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If you sell or have sold or otherwise transferred all of your Shares in FW Thorpe Plc, you should forward this document with the attached Form of Proxy, 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 onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Shares in FW Thorpe Plc, you should retain this document.

The London Stock Exchange has not itself examined or approved the contents of this document. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority and the AIM Rules are less demanding than those of the Official List of the Financial Conduct Authority.

FW THORPE PLC

(Incorporated and registered in England and Wales, registered number 317886)

Proposed Executive Share Ownership Plan and Notice of General Meeting

You are recommended to read the whole of this document, but your attention is drawn in particular to the letter from the Chairman of FW Thorpe Plc which is set out on page 5 of this document. The letter contains the recommendation that you vote in favour of the Resolution to be proposed at the General Meeting referred to below. Notice of a General Meeting of FW Thorpe Plc to be held at 9.00 am on 18 July 2014 at the offices of FW Thorpe Plc, Merse Road, North Moons Moat, Redditch, B98 9HH is set out on page 9 of this document. Shareholders will find attached at the end of this document a Form of Proxy for use in connection with the Resolution.

If you do not intend to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, no later than 9.00 am on 16 July 2014. If you hold your Existing Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID RA19) by no later than 9.00 am on 16 July 2014 (or, in the case of an adjournment, not later than 48 hours before the time fixed for holding the adjourned meeting (excluding any part of a day that is not a Business Day)). The proposals in this document are conditional on the approval of Shareholders at the General Meeting. The completion and returning of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so.

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Information regarding forward-looking statements

This document contains a number of forward-looking statements relating to FW Thorpe Plc. FW Thorpe Plc considers any statements that are not historical facts as “forward-looking statements”. They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of FW Thorpe Plc to differ from the information presented in the relevant forward-looking statement. When used in the document, the words “estimate”, “intend”, “aim”, “believe”, “expect”, “should” and similar expressions, as they relate to FW Thorpe Plc or the management of it, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this document. FW Thorpe Plc does not undertake to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the AIM Rules and other regulations.

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy for GM	9.00 am on 16 July 2014
General Meeting	9.00 am on 18 July 2014

DIRECTORS, COMPANY SECRETARY AND ADVISORS

Directors	A B Thorpe M Allcock C Muncaster A M Cooper D Taylor I A Thorpe C M Brangwin P D Mason	Chairman, Joint Chief Executive Joint Chief Executive Group Financial Director, Company Secretary Director Director Non-Executive Director Non-Executive Director Non-Executive Director
Registered Office	Merse Road North Moons Moat Redditch B98 9HH	
Nominated Adviser	N+1 Singer One Bartholomew Lane London EC2N 2AX	
Solicitors	SGH Martineau LLP No 1 Colmore Square Birmingham B4 6AA	
Registrars	Equiniti Aspect House Spencer Road Lancing BN99 6DA	

DEFINITIONS

AIM	the market of that name operated by London Stock Exchange plc
AIM Rules	the rules for companies whose securities are admitted to trading on AIM published by London Stock Exchange plc
Board	the board of Directors of the Company
Business Day	any day on which banks are generally open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
Company	FW Thorpe Plc, registered in England and Wales with company number 00317886, whose registered office is at Merse Road, North Moons Moat, Worcestershire, B98 9HH
CREST	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
Directors	the directors of the Company for the time being, the names of the current directors being set out on page 3 of this document (and each a "Director")
Equiniti	a trading name of Equiniti Limited, the Company's registrars
EPS	earnings per Share (before tax)
ESOP	Executive Share Ownership Plan
Form of Proxy	the form of proxy accompanying this document for use by the Shareholders in connection with the General Meeting
GM or General Meeting	the general meeting of Shareholders convened for 9.00 am on 18 July 2014, as set out on page 9 of this document
Group	the group of companies comprising the Company and its subsidiaries for the time being
HMRC	Her Majesty's Revenue & Customs
Options	options over Shares, to be granted pursuant to the ESOP (and each an "Option")
Resolution	the resolution to be proposed at the GM
RPI	Retail Prices Index
Shares	ordinary shares of 1p each in the capital of the Company
Shareholders	holders of Shares (and each a "Shareholder"), according to the context

LETTER FROM THE CHAIRMAN OF FW Thorpe Plc

FW THORPE PLC

To FW Thorpe Shareholders

16 June 2014

Dear Shareholder,

Proposed Executive Share Ownership Plan**Introduction**

The current Board of Directors have overseen the positive growth in trading performance and a significant increase in the Company's share price over a number of years. The Directors believe that it is appropriate to recommend that an Executive Share Ownership Plan (ESOP) is created to motivate and retain those employees responsible for the continued success of the Group.

The basic principles of the scheme are to reward growth in the share price and the performance conditions attached to these Options are based on the improved performance of the business, measured by EPS growth. Further information on the performance conditions is set out in paragraph 1.1.7 of the Appendix to this document. Options are expected to be granted after the plan is agreed by the Shareholders, with the exercise price payable being the market price of the Shares as at the date of grant.

Rather than issue new Shares, the Company will utilise Shares that are already held in treasury to satisfy Options. A summary of the key details of the ESOP are contained within the Appendix and it is anticipated that the first grants under the scheme will be made following shareholder approval.

The scheme will be offered to the Company's executive directors and certain directors of the subsidiary companies. Options over a total of up to 1.8 million Shares will be granted, representing approximately 1.6% of Shares with voting rights as at the 11 June 2014 (being the last practicable day prior to the publication of this notice).

The Directors believe that the introduction of this scheme is an effective way to align the interests of the Group's key employees with those of Shareholders.

Action to be taken

The attached notice of the General Meeting of the Company ("Notice"), to be held at the offices of the Company at Merse Road, North Moons Moat, Redditch, B98 9HH, on 18 July 2014, sets out the Resolution to approve the establishment of the ESOP. A Form of Proxy for use at the GM is attached at the end of this document and, whether or not you intend to be present at the GM, you are requested to complete the Form of Proxy, in accordance with the instructions printed on it, and return it to Equiniti, as soon as possible and in any event so as to be received not later than 9.00 am on 16 July 2014.

Completion and return of the Form of Proxy will not affect your right to attend and vote in person at the GM, should you so wish. Forms of Proxy received late will not be valid.

Documents available for inspection

Copies of this document and of the proposed rules of the ESOP will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document up to and including 18 July 2014. They will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the meeting.

Recommendation

The Board believes that the establishment of the ESOP is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do in respect of the Shares in which the Directors or connected persons are beneficially interested, representing approximately 54 percent of the issued share capital of the Company.

Yours faithfully,



Andrew Thorpe
Chairman

APPENDIX

FW Thorpe Executive Share Ownership Plan (ESOP)

1.1.1 Introduction

A summary of the main features of the ESOP is set out below. Approval of the ESOP is being sought from shareholders at the General Meeting.

The ESOP allows the grant of tax advantaged Options (previously "HMRC approved" Options) and the grant of unapproved Options. An informal application was made to HMRC to obtain approval for the ESOP and this was received on 5 February 2014. The rules for approval of ESOPs have now changed such that the Company can no longer apply for formal approval from HMRC, but it will self-certify that the ESOP meets the requirements of the legislation to allow the award of approved Options.

Options may be granted by either the Board or the trustees of an employee benefit trust ("EBT") and the Board and the EBT Trustee are together referred to as "the Grantor" in this section.

1.1.2 Eligibility

At the discretion of the Grantor, all employees and executive directors of the Group will be eligible to participate in the ESOP. Approved Options may not be awarded to those with a material interest in the Company, which would exclude the Chairman from approved awards.

1.1.3 Granting of Options

Options may be granted during the period of 42 days following Shareholder approval of the plan or within 42 days beginning on the date of the announcement by the Company of its results for any period.

Options may also be granted at any other time when the circumstances are considered by the Board to be exceptional or immediately following the period where grants are prohibited in the periods above, due to dealing restrictions.

No Option may be granted later than 10 years after the date of shareholder approval of the ESOP.

Options are personal to the participant and are not transferable (other than on death, when Options are transferred to the participant's personal representative).

1.1.4 Exercise price

The exercise price payable per Share shall be determined by the Board but shall not be less than the market value of the Shares as at the date of grant.

1.1.5 Limits on issue of shares

The ESOP contains a limit on the number of new Shares to be issued as a result of Options granted under the ESOP. This limit applies both to Options granted under the ESOP and to Options granted/awards made under all share incentive schemes operated by the Group. Options which have lapsed or been renounced are disregarded. Shares which have been purchased in the market, including any so purchased and held by trustees for the purpose of satisfying Options, are disregarded. The reissue of treasury shares will be treated as a new issue of Shares.

The dilution limits are an all-plan limit which provides that no more than 10 per cent of the issued ordinary share capital of the Company, from time to time, should be issued or issuable under all share incentive schemes operated by the Group in any rolling 10 year period.

1.1.6 Individual limits

Other than Options that are considered to be granted in exceptional circumstances, the total market value (at the relevant grant date) of Options granted to an employee in a 3 year period under the ESOP (or awards or Options granted under any other discretionary employees' share scheme of the Group) may not exceed an amount equal to 300 per cent of the higher of that employee's (i) basic salary expressed as an annual rate as at the grant date and (ii) basic salary for the period of 12 months prior to the grant date.

1.1.7 Performance conditions

The plan allows the vesting of Options to be subject to performance conditions. The vesting of these initial Options will be subject to the achievement of performance targets being annual growth of EPS in excess of RPI plus 3% over a 5 year period (see Vesting of Options below for more details).

If an event occurs which means that the performance target is no longer appropriate, the performance target may be amended if reasonable in the circumstances and as long as it is not materially less difficult to satisfy than the original target.

1.1.8 Vesting of Options

Options will vest as follows:

- (i) Achieving annual EPS growth each year during the 5 year performance period would allow 20% of the award to be “banked” in each year. The banked Option could, however, generally only be exercised subject to continued employment to a date 2 years following the end of that year during the performance period
- (ii) To the extent that the annual EPS figure is not achieved, that part of the award may vest in a later year if the cumulative period-to-date EPS figure is achieved.

This structure means that no Options may be exercised before year 3 and participants will only receive value if the Share price is greater when the Option is exercised than at the date of grant. This mix of an EPS measure and market value Options is designed to ensure participants only receive value when Shareholders also receive value.

By way of an extreme example on the structure, if, in the first 4 years, the annual EPS target was not achieved, but in year 5 the growth in EPS was such that the overall growth over the 5 years had been achieved, then the award would be banked in full at year 5 – but not exercisable until year 7 – at which time, for participants to obtain value, the share price would also need to be greater than at the date of grant of the Option.

Over-achievement of the EPS in earlier years would not result in any additional banking of an award over the 20% maximum each year.

If targets were hit each year and no Options were exercised, then the table below represents the position for an award over 200,000 shares:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Award	200,000						
Banked per annum	40,000	40,000	40,000	40,000	40,000		
Exercisable			40,000	80,000	120,000	160,000	200,000

1.1.9 Cessation of employment

Options will lapse on cessation of employment other than:

- (i) on death;
- (ii) if the participant ceases employment due to ill-health, injury, disability, redundancy or retirement;
- (iii) the employing company or business being sold or transferred outside the Group;

in which case, Options granted to such a participant will vest subject to the achievement of performance targets at that time over a number of shares reduced pro rata for the period of time elapsed since the date of grant, as against the original 5 year vesting period.

1.1.10 Takeover, reconstruction, amalgamation or winding-up of the Company

If there is a takeover, reconstruction, amalgamation or winding-up (hereafter referred to as a “Change of Control”) of the Company, Options granted to a participant will vest subject to the achievement of performance targets at that time over a number of shares reduced pro rata for the period of time elapsed since the date of grant, as against the original 5 year vesting period.

The Board may declare that Options vest shortly before a Change of Control if this is beneficial from a tax perspective.

1.1.11 Pensionability

Options under the ESOP shall not count towards pensionable remuneration for a defined benefit pension scheme or calculating a mandatory employer contribution under a defined contribution pension scheme.

1.1.12 Source of Shares

The ESOP allows the satisfaction of Options through the use of newly issued Shares and/or Shares acquired “on market” either through the medium of an employee benefit trust or the holding of Shares in treasury.

1.1.13 Rights attaching to shares

Shares issued or transferred under the ESOP shall rank equally with the Shares already in issue (save as regards any rights attaching to such shares by reference to a record date prior to the date of issue or transfer).

1.1.14 National Insurance

The ESOP includes the facility to transfer employer’s national insurance to the employee. However, it is not intended that this liability will be transferred in respect of any Options granted.

1.1.15 Adjustment of Options

In the event of any variation in the Company’s share capital, the Grantor (together with the Board, where relevant) may make such adjustments as they consider appropriate, including adjustments to the total number of shares subject to an Option and the exercise price.

1.1.16 Amendments to the ESOP

The Board may at any time amend the rules of the ESOP in any respect, provided that:

- (a) no such amendment shall adversely affect the rights of existing participants unless they have approved such amendment; and
- (b) the prior approval of the Company in general meeting is obtained for amendments made for the benefit of participants to the provisions relating to:
 - (i) the basis of determining an employee’s entitlement;
 - (ii) the persons to whom an award may be made;
 - (iii) the limit on the aggregate number of shares over which awards may be made;
 - (iv) the limit on the number of shares over which awards may be made to an employee;
 - (v) the award price; and
 - (vi) the adjustment of awards on a variation of share capital,

(save for minor amendments to benefit the administration of the ESOP or necessary or desirable to take account of changes in legislation or to obtain or maintain favourable taxation, exchange control or regulatory treatment for the participants or for the Company or its subsidiaries).

1.1.17 Alternative Settlement

The Grantor may satisfy unapproved Options in cash or Shares, provided that the participant does not receive more value than the gain calculated using the middle market closing price on the dealing day before exercise.

1.1.18 Employee Benefit Trust

As noted in paragraph 1.1.1 above, the ESOP may be operated in conjunction with an employee benefit trust established by the Company. Any such employee benefit trust may be used to hold shares for the purposes of the ESOP or any other employee shares scheme(s) established by the Group from time to time.

1.1.19 Tax advantaged/Unapproved Options

The principal difference between Options granted under the tax advantaged part and Options granted under the unapproved part of the ESOP is that approved Options may only be awarded over £30,000 worth of shares, measured as at the date of grant, and these shares attract certain tax benefits compared to unapproved Options.

This summary does not form part of the rules of the ESOP and should not be taken as affecting the interpretation of their detailed terms and conditions. The Directors reserve the right up to the time of the General Meeting to make such amendments and additions to the rules of the ESOP as they may consider appropriate and otherwise provided that such amendments do not conflict in any material respect with this summary.

FW THORPE PLC

(Incorporated and registered in England and Wales, registered number 317886)

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a general meeting ("the General Meeting") of FW Thorpe Plc ("the Company") will be held at the offices of the Company, Merse Road, North Moons Moat, Redditch B98 9HH at 9.00 am on 18 July 2014 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution:

Ordinary Resolution

To approve the establishment of the FW Thorpe Plc Executive Share Ownership Plan, the principal provisions of which are summarised in the Appendix to the circular from the Company to its shareholders which accompanied this notice, and to authorise the directors of the Company to do all such acts as may be necessary to establish and carry the ESOP into effect.

By Order of the Board



Merse Road
North Moons Moat
Redditch
B98 9HH

C Muncaster

Company Secretary

16 June 2014

Notes

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the company of the votes they may cast), members must be registered in the Register of Members of the company at 6.00 pm on 16 July 2014 (or, in the event of any adjournment, 6.00 pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members of the company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or you may photocopy the proxy form. Please indicate 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. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
4. A reply paid form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received not later than 9.00 am on 16 July 2014 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General 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.

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's 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, ID RA19, by 9.00 am on 16 July 2014 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). 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 Euroclear UK & Ireland 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.

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 (as amended).

6. As at 11 June 2014 (being the last practicable day prior to the publication of this notice), the company's issued share capital consists of ordinary shares of 1p each, carrying one vote each. Excluding 3,260,000 shares held in treasury, the total voting rights in the company as at 11 June 2014 are 115,675,590.
 7. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
-

Form of Proxy – FW Thorpe Plc

I/We

[BLOCK LETTERS PLEASE]

Of

being a member of FW Thorpe Plc, hereby appoint .. or failing him the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at the Registered Office of the Company at 9.00 am on 18 July 2014 and at every adjournment thereof.

Please tick here if this proxy appointment is one of multiple appointments being made. For the appointment of more than one proxy, please refer to note 3 of the notice of meeting.

Please indicate with a cross in the appropriate space how you wish your vote to be cast. If no specific direction as to voting is given your proxy will vote or abstain at his/her discretion.

Ordinary Resolution	For	Against	Votes withheld
1. To approve the FW Thorpe Plc Executive Share Ownership Plan			

Dated this day of..... 2014 Signature.....

Notes:

This proxy must reach the company's registrars not less than 48 hours before the time appointed for the meeting.

Any alteration made to this form of proxy should be initialled.

If you wish to appoint a proxy other than the Chairman of the meeting, please insert the name of your proxy (who need not be a member of the company).

In the case of joint holders, the signature of one holder will be accepted.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.

In the case of a corporation, this proxy should be under its common seal or under the hand of an officer or attorney or other person duly authorised.

Completion of the proxy form will not prevent a shareholder attending and voting in person.

The "votes withheld" option on this proxy is provided to enable you to abstain on any particular resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of votes "for" or "against" a resolution.

FW Thorpe Plc

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