

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult a person duly authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities.**

If you have sold or transferred all your Ordinary Shares you should hand this document together with the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Directors of the Company accept responsibility for the information contained in this document and to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The London Stock Exchange Plc 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 degree of investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List and the AIM Rules are less demanding than those of the Official List.

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**Timestrip plc**  
**(to be renamed Mungo Trading plc)**

(Incorporated in England and Wales under the Companies Act 1985 with Registered No. 03836605)

**Proposed disposal of**  
**Timestrip UK Limited and Timestrip Technical Services Limited, Approval of**  
**Investing Policy, Change of Name and Notice of General Meeting**

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A letter of recommendation from the Independent Director of Timestrip Plc is set out in this document. The action to be taken is set out on page 14 of this document.

Notice of the General Meeting to be convened at 10am on 1<sup>st</sup> June 2010 is set out at the end of this document. The enclosed Form of Proxy should be completed and returned in accordance with the instructions thereon to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to arrive as soon as possible and in any event no later than 10am on 30<sup>th</sup> May 2010. Completion and return of the Form of Proxy will not preclude a Shareholder from attending in person and voting at the General Meeting.

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## EXPECTED TIMETABLE OF KEY EVENTS

Latest time for receipt of Forms of Proxy for the General Meeting	10am on 30 <sup>th</sup> May 2010
General Meeting	10 a.m. on 1 <sup>st</sup> June 2010
Anticipated date of completion of the Disposal	1 <sup>st</sup> June 2010

### Notes:

This Circular contains certain forward-looking statements which relate to future events. Such forward-looking statements reflect the Directors' current beliefs, are based on information currently available to the Directors and are based on reasonable assumptions at this date. While the Company makes these forward looking statements in good faith, neither the Company nor its Directors can guarantee that any anticipated future results will be achieved.

## DEFINITIONS

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

“Act”	the Companies Act 2006
“AIM”	the AIM market of the London Stock Exchange
“AIM Rules”	the AIM rules for companies whose securities are admitted to trading on AIM as published by the London Stock Exchange from time to time
“Alternative Resolutions”	the resolutions numbered 5 to 8 (inclusive) set out in the Notice of General Meeting contained within this Circular
“Board” or “Directors”	Paul Freedman, Reuben Isbitsky, Graham Platts and Jonathan Steinberg
“Circular”	this document
“Company” or “Timestrip”	Timestrip plc, a company registered in England with the registered number 03836605
“Conditional Sale Agreement”	a conditional sale agreement entered into between Pirtsemit and the Company in relation to the Disposal
“Deferred Consideration”	an amount up to £65,000 payable by the Offeror to the Company in relation to the Disposal, conditional upon receipts by the Subsidiaries from HMRC of R&D tax credits
“Disposal”	the proposed disposal of the Subsidiaries to Pirtsemit Limited
“Form of Proxy”	the form of proxy accompanying this document for use at General Meeting
“General Meeting”	the general meeting of the Company to be held at 10 a.m. on 1 June 2010 at Acre House, 11-15 William Road London NW1 3ER
“HMRC”	HM Revenue & Customs
“Independent Director”	Jonathan Steinberg
“Initial Consideration”	£160,000 cash consideration which is payable by the Offeror to the Company on completion of the Disposal

“Investment Policy”	the proposed investment policy of the Company as required pursuant to Aim Rule 15 and as set out in this Circular
“London Stock Exchange”	London Stock Exchange Plc
“New Directors”	Jonathan Steinberg and Mark Nelson-Smith, being the directors in place assuming the approval by Shareholders of the Investment Policy
“Ordinary Shares”	ordinary shares of 0.02p each in the capital of the Company
“Offeror” or “Pirtsemit”	Pirtsemit Limited a company incorporated in England with registered number 7199049
“Offer”	the offer made by Pirtsemit for the Subsidiaries
“Proposed Director”	Mark Adrian Nelson-Smith
“Proposals”	the proposals set out in this Circular, comprising of the approval of the Disposals, approval of the Investment Policy and the change of name of the Company
“R&D”	research & development
“Resolutions”	the resolutions numbered 1 to 4 (inclusive) as set out in the Notice of General Meeting contained within this Circular
“Shareholders”	holders of Ordinary Shares
“Subsidiaries”	Timestrip UK and Technical Services
“Timestrip UK”	Timestrip UK Limited
“Technical Services”	Timestrip Technical Services Limited

## Directors, Secretary and Advisers

<b>Directors</b>	Paul Freedman, Joint Chief Executive Officer Reuben Isbitsky, Joint Chief Executive Officer Jonathan Steinberg, Non-executive Director Graham Platts, Non-executive Director
<b>Proposed Director</b>	Mark Nelson-Smith
<b>Company Secretary</b>	International Registrars Limited
<b>Registered Office</b>	Finsgate 5 -7 Cranwood Street London EC1V 9EE
<b>Company's telephone number</b>	01462 440 700
<b>Nominated Adviser and Broker</b>	Cairn Financial Advisers 38 Bow Lane London EC4M 9AY
<b>Registrar</b>	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Company's website</b>	<a href="http://www.timestrip.com">www.timestrip.com</a>
<b>Company's proposed website</b>	<a href="http://www.mungotrading.co.uk">www.mungotrading.co.uk</a>

# Letter from the Independent Director of Timestrip Plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered No.03836605)

Registered Office

Finsgate  
5-7 Cranwood Street  
London  
EC1V 9EE

To Shareholders and, for information only, option holders

Dear Shareholder

## Introduction

Following an unsuccessful fundraising undertaken by the Company earlier in 2010, the Ordinary Shares were suspended from trading on AIM on 19 April 2010 as a result of working capital constraints. Due to the inability of the Company to raise further funds on AIM the Board is proposing to:-

- (1) dispose of the Subsidiaries for up to £225,000 comprising the Initial Consideration of £160,000 and Deferred Consideration of up to £65,000. Pirtsemit Limited, the proposed acquirer of the Subsidiaries, is a company in which the Directors, with the exception of Jonathan Steinberg, have an interest. The transaction is therefore classified as:-

- (A) a related party transaction pursuant to AIM Rule 13;
- (B) a substantial property transaction pursuant to section 190 of the Act; and
- (C) a fundamental change of business pursuant to AIM Rule 15

Under AIM Rule 15 and section 190 of the Act the consent of Shareholders in a General Meeting to the Disposal is required.

Following the Disposal the Company will have cash resources of approximately £160,000 in addition to the Deferred Consideration of up to £65,000.

- (2) adopt an Investment Policy and be classified as an Investing Company pursuant to the AIM Rules.
- (3) change the Company's name to Mungo Trading Plc.

The purpose of this Circular is to set out the background to and reasons for, the Proposals and seek Shareholder consent for them.

In the event that the Resolution numbered 1 is approved but the Investment Policy is not accepted by the Shareholders, the Board is proposing that the Alternative Resolutions are approved which would effect a Members' Voluntary Liquidation of the Company. If Resolution 1 is not passed, the General Meeting will be adjourned and the Board will consider the Company's future position in respect of its current trading and working capital position. The Board will seek immediate advice regarding insolvency proceedings in relation to the Subsidiaries.

## Background to and Reasons for the Disposal

The Company was admitted to trading on AIM on 28 February 2005. The Company had developed a 'smart' label, the 'Timestrip'®, which enabled users of perishable food and other products to monitor how long an item has been open or in use.

The overall strategy of the Company has been based on a revenue model, which looked to build market presence by selling its products directly to customers. It was envisaged that, once that market presence had been established, the Company would license the rights to manufacture and distribute its products in local markets to customers, joint venture partners and distributors.

The expansion of market presence has been hampered by development of the technology being slower than anticipated and by the recent economic downturn.

The table below sets out the unaudited management accounts figures for the 12 month period to 31 December 2009 compared to the audited figures for the 12 month period to 31 December 2008:-

	Unaudited management accounts to 31 December 2009	Audited accounts to 31 December 2008
	£'000	£'000
Revenue	752	673
Loss before tax and exceptional charges	(955)	(1,305)

The Board believes that there is an interest in the Company's product range in a number of markets, however, sales remain below break-even level, which the Board estimates to be £2.2 million. Sales order levels in Quarter 1 of 2010 were circa £207,000 and firm orders for delivery in Quarter 2 remain at a similar level.

The Board estimates that cash outflow from operating activities in the 12 months to 31 December 2009 was approximately £1.1 million. The Board believes that a significant cash investment is still required in order to take the business forward and to build towards a break-even level of turnover and profitability.

Following the production of the December 2009 management accounts and having reviewed the cash flow projections of the Company, the Board became aware that the Company only had sufficient funds to enable trading to continue trading until July 2010.

In early 2010 the Directors requested that the Company's broker seek to raise a minimum of £1.25 million to provide the Company with the additional working capital it required. This proposed fundraising was unsuccessful.

The proposed fundraising only managed to obtain initial pledges for approximately £400,000, which was significantly below the minimum required by the Company. The Directors tested the market further by reducing the placing price, however they remained unsuccessful. Graham Platts, a director of the Company, was prepared to participate in the fundraising.

The Company is the principal creditor of both Subsidiaries, having issued substantial loans to each of them, in order to fund their ongoing trading. If the Company was to call in these loans the Subsidiaries would be unable to repay them.

**Timestrip UK** undertakes the marketing and sales function for the business, receives customer orders, has legal title to the patents and recovers the R&D tax credit as well as employing and paying the Directors. Timestrip UK also purchases goods from Technical Services.

**Technical Services** acts as the development and production arm of the business. The technical expertise resides in Israel and has developed bespoke machinery to meet production requirements. Technical Services' only customer is Timestrip UK.

The Subsidiaries are inextricably linked as business entities and any solution must involve both entities. This situation is reinforced by the close working relationship between the directors of these companies.

On 18 March 2010, the Company announced that as a result of it being unable to raise further funds it was undertaking a strategic review to consider all options open to it, including a possible sale of the business. The Board appointed a firm of independent advisers.

### **Alternative Options Considered by the Board**

Since making the announcement on 18 March 2010 regarding the shortfall of funding available to the Company, the Board has sought independent advice in respect of the financial position of the Company, the valuations of the Subsidiaries and the alternatives available to the Company.

The options available to the Directors include:-

- (1) sale of the Subsidiaries to a third party;
- (2) raise structured debt finance for the Company;
- (3) undertake a rights issue; and
- (4) seek to place the Subsidiaries into formal insolvency procedures in their respective jurisdictions and realise the assets on a piecemeal basis.

The information set out below, which summarises the position presented to the Board by its independent advisers, is provided to assist Shareholders in making an informed decision as regards the Proposals and to gain an understanding as to why the Board has made the Proposals included in this Circular.

#### *(1) Sale of the Subsidiaries*

Since making the announcement on 18 March 2010 detailing the Company's working capital position, certain customers and suppliers have been approached by the Board to ascertain whether they might be interested in an investment in the Company, or to buy it outright, but these discussions have not resulted in any expressions of interest. Despite the large amount of publicity that resulted from the Company's announcements during March 2010, no expressions of interest from potential bidders have been received. The Directors have considered the possibility of formally marketing the business or its assets through a specialist adviser. It was decided that this was not a viable option given that there is insufficient cash to enable the Company to complete such a transaction, even assuming the quickest possible outcome being achieved.

#### *(2) Structured debt finance*

The Board considered structured debt finance but this was not a viable option given the lending climate in the UK, the lack of adequate security that could be offered against a loan and the uncertainty surrounding the future growth of the Company.

#### *(3) Placing of shares for cash with new and existing investors or through a Rights Issue*

The Company and its adviser have continued to explore the option of issuing new shares for cash to investors through a placing or a rights issue. Even though the market price has fallen considerably since the announcement on 18 March 2010, there was very limited interest from investors to enter into discussions. A rights issue was considered to have very little prospect of success. The Directors reached this conclusion having considered the time required to prepare the necessary documentation and the cost involved in doing this, against the probability of it succeeding with no underwriter.

#### *(4) Formal insolvency of the Subsidiaries*

The Board and its adviser have considered the implications for the Company and Shareholders should the Subsidiaries be forced to enter into a formal insolvency procedure.

Timestrip UK - In the United Kingdom the most appropriate form of insolvency procedure would be an administration. The statutory purpose of an administration could be achieved. The Board has been advised by an insolvency specialist that a pre-packaged sale of the business would provide the minimum disruption to business and provide the best return to the creditors in these circumstances.

The Board believes that the Subsidiaries are so closely connected that putting one of them through an insolvency procedure without a simultaneous procedure taking place in respect of the other to enable coordinated sales of the businesses as going concerns is not deemed to be commercially viable.

Technical Services is an Israeli registered company and therefore any insolvency procedure would be subject to Israeli insolvency law. The Board has been advised that there is no similar administration procedure in Israel to enable a quick going concern sale of the business of an insolvent company. The procedure is largely a court driven process. This is likely to be a time consuming process and would result in the disruption of trading. The Company has insufficient funds to continue funding future trading of the Subsidiaries whilst this process was being undertaken.

The only other insolvency procedure for the Subsidiaries would be liquidation in their respective jurisdictions. The assets would be sold on a break up basis. The Board has been advised that this route would provide a minimal return to creditors.

An independent valuation of Technical Services' financial position highlighted that on formal insolvency, in the event of a fire sale, inventory is likely to realise only 10% of its cost and there are preferential creditors including employees who are entitled to severance pay, holiday pay and one month's salary. The bespoke machinery may have a value of £25,000 to £50,000 in the event of a close down of the business and piecemeal disposal.

The Board has been advised that, in the event of the Subsidiaries entering into insolvency, net distributions resulting from those insolvencies would be in the region of £125,000. It should be noted, however, that receipt of these amounts is likely to take 18 months to two years.

Subject to payment of outstanding Timestrip creditors and costs and dependant on realisations from the Subsidiaries, the return on each Ordinary Share has been estimated at 0.018 of a penny.

#### **The Offer**

On 30 March 2010 an Offer was made by Mr C Spooner, an existing shareholder of the Company, representing a consortium of existing shareholders, to purchase the entire issued share capital of the Subsidiaries.

On 5<sup>th</sup> May 2010 the Company entered in to the Conditional Sale Agreement to dispose of the Subsidiaries, conditional upon approval of the Shareholders being obtained on or before 4 June 2010, for an aggregate consideration of up to £225,000 comprising the Initial Consideration of £160,000 and the Deferred Consideration of up to £65,000.

The Directors, with the exception of Jonathan Steinberg, have an interest in the Offeror.

## Terms of the Offer

Offeror	Pirtsemit Limited
Consideration	<ul style="list-style-type: none"><li>• Initial Consideration of £160,000 payable in cash following approval of Shareholders at the General Meeting</li><li>• Deferred Consideration of up to £65,000 payable to the Company conditional on receipt by the Subsidiaries of an R&amp;D tax credit receivable from HMRC</li></ul>
Intercompany indebtedness	Pirtsemit will acquire all of the intercompany debt (estimated to total £7.5m)
Warranties and Indemnities	The Company will not give any warranties and all warranties, representations and other liabilities will be expressly excluded
Due Diligence	The Offeror will not undertake any due diligence on the Subsidiaries or the Company.

As at the date of this Circular, the Company has not received any other offer to acquire the Subsidiaries or the Company. The Subsidiaries are still in a position to trade, however in the opinion of the Directors, this status, if unaided may only continue for another 6 to 8 weeks at most. Should the Subsidiaries become insolvent, the Board would have no choice but to instruct administrators.

The Disposal must therefore be considered in the context of the current position of the Company and the other options available, including possible insolvency proceedings.

## Director's Interest in the Share Capital of the Company

The table below sets out the Director's interest in the share capital of the Company:-

Director	Number of shares held	% of issued share capital
Graham Platts	78,030,303	15.7%
Paul Freedman	38,716,698	7.8%
Reuben Isbitsky	38,716,698	7.8%
Jonathan Steinberg	Nil	nil

## Related Party Transaction AIM Rule 13

The Disposal to Pirtsemit, a company in which the Directors, with the exception of Jonathan Steinberg, have an interest, constitutes a related party transaction for the purposes of AIM Rule 13.

Where a company whose shares are listed on AIM enters into a Related Party Transaction, AIM Rule 13 requires the Directors (with the exception of any Director who is involved in the transaction as a related party) to consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

The Independent Director considers, having consulted with the Company's nominated adviser, that the terms of the related party transaction with Pirtsemit are fair and reasonable insofar as Shareholders are concerned.

## **Section 190 of the Companies Act 2006**

As the Directors, with the exception of Jonathan Steinberg, will have an interest in Pirtsemit the Disposal falls within the definition of a “substantial property transaction” under section 190 of the Companies Act 2006 and as such requires the approval of the Shareholders.

## **Board Changes**

It is proposed that Paul Freedman, Graham Platts and Reuben Isbitsky will resign as directors of the Company immediately following the General Meeting

Following completion of the Proposals, the composition of the Board will be as follows:-

### **Jonathan Steinberg, Director**

Jonathan Steinberg is a director of the Company. After graduating from Manchester University with a BA (Hons.) in Economics and Politics, Jonathan trained as a chartered accountant with BDO Stoy Hayward and qualified in 1992.

After early spells with a sales marketing business and British Telecom, Jonathan moved to Reuters plc, where his roles included being the FD of a £500m turnover global division, and the CFO of a software joint venture. Since Reuters, Jonathan has been involved in supporting a number of businesses in fundraising, new product development, sales and operations. He joined Timestrip UK as finance director in July 2006 and was appointed to the Board in February 2007.

### **Mark Nelson-Smith, Non-executive Director**

After graduating from Oxford University with a BA (Hons.) in Philosophy and Modern Languages, Mark initially worked in strategic management consultancy for PA Consulting Group in London.

From 1993 to 1996, Mark worked for SBC Warburg Italia (formerly S.G.Warburg Italia) in Milan and gained broad experience of corporate finance. From July 1997 to June 2007, Mark held various positions (latterly as a Managing Director in the European Communications Group) within the Investment Banking Division of UBS Limited in London.

Mark is currently a Senior Adviser to One Square Advisors, a specialist German financial restructuring boutique with offices in Munich and London and a partner at Talisman Management, a specialist operational restructuring boutique.

## **Implications of being an Investing Company**

The Disposal will result in a fundamental change of business pursuant to AIM Rule 15 as the Company's only asset will be approximately £160,000 of cash together with the contingent right to receive the Deferred Consideration. Subsequent to the Disposal, the Company will be treated as an investing company. AIM Rule 15 states that, as an investing company, the Company will have to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 or otherwise implement the investment policy approved at the General Meeting to the satisfaction of the London Stock Exchange within twelve months of becoming an investing company. In the event that the Company does not undertake a reverse takeover within the twelve month period, the Company's shares will be suspended from trading for up to 6 months pursuant to AIM Rule 40. The London Stock Exchange will cancel the admission of the Company's shares where these have been suspended from trading for six months.

## **Investment Policy**

The Company intends to undertake a transaction or a series of transactions that will constitute a reverse takeover in accordance with the AIM Rules. The Company will seek to acquire or invest in companies in the general engineering or industrial products sector within the United Kingdom or Europe.

The New Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The New Directors will also consider appointing additional directors with relevant experience if the need arises.

The Company may be either a passive or active investor and will typically seek to acquire majority interests in businesses. The New Directors anticipate that the management of any investment will have the expertise necessary to operate and develop the business. The Company may provide strategic direction to businesses.

The Company will generate revenue by receiving dividends from its investee companies. Investments will be held for the long term.

The New Directors intend to pursue a conservative borrowing strategy.

The objective of the New Directors is to generate capital appreciation and any income generated by the Company will be applied to cover costs or will be added to the funds available to further implement the Investment Policy. In view of this, it is unlikely that the New Directors will recommend a dividend in the early years. However, they may recommend or declare dividends at some future date depending on the financial position of the Company.

The New Directors confirm that, as required by the AIM Rules, they will at each annual general meeting of the Company seek shareholder approval of its Investment Policy.

## **Change of Name**

If the Disposal and the adoption of the Investment Policy are approved by the Shareholders at General Meeting, the Company is also proposing to change its name to Mungo Trading plc.

## **Share Certificates**

No new share certificates will be issued as a result of the Company's name change. Existing share certificates will remain valid.

## **Plans if the Disposal (Resolution 1) is approved by the Shareholders but the Investment Policy is not approved.**

If the Disposal is approved by the Shareholders but the Shareholders do not approve the Investment Policy, the Alternative Resolutions will be proposed to Shareholders. The Company would be solvent and in a position to pay a small return to Shareholders. It is estimated that this would result in a return to Shareholders of approximately 0.03p per Share, subject to receipt of the Deferred Consideration. The return to Shareholders would be undertaken by a Members' Voluntary Liquidation ("MVL"). Subject to and conditional on the Investment Policy (resolution 2) not being approved by the Shareholders, a special resolution to approve an MVL of the Company will be proposed and it will be proposed that H.W. Fisher & Co be appointed to conduct the MVL.

## **Plans if the Disposal is not approved by the Shareholders**

If Resolution 1 is not passed, the General Meeting will be adjourned and the Board will consider the Company's future position in respect of its current trading and working capital position. The Board will seek immediate advice regarding insolvency proceedings in relation to the Subsidiaries.

The Board believes that if the Resolutions are passed and the Disposal completed, the Company can overcome its immediate funding requirements and is well placed to implement its Investment Policy.

## **General Meeting**

The Proposals set out in this Circular require the approval of Shareholders. Set out at the end of this Circular is a notice convening a General Meeting to be held at 10am on 1<sup>st</sup> June 2010 at Acre House, 11-15 Williams Road, London NW1 3ER for the purpose of considering and, if thought fit, passing the following ordinary resolutions numbered 1, 2 and 4 and special resolution numbered 3. If the resolution numbered 1 is passed but the Shareholders do not pass resolution 2 so that the Investment Policy is not adopted, resolutions numbered 5 to 8 will be put to the Shareholders (resolution 5 being a special resolution). For the avoidance of doubt, resolutions 5 to 8 are subject to and conditional on resolution 1 being passed but resolution 2 not being passed and will not be put to Shareholders if the Investment Policy is adopted.

1. That the proposed disposal by the Company of the entire issued share capital of each of Timestrip UK Limited and Timestrip Technical Services Limited to the Offeror (as defined in the circular dated 5<sup>th</sup> May 2010 (the "Circular")) and on the terms set out in the Circular (the "Disposal") be approved.
2. That, subject to and conditional upon completion of the Disposal, the Investment Policy as set out in the Circular be approved.
3. That, subject to and conditional upon completion of the Disposal and resolution 2 above being passed, the name of the Company be changed to Mungo Trading Plc.
4. That, subject to and conditional upon completion of the Disposal and resolution 2 above being passed, Mark Nelson-Smith be appointed as a Director of the Company.
5. That, subject to and conditional upon resolution 1 being passed but resolution 2 not being passed, the Company be wound up voluntarily.
6. That, subject to and conditional upon resolution 5 being passed, Brian Johnson and David Birne of Fisher Partners, Acre House, 11-15 William Road, London NW1 3ER be appointed Joint Liquidators of the Company for the purposes of the voluntary winding up.
7. That, subject to and conditional upon resolution 5 being passed, the Liquidator's remuneration shall be fixed by reference to the time properly given by the Liquidator and his staff in attending to matters arising on the insolvency. These fees are to be paid at the Liquidator's discretion, as and when funds are available.
8. That, subject to and conditional upon resolution 5 being passed, the Liquidator be authorised to divide among the members of the Company in specie part or whole of the assets of the Company and may for that purpose value any assets and determine how the division between the members should be carried out.

**Action to be taken**

You will find enclosed a Form of Proxy for use in relation to the General Meeting. Whether or not you intend to be present in person at the General Meeting, you are requested to complete, sign and return the Form of Proxy by post or by hand to Capita Registrars Ltd at PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible but in any event so as to arrive no later than 10am on 30<sup>th</sup> May 2010. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish.

The Alternative Resolutions will only be put to Shareholders if Resolution number 1 is passed but Resolution 2 is not passed. However, you should indicate how you wish to vote in respect of each of the Resolutions.

If Resolution 1 is not passed, the General Meeting will be adjourned and the Board will consider the Company's future position in respect of its current trading and working capital position. The Board will seek immediate advice regarding insolvency proceedings in relation to the Subsidiaries.

**Recommendation**

The Directors consider the Disposal to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders vote in favour of Resolution 1 to be proposed at the General Meeting.

The Independent Director recommends that Shareholders vote in favour of the resolutions numbered 2, 3 and 4 and adopt the Investment Policy. In these circumstances, the Alternative Resolutions will not be put to the Shareholders.

Yours faithfully



Jonathan Steinberg

Independent Non-Executive Director

# Timestrip plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered No.03836605)

## NOTICE OF GENERAL MEETING

**Registered office: FINSGATE, 5-7 CRANWOOD STREET, LONDON EC1V 9EE**

NOTICE IS HEREBY GIVEN that a General Meeting of the members of the Company will be held at Acre House, 11-15 Williams Road, London NW1 3ER on Tuesday 1<sup>st</sup> June 2010 at 10.00 am to consider, and if thought fit, pass the following resolutions, resolutions numbered 3 and 5 being proposed as special resolutions and resolutions numbered 1, 2, 4 and 6 to 8 inclusive being proposed as ordinary resolutions

- 1 That the proposed disposal by the Company of the entire issued share capital of each of Timestrip UK Limited and Timestrip Technical Services Limited to the Offeror (as defined in the circular dated 5<sup>th</sup> May 2010 (the "**Circular**")) and on the terms set out in the Circular (the "**Disposal**") be approved.
- 2 That, subject to and conditional upon completion of the Disposal, the Investment Policy as set out in the Circular be approved.
- 3 That, subject to and conditional upon completion of the Disposal and resolution 2 above being passed, the name of the Company be changed to Mungo Trading Plc.
- 4 That, subject to and conditional upon completion of the Disposal and resolution 2 above being passed, Mark Nelson-Smith be appointed as a Director of the Company.
- 5 That, subject to and conditional upon resolution 1 being passed but resolution 2 not being passed, the Company be wound up voluntarily.
- 6 That, subject to and conditional upon resolution 5 being passed, Brian Johnson and David Birne of Fisher Partners, Acre House, 11-15 William Road, London NW1 3ER be appointed Joint Liquidators of the Company for the purposes of the voluntary winding up.
- 7 That, subject to and conditional upon resolution 5 being passed, the Liquidator's remuneration shall be fixed by reference to the time properly given by the Liquidator and his staff in attending to matters arising on the insolvency. These fees are to be paid at the Liquidator's discretion, as and when funds are available.
- 8 That, subject to and conditional upon resolution 5 being passed, the Liquidator be authorised to divide among the members of the Company in specie part or whole of the assets of the Company and may for that purpose value any assets and determine how the division between the members should be carried out.

Date: 5<sup>th</sup> May 2010

**BY ORDER OF THE BOARD**



Jonathan Steinberg  
Director  
**Timestrip PLC**

## NOTES TO THE NOTICE OF GENERAL MEETING

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), holders of ordinary shares must be entered on the relevant register of securities by 6.00 p.m. on 30<sup>th</sup> May 2010
2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. 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. A proxy does not need to be a member of the Company 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 proxy form are set out in the notes to the proxy form.
4. 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. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by you on the record date will result in the proxy appointments being invalid.
5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
6. 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).
7. 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.
8. To appoint a proxy using the proxy form, the form must be completed and signed and deposited at the office of the Company's registrars, Capita Registrars Ltd at, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received not later than 48 hours before the time appointed for holding the meeting.
9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

11. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars Ltd, at, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
12. The revocation notice must be received by Capita Registrars Ltd, at, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 1 hour before the time appointed for holding the meeting.

# TIMESTRIP PLC

## FORM OF PROXY

### ANNUAL GENERAL MEETING

I/We the undersigned, ..... of .....  
....., being the holder(s) of ordinary shares of the Company, HEREBY APPOINT the Chairman of the Meeting or (Note 1) ..... of ..... as my/our Proxy to attend and to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 10.00 a.m. on 1<sup>st</sup> June 2010 and at any adjournment thereof.

I/We direct that my/our votes be cast as indicated by an "X" in the appropriate box resolutions numbered 3 and 5 being proposed as special resolutions and resolutions numbered 1, 2, 4 [and 6 to 8 inclusive] being proposed as ordinary resolutions. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

DESCRIPTION OF RESOLUTION	For	Against	Withheld
1. Approval of the Disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the Investment Policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Change of Name to Mungo Trading Plc	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Appointment of Mark Nelson-Smith as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Voluntary winding up of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment of Brian Johnson and David Birne as joint	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Liquidator's remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Authorisation of liquidator to divide up assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note that resolutions 5 to 8 will only be put to members if resolution 1 is passed but resolution 2 is not passed. If resolution 1 is not passed, no other resolutions will be put to the members. However, please indicate how you wish to vote in respect of each resolution.**

Dated this ..... day of .....2010

Signature .....

Full name(s) in which Ordinary Shares are registered .....

PLEASE USE BLOCK LETTERS

#### Notes:

1. A member of the Company as at 6.00 pm on 30<sup>th</sup> May 2010 is entitled to appoint another person as his proxy to exercise all any of his rights to attend, speak and vote at the General Meeting. A proxy may only be appointed using the procedures set out in these notes and the notes to the notice of General Meeting.
2. To appoint a proxy using the appointment of proxy form, the form must be completed and signed and returned to the Company's registrars, Capita Registrars Ltd, at, PXS, 34 Beckenham Road, Beckenham,



Kent, BR3 4TU so as to be received not later than 10am on 30<sup>th</sup> May 2010. Save as provided otherwise below, this appointment of proxy will be valid for any adjournment of the General Meeting.

3. To appoint a proxy to vote on any poll taken otherwise than on the same day as the General Meeting or the adjourned meeting, the form must be completed and signed and returned to the Company's registrars (at the address stated in note 2) so as to be received not less than 24 hours prior to the time for the taking of the poll at which it is to be used. Any form not so received shall not be treated as valid.
4. This appointment of proxy, if validly completed and submitted on time, will be deemed to give your proxy the right to demand (or join in demanding) a poll.
5. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. To appoint as your proxy a person other than the Chairman of the General Meeting, insert their full name on the line indicated above. If you sign and return this proxy form with no name inserted in the box, the Chairman of the General Meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the General Meeting and are aware of your voting intentions. 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.
6. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned in the same envelope. You may not appoint more than one proxy to exercise rights attached to any one share.
7. To direct your proxy how to vote on the resolutions mark the appropriate box with an "X". 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. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
8. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney or other person authorised to sign for the company. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of the General Meeting.
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of the shares to which they relate.
12. Appointment of a proxy does not preclude you from attending the General Meeting and voting in person or attending any adjournment of the General Meeting (or voting in any poll relating thereto). If you have appointed a proxy and attend the General Meeting (or any adjournment of the General Meeting) in person, your proxy appointment will automatically be terminated.
13. The summary of the resolutions are for guidance only. You are advised to read the accompanying letter from the Chairman and notice of meeting carefully.

