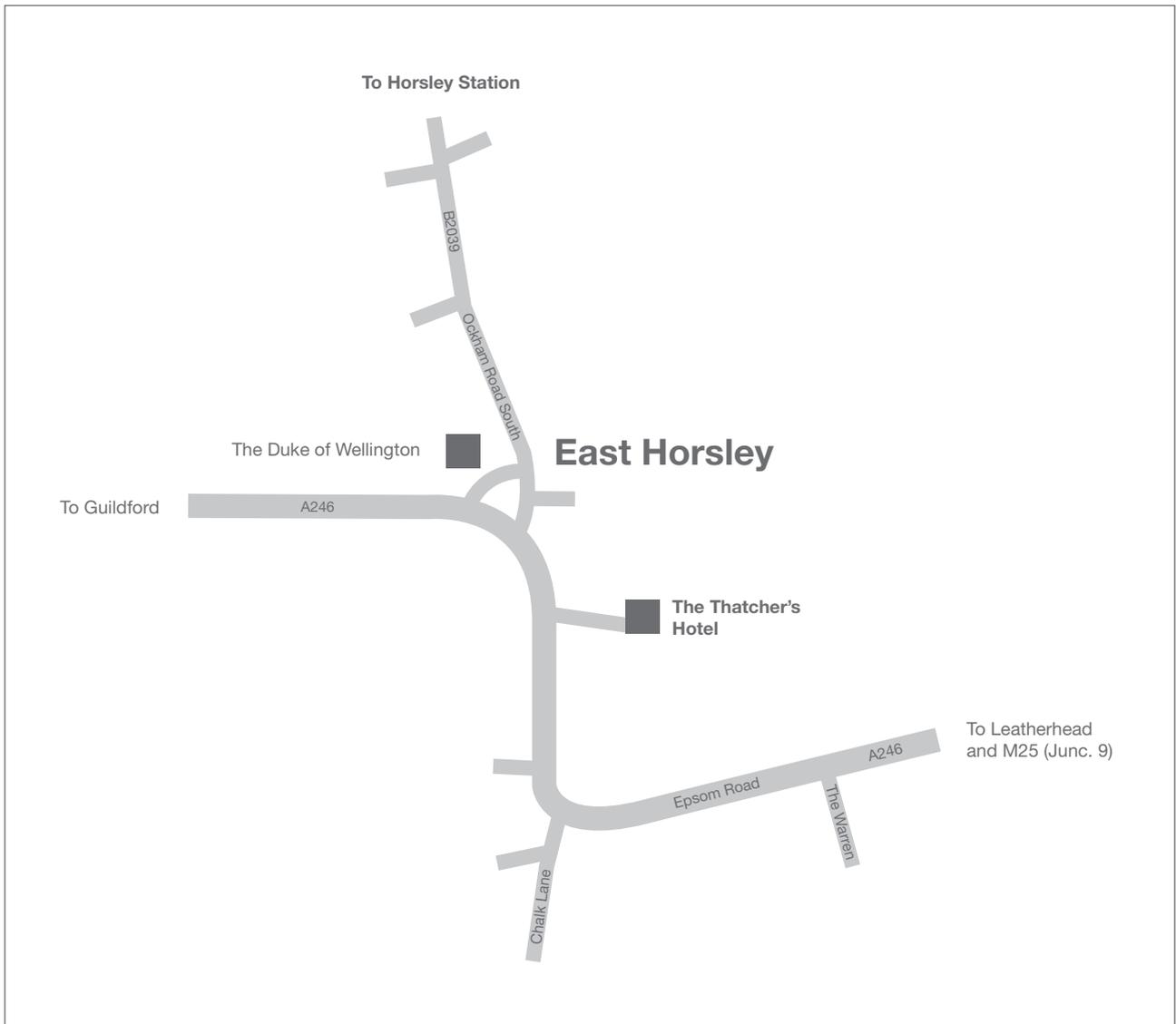
The Company's issued share capital as at the Latest Practicable Date was £1,866,649 divided into 373,329,778 ordinary shares of 0.5p each. As at the Latest Practicable Date the total number of voting rights in the Company was 373,329,778.

The total number of options over ordinary shares outstanding as at the Latest Practicable Date was 7,614,393 representing approximately 2.04% of the issued share capital. If the authority to buy back shares under this Resolution were exercised in full, the total number of options to subscribe for ordinary shares outstanding as at the Latest Practicable Date would, assuming no further ordinary shares are issued, represent approximately 2.27% of the issued share capital.

# Location of Annual General Meeting

Location of Annual General Meeting, to be held at  
The Thatcher's Hotel, Guildford Road, East Horsley, Surrey KT24 6TB

A courtesy transport service will operate between **Horsley railway station**  
and The Thatcher's Hotel, before and after the meeting.





# Proxy Form

## for use by members only

Photo-Me International plc  
 (the "Company")

**Photo-Me**

I/We (BLOCK CAPITALS)

of (address)

being a member of the Company, hereby appoint

Name of Proxy

No. of shares, if applicable  
 (see Note 2)

or, failing him/her, the Chairman of the meeting (see Note 2) to act as my/our proxy and on a poll to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 21 October 2015 and at any adjournment thereof.

I/We direct my/our proxy to vote as follows and otherwise as my/our proxy shall think fit:

(Please indicate with an X in the boxes below.)

Please mark this box if this proxy appointment is one of multiple appointments being made (see Note 2).

### Ordinary Business

#### Ordinary Resolutions

1. To receive the Accounts and Report of the directors and the auditor for the year ended 30 April 2015.
2. To approve the directors' remuneration report for the year ended 30 April 2015.
3. To declare a final dividend for the year ended 30 April 2015 of 2.54p per share, payable on 12 November 2015.
4. To re-appoint KPMG LLP as auditor.
5. To authorise the directors to fix the remuneration of the auditor.
6. To re-elect Mr Serge Crasnianski as a director.
7. To re-elect Ms Françoise Coutaz-Replan as a director.
8. To re-elect Mr Jean-Marcel Denis as a director.
9. To re-elect Mr Yitzhak Apeloig as a director.

**For**                      **Against**                      **Vote withheld**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Special Business

#### Ordinary Resolution

10. To authorise the directors to allot shares and grant rights to subscribe for, or convert any security into, shares up to a maximum amount.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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#### Special Resolutions

11. To enable the directors to allot shares for cash without first offering them to existing shareholders.
12. To authorise the Company to make market purchases of its own shares.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature

Date

2015

# Notes

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes. Please indicate with a cross in the appropriate box how you wish the proxy to vote. In the absence of any indication, the proxy will exercise his/her discretion as to whether, and if so how, he/she votes. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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. 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.
2. The Chairman of the meeting will act as proxy unless another proxy is desired, in which case, insert the full name of your proxy in the space provided. A proxy need not be a member of the Company but must attend the meeting in person. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly. 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. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank, your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this Proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
3. To appoint more than one proxy, (an) additional Proxy form(s) may be obtained by contacting the registrar's Helpline on 0871 664 0300 (calls cost 10p per minute plus network extras; overseas telephone number +44 20 8639 3399; lines are open Mon - Fri 9 a.m. – 5.30 p.m.), or you may copy this Proxy form.
4. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
5. When you have completed this Proxy form, sign it and return it by pre-paid post to Business Reply Licence Service, RLUB-TBUX-EGUC, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF or by freepost to FREEPOST CAPITA PXS. Any alteration or deletion must be signed or initialled.
6. In the case of a corporation, this Proxy form must be executed under its common seal or signed on its behalf by an attorney or officer of the corporation.
7. In the case of joint holders, the signature of any one holder will be sufficient but the names of the joint holders should be stated.  
  
The vote of the senior shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names of such holders stand in the register of members in respect of the joint holding.
8. To be valid, this Proxy form and the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power or authority, must be lodged with the Company's registrars, Capita Asset Services, Business Reply Licence Service, RLUB-TBUX-EGUC, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF or by freepost to FREEPOST CAPITA PXS not less than 48 hours before the time of the meeting (or any adjournment thereof).
9. As an alternative to completing this hard-copy Proxy form, shares held in uncertificated form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with procedures set out in the CREST manual. For an electronic proxy appointment to be valid, it must be received not less than 48 hours before the time of the meeting (or any adjournment thereof).
10. Except as mentioned in Note 9 above, you may not use any electronic address provided in the Chairman's letter or the Notice of Annual General Meeting in respect of the appointment of a proxy or variation or revocation of proxy voting instructions.