

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in the document or as to the action you should take, you should seek your own advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

The Paragon Group of Companies PLC

(Incorporated and registered in England and Wales under number 2336032)

Notice of Annual General Meeting

Your attention is drawn to the letter from the Chairman of The Paragon Group of Companies PLC (the 'Company') which is set out on page 3 of this document and which recommends you to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of the Company to be held at the offices of Jefferies Hoare Govett at Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ on 12 February 2015 at 9.00am is set out on pages 8 to 9 of this document.

Shareholders will also find enclosed with this document a form of proxy for use in connection with the Annual General Meeting. **To be valid, the form of proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Registrar of the Company by no later than 9.00am on 10 February 2015.** Completion and return of a form of proxy will not preclude shareholders from attending and voting at the Annual General Meeting should they choose to do so. Further instructions relating to the form of proxy are set out in the notes to the Notice of the Annual General Meeting.

The Paragon Group of Companies PLC

(Incorporated and registered in England and Wales under number 2336032)

Registered and Head Office:

51 Homer Road
Solihull
West Midlands
B91 3QJ
28 November 2014

To all Shareholders

NOTICE OF ANNUAL GENERAL MEETING

Dear Shareholder

I am pleased to advise you that our Annual General Meeting ('AGM') will be held at the offices of Jefferies Hoare Govett at Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ on Thursday 12 February 2015 at 9.00am.

The resolutions to be proposed at the meeting are set out in the Notice of AGM on pages 8 to 9. If you would like to vote on the resolutions but are unable to attend the AGM, please complete the proxy card sent to you with this notice and return it to our Registrar as soon as possible. They must receive it by 9.00am on Tuesday 10 February 2015 for your votes to count.

Explanatory notes on the proposed resolutions to be considered at the AGM appear on pages 4 to 7 of this document.

The directors consider that all the resolutions to be put at the meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board (other than, in the case of Resolutions 4 to 12, the director proposed for reappointment in each resolution) unanimously recommend that members vote in favour of each resolution.

Yours sincerely

Robert G Dench

Chairman

Explanation of the proposed resolutions

Resolutions 1 to 15 inclusive are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than 50 percent of the votes cast must be in favour of the resolution.

Resolutions 16 to 19 inclusive are proposed as special resolutions. This means that for each of those resolutions to be passed, at least 75 percent of the votes cast must be in favour of the resolution.

Resolution 20 this resolution, a 'shareholders' resolution', is subject to special procedural rules. It must be approved by shareholders holding a majority of at least 66 percent of the shares represented (in person or by proxy) at the AGM; if less than 50 percent of the total shares are represented (in person or by proxy) at the AGM, a majority of at least 75 percent is required. Employees who have an interest in the increased cap proposed by this resolution are not allowed to exercise, directly or indirectly, any voting rights they may have as shareholders.

Resolution 1 (Annual Report and Accounts)

The directors must lay the Company's Annual Report and Accounts, including the Strategic Report, the Directors' Report and the Auditors' Report before the members of the Company at a general meeting. This is a legal requirement following the directors having approved the Accounts and the Auditors prepared their report.

Resolution 2 (Annual Remuneration Report)

New legislation required that at the Company's AGM in 2014 shareholders be asked to consider and approve both the Annual Remuneration Report and the Directors' Remuneration Policy sections of the Directors' Remuneration Report. These two resolutions were duly passed in February 2014. The legislation requires that the Directors' Remuneration Policy be put to a vote at least every three years or sooner if there are changes required to the policy. As there are no changes proposed to the Directors' Remuneration Policy shareholders are being asked only to consider the Annual Remuneration Report section of the Directors' Remuneration Report this year.

Resolution 3 (Declaration of a final dividend)

Under the Articles of Association of the Company, a final dividend must be approved by shareholders by ordinary resolution. An interim dividend may, however, be authorised by the Board and was done so for the interim dividend of 3.0p per ordinary share paid on 25 July 2014. The directors are recommending that shareholders declare a final dividend of 6.0p per ordinary share in respect of the year ended 30 September 2014. The amount declared as a final dividend may not exceed the amount recommended by directors. If approved, the final dividend will be paid on 16 February 2015 to shareholders on the Register of Members at close of business on 9 January 2015.

Resolutions 4 to 12 inclusive (Reappointment of directors)

In accordance with the UK Corporate Governance Code the Board of Directors has decided it is appropriate for all directors to submit themselves for reappointment on an annual basis. In addition, the Articles of Association of the Company require that any director who has been appointed by the directors since the last AGM shall retire at the next AGM. Hugo Tudor was appointed to the Board of Directors on 24 November 2014 so he is therefore required to seek reappointment at the AGM.

Biographical details of the directors can be found in Section B1 of the Annual Report and Accounts circulated with this notice.

Resolutions 13 and 14 (Reappointment and remuneration of auditors)

At each meeting at which Accounts are laid before the members, the Company is required to appoint auditors to serve from the conclusion of that meeting until the conclusion of the next such meeting. The Company's present auditors, Deloitte LLP, have confirmed that they are willing to continue in office for a further year. Resolution 13 proposes that Deloitte LLP be reappointed. Resolution 14 gives authority to the Board to determine the auditors' remuneration. The remuneration will then be disclosed in the next Accounts of the Company.

Resolution 15 (Renewal of authority to allot shares)

Section 549 of the Companies Act 2006 states that the directors may not exercise a company's power to allot shares or grant rights to subscribe for or convert any security into shares unless given authority to do so by resolution of the shareholders in general meeting.

The present authority of the directors to allot shares of the Company was granted at an AGM on 6 February 2014 and will expire at the end of the forthcoming AGM. Resolution 15 seeks to give the directors authority to allot shares or grant rights to subscribe for or convert any security into shares up to an aggregate nominal value of £102,200,000 representing approximately one third of the Company's issued share capital, excluding treasury shares, at 31 October 2014. At 31 October 2014 the Group held 668,900 treasury shares, representing 0.2% of the Company's issued capital, excluding treasury shares, at that date. The directors have no present intention of exercising this authority, which will expire at the conclusion of the following AGM or, if earlier, on 11 May 2016.

Resolution 16 (Renewal of Section 561 authority)

Under Section 561 of the Companies Act 2006, any shares allotted (or, in the case of any shares held in treasury, sold) wholly for cash must be offered to existing shareholders in proportion to their holdings, but this requirement may be modified by the authority of a special resolution of the shareholders in general meeting.

The authority given at the AGM held on 6 February 2014 will expire at the end of the forthcoming Annual General Meeting and Resolution 16 seeks to renew it. The resolution authorises the directors to allot or sell shares for cash, other than to existing shareholders or holders of other equity securities in proportion to their holdings, up to an aggregate nominal value of £15,300,000, representing approximately 5% of the Company's issued share capital, excluding treasury shares, at 31 October 2014. 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 cumulative usage of authorities within a rolling three year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders. This authority will expire at the conclusion of the following AGM or, if earlier, on 11 May 2016.

Resolution 17 (Renewal of authority to purchase own ordinary shares)

In view of the strong capital base and low leverage in the Company's balance sheet, the Board has determined that the Group's debt and equity capital resources should be rebalanced to deliver returns at a higher rate to shareholders. The Group expects to access either the sterling senior unsecured market or the UK retail bond market during 2014/15 to add incremental long-dated debt to the Group balance sheet. The Company announced on 25 November 2014 that it would commence a share buy-back programme over the coming year, initially up to £50.0 million, to be reviewed periodically to take account of anticipated investment opportunities and the balance of the Group's debt and equity capital resources. The Company intends that the repurchased shares will be held in treasury. Share buy-backs will only be undertaken if to do so would result in an increase in earnings per share and be in the best interests of shareholders generally.

The Company currently has the necessary shareholder approval to undertake such share buy-backs and is proposing the appropriate renewal of this authority at its 2015 AGM. This resolution, which is being proposed as a special resolution, will enable the Company to purchase, in the market, up to a maximum of 30.6 million of the Company's ordinary shares (approximately 10% of the issued share capital, excluding treasury shares, at 31 October 2014) for cancellation, or to be held in treasury, at a minimum price of 10p per share and a maximum price of not more than 105% of the average middle market quotation for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to purchase. Any shares purchased under this authority will be held as treasury shares. Listed companies, with authorisation from shareholders, may buy and hold their own shares in treasury instead of cancelling them immediately. Shares held as treasury shares can in the future be cancelled, re-sold or used to provide shares for employee share schemes.

Any purchases made by the Company will be announced no later than 7.30am on the business day following the transaction. This authority will expire at the conclusion of the following AGM or, if earlier, on 11 May 2016.

Resolution 18 (Notice period for general meetings to be 14 clear days)

Shareholders may give approval to shorten the notice period required for general meetings (other than AGMs) from 21 clear days to 14 clear days. At an AGM on 6 February 2014 shareholders approved the reduction of the notice period for general meetings (other than AGMs) to 14 clear days. In order to preserve this reduction, Resolution 18 seeks to renew this approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The shorter notice period will not be used as a matter of routine for such meetings, but only where flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole.

Explanation of the proposed resolutions continued

Resolution 19 (Amendment to the Company's Articles of Association)

The Company is seeking shareholder approval to adopt new Articles of Association (the 'New Articles') in order to update the Company's existing Articles of Association (the 'Existing Articles'). The main changes introduced by the New Articles are summarised below:

1 Proceedings at a general meeting

In order to provide the Chairman with sufficient flexibility in the administration and organisation of general meetings, the New Articles provide that:

- (i) the Chairman of a general meeting can allow anyone to attend and speak where he considers that this will help the business of the meeting; and
- (ii) the directors may move or postpone a general meeting where they consider that it is impracticable or undesirable to hold the general meeting as planned, provided that the directors take reasonable steps to ensure that shareholders are informed of the new arrangements.

2 Removal of directors

Under the Existing Articles, directors can be removed by ordinary resolution provided that special notice (at least 28 days' notice) has been given to them pursuant to applicable legislation. The Company wishes to provide shareholders with an additional right to remove directors without the need to give special notice. Accordingly, the New Articles provide that directors may be removed by special resolution.

3 Procedural matters relating to holding and transferring shares through CREST

As the Existing Articles are being updated, the Company has taken the opportunity to set out in the New Articles certain procedural matters relating to, amongst others: (i) effecting transfers of shares through CREST; (ii) registration of CREST shares; (iii) transmission of CREST shares; (iv) sending of notices through CREST; and (v) changing CREST shares to certificated shares.

4 Restrictions of share rights following the delivery of a restriction notice pursuant to Section 793 of the Companies Act 2006

Pursuant to Section 793 of the Companies Act 2006, a public company has the right to require anyone who is or might be interested in its shares to answer written questions about the nature of that interest. The Existing Articles provide that where such persons have failed to respond to the written request, they are not entitled to vote at or attend general meetings. The New Articles provide for additional restrictions where the relevant shares make up 0.25% or more of the existing shares of a class, namely that the Company may withhold the payment of dividends and prevent transfers of the shares (unless to a bona fide purchaser for value), as is permitted under the Listing Rules.

Certain changes have also been made to further align the New Articles with relevant requirements under the Listing Rules.

5 Untraceable shareholders

Under the Existing Articles, the Company is required to send notices and reports to a shareholder's listed delivery address even where it is aware that the shareholder has moved and no new address has been provided. In order to prevent such notices and reports being delivered to the wrong person and prevent administrative waste, the New Articles provide that if on three consecutive occasions any notice or document has been returned undelivered, then the Company need not send any further notices or documents to that address.

The New Articles also clarify that where a shareholder does not specify details which are necessary for the payment of dividends, then the dividend will be treated as unclaimed.

6 Administrative amendments

As the Existing Articles are being updated, the Company has taken the opportunity to clarify certain matters, including the following:

- (i) the New Articles clarify that provisions relating to variation of class rights apply to any change of rights of shares forming part of a class;
- (ii) the limit on directors' fees has been increased in the New Articles to £400,000 to reflect Resolution 16 adopted at the Company's AGM on 6 February 2014;
- (iii) the New Articles clarify that a person whose shares are being forfeited is not entitled to any credit for the value of those shares and shall receive no consideration on their disposal;
- (iv) the New Articles provide that any one joint shareholder can request replacement share certificates;
- (v) the New Articles clarify that share certificates, cheques and financial instruments are sent or paid at the risk of the recipient; and
- (vi) in relation to the provisions on disqualification and removal of directors, the New Articles update the language used to refer to mental disorder in line with best practice.

A copy of the Existing Articles and the proposed New Articles marked to show all the changes will be available for inspection during normal business hours (excluding Saturdays, Sundays and bank holidays) at 51 Homer Road, Solihull, West Midlands B91 3QJ. The New Articles will also be available for inspection at the AGM at least 30 minutes prior to the start of the meeting and up until the close of the meeting.

Resolution 20 (Paragon Bank PLC Remuneration Code Staff)

The Prudential Regulation Authority ('PRA') has introduced rules in the Remuneration Code published by the PRA (the 'Remuneration Code') which implement the EU Capital Requirements Directive ('CRD IV') in the UK. One of these rules places a limit on the ratio of the fixed to variable components of total remuneration for individuals classified as Remuneration Code Staff (as defined in the Remuneration Code). The variable element of remuneration for Remuneration Code Staff is capped at 100 percent of fixed remuneration, but this cap may be increased to 200 percent with shareholder approval. The Group considers that this cap need only be applied to Remuneration Code Staff employed by Paragon Bank PLC.

The Group has decided that it would be appropriate to raise the cap to 200 percent as outlined above in respect of Remuneration Code Staff who are employed by Paragon Bank PLC. The Group considers it appropriate to retain sufficient flexibility, in line with regulation, whilst remaining competitive in attracting and retaining key staff members with the necessary skills and experience to deliver the Company's strategy and who continue to generate value for shareholders.

Furthermore, the Group does not expect the passing of this resolution to have any effect on Paragon Bank PLC's (or the Company's) ability to maintain a sound capital base. The Company is therefore seeking approval for Paragon Bank PLC to award variable remuneration of up to a maximum of 200 percent of fixed remuneration in respect of Remuneration Code Staff who are employed by Paragon Bank PLC. This resolution is required to be put to the ultimate shareholders of the relevant employing company by CRD IV.

There are eight staff, employed by Paragon Bank PLC, who because of their senior positions within Paragon Bank's management structure are deemed to be Remuneration Code Staff. These are: the Managing Director; Finance Director; Chief Risk Officer; Head of Savings; Director of Paragon Car Finance; Director of Paragon Personal Finance; Head of Compliance and Money Laundering Reporting Officer; and Treasury Manager.

Notice of Annual General Meeting

To all Shareholders

NOTICE IS HEREBY GIVEN that the twenty-sixth Annual General Meeting of The Paragon Group of Companies PLC (the 'Company') will be held at the offices of Jefferies Hoare Govett at Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ on 12 February 2015 at 9.00am for the following purposes:

To consider and, if thought fit, pass the following as ordinary resolutions:

- 1 To receive and consider the Company's Annual Report and Accounts for the year ended 30 September 2014, the Strategic Report and the Reports of the Directors and the Auditors.
- 2 To consider and adopt the Annual Remuneration Report section of the Directors' Remuneration Report for the year ended 30 September 2014.
- 3 To declare a final dividend of 6.0p per ordinary share payable to holders of ordinary shares registered at the close of business on 9 January 2015.
- 4 To reappoint as a director Mr H R Tudor.
- 5 To reappoint as a director Mr R G Dench.
- 6 To reappoint as a director Mr N S Terrington.
- 7 To reappoint as a director Mr R J Woodman.
- 8 To reappoint as a director Mr J A Heron.
- 9 To reappoint as a director Mr E A Tilly.
- 10 To reappoint as a director Mr A K Fletcher.
- 11 To reappoint as a director Mr P J N Hartill.
- 12 To reappoint as a director Ms F J Clutterbuck.
- 13 To reappoint Deloitte LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which Accounts are laid before the members.
- 14 To authorise the directors to fix the remuneration of the auditors.
- 15 'THAT the Board be and it is hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £102,200,000 PROVIDED THAT this authority shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company after the passing of this resolution and the close of business on 11 May 2016 (unless previously revoked or varied by the Company in general meeting) save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted after such expiry and the Board may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.'

To consider and, if thought fit, pass the following as special resolutions:

- 16 'THAT, subject to the passing of resolution 15, the Board be and it is hereby empowered pursuant to Section 571 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 15 and/or where allotment is treated as an allotment of equity securities under Section 560(3) as if sub-section (1) of Section 561 of the Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders and in favour of all holders of any other class of equity security in accordance with the rights attached to such class where the equity securities respectively attributable to the interests of all such persons on a fixed record date are proportionate (as nearly as may be) to the respective numbers of equity securities held by them or are otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal or practical problems arising in any overseas territory, the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever); and

-
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £15,300,000,

and shall expire upon the earlier of the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (or, the close of business on 11 May 2016), save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.'

- 17 'THAT the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 ('the Act') to make one or more market purchases (within the meaning of Section 693(4) of the Act) on the London Stock Exchange PLC of ordinary shares of £1 each in the share capital of the Company ('Ordinary Shares') provided that:-
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 30,600,000 (representing approximately 10 percent of the Company's issued ordinary share capital excluding treasury shares);
- (b) the minimum price which may be paid for an Ordinary Share is 10p;
- (c) the maximum price which may be paid for an Ordinary Share is an amount equal to 105 percent of the average of the middle market price shown in the quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
- (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire on the earlier of the conclusion of the next Annual General Meeting of the Company and the close of business on 11 May 2016; and
- (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.'
- 18 'THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.'
- 19 'THAT the Articles of Association of the Company shall be amended with effect from the conclusion of the Annual General Meeting by making the alterations marked on the print of the Articles of Association of the Company produced to the meeting and initialled by the Chairman for the purposes of identification.'

To consider and, if thought fit, pass the following as a 'shareholders' resolution' (subject to the procedural requirements detailed in the 'Explanation of the proposed resolutions')

- 20 'THAT Paragon Bank PLC be authorised to apply a ratio to the fixed and variable components of remuneration for those individuals who are classified as Remuneration Code Staff (as defined in the Remuneration Code published by the Prudential Regulation Authority) and are employed by Paragon Bank PLC such that the variable component of total remuneration for each such individual shall not exceed 200 percent of the fixed component of total remuneration for that individual.'

By order of the Board
Pandora Sharp
Company Secretary

Registered and Head Office:
51 Homer Road
Solihull
West Midlands
B91 3QJ
28 November 2014
Registered in England No. 2336032

Appointment of Proxies

A member entitled to attend and vote at this meeting may appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company. A member may appoint more than one proxy in relation to the Annual General Meeting ('AGM') provided that the member specifies the number of shares in relation to which each proxy is appointed and each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not also be a member of the Company. A proxy form is enclosed for use in connection with the meeting. Proxy forms and any power of attorney or other written authority under which they are executed (or an office or notarially certified copy thereof) should be lodged with the Registrar of the Company at the address shown on the proxy form by 9.00am on Tuesday 10 February 2015. The appointment of a proxy or any CREST Proxy Instruction (as described below) will not preclude a shareholder from attending and voting at the meeting.

The proxy appointment rights described above do not apply to any person nominated to enjoy information rights under Section 146 of the Companies Act 2006 by a member who holds shares on behalf of that person. The rights described in these paragraphs can only be exercised by members of the Company.

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at the close of business on Tuesday 10 February 2015 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Electronic Proxy Appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a 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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by 9.00am on Tuesday 10 February 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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.

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.

Electronic Proxy Appointment

As an alternative to appointing a proxy using the proxy form or CREST, members can appoint a proxy online at www.eproxyappointment.com. In order to appoint a proxy using this website, members will need their Control Number, Shareholder Reference Number (SRN) and PIN. This information is printed on the proxy form. If for any reason a member does not have this information, they should contact the Registrar by telephone on 0870 707 1244. Members may appoint a proxy using the website no later than 48 hours (excluding non-working days) before the time of the AGM or any adjournment of that meeting.

Shareholder Questions

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

Audit Information on Website

Under Section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the AGM; 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 Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, 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 AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

Shareholder Requisition Rights

Under Section 338 and Section 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request, which may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than Tuesday 30 December 2014, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Notes continued

General

Please note that the AGM is a private meeting for shareholders, proxies, duly authorised representatives and the Company's Auditors. Non-shareholders, including spouses and partners and nominated persons are not entitled to admission to the meeting. Any disabled shareholder, may, however, be accompanied and the person accompanying them need not be a shareholder.

The Register of Directors' Interests, copies of directors' service contracts, letters of appointment of non-executive directors and a copy of the Company's Articles of Association marked to show the proposed changes will be available for inspection during normal business hours on any weekday (public holidays excepted) at the Registered Office of the Company from the date of this notice until the date of the meeting and at the place of the meeting from 8.30am on the date of such meeting until the conclusion thereof.

Biographical details of current directors are provided in Section B1 of the Annual Report and Accounts circulated with this notice.

As at 27 November 2014 (being the last business day prior to the publication of this notice) the Company's issued share capital consists of 307,308,283 ordinary shares, carrying one vote each, of which 668,900 were held in treasury. Therefore, the total voting rights in the Company as at 27 November 2014 are 306,639,383.

Except as provided above, members who have general queries about the AGM should contact the Company's Registrar by either calling their shareholder helpline on 0870 707 1244, emailing them at webqueries@computershare.co.uk or writing to them at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ.

You may not use any electronic address provided either in this notice or any related documents (including the chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found at www.paragon-group.co.uk.



The Paragon Group of Companies PLC 51 Homer Road Solihull West Midlands B91 3QJ
Telephone: 0121 712 2323 www.paragon-group.co.uk Registered No. 2336032

GRP9903 (12/2014)