

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your registered holdings of Ordinary shares in the capital of Paragon Entertainment Limited or Depository Interests representing such shares, please forward this document, together with the accompanying Form of Proxy or Form of Direction (as appropriate), as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

PARAGON ENTERTAINMENT LIMITED

(Registered in the Cayman Islands under Companies Law (2011 Revision) with registered number MC-234241)

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of Paragon Entertainment Limited to be held at **Paragon Creative, Unit 8, Harrier Court, Elvington, York, YO41 4EA**, on 15 December 2014 at 11 a.m. is set out on pages 6 to 8 of this document and the recommendation of the directors is set out on page 5. The action to be taken in respect of the Annual General Meeting is set out at page 4 of this document.

If you are a holder of Ordinary shares in the capital of Paragon Entertainment Limited in certificated form, a Form of Proxy for use at the Annual General Meeting is enclosed. To be valid, any instrument appointing a proxy must be received by Capita Asset Services as soon as possible but in any event so as to arrive no later than 11a.m. on 13 December 2014 (being 48 hours prior to the Annual General Meeting).

If you are a holder of Depository Interests representing Ordinary shares in the capital of Paragon Entertainment Limited, a Form of Direction for use at the Annual General Meeting is enclosed. To be valid, the Form of Direction must be received by Capita Asset Services as soon as possible but in any event so as to arrive no later than 11 a.m. on 12 December 2014 (being 72 hours prior to the Annual General Meeting). Alternatively, if you are a holder of Depository Interests representing Ordinary shares in the capital of Paragon Entertainment Limited, Depository Interests may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual.

PARAGON ENTERTAINMENT LIMITED
(Registered in the Cayman Islands with registered no. MC-234241)

Directors

Richard Arden (Chief Financial Officer)
Martin Barratt (Non-Executive director)
Peter Holdsworth (Executive director)
Mark Pyrah (Executive director)
Mark Taylor (Executive chairman)

Registered Office

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Richard Arden (Company Secretary)
r.arden@paragonent.com

19 November 2014

To holders of Ordinary shares of 0.1p each and the holders of Depository Interests representing such Ordinary shares issued by the Company

Dear Shareholder /Depository Interest Holder

I am pleased to be writing to you with details of the business to be transacted at the forthcoming Annual General Meeting (the "**AGM**") of Paragon Entertainment Limited (the "**Company**") which will be held at 11 a.m on Monday 15 December 2014 at **Paragon Creative, Unit 8, Harrier Court, Elvington, York, YO41 4EA**. The Notice of Annual General Meeting is set out at pages 6 to 8, at the end of this letter.

Annual General Meeting

Notice of the AGM is given on page 5. The Notice details ordinary business to be transacted at the meeting. Resolutions 1 to 5 require an Ordinary Resolution and resolutions 6 to 7 require a special resolution. Further explanation in relation to the resolutions is set out below.

Resolution 1 – Approval of annual accounts

Resolution 1 proposes the receipt and adoption of the annual accounts of the Company for the year ended 31 December 2013, together with the directors' report and auditors' report on those accounts. The annual accounts are available on the Company's website (www.paragonent.com).

Resolutions 2 and 3- Re-election of Directors

The articles of association of the Company require certain Directors to retire by rotation at each Annual General Meeting or at the next Annual General Meeting following their appointment as a Director.

Both Richard Arden and Martin Barratt were appointed as directors since the last Annual General Meeting. Therefore, they both retire and offer themselves for re-election at the AGM.

Resolution 2 proposes the re-election of Martin Barratt as a Director.

Resolution 3 proposes the re-election of Richard Arden as a Director.

Brief biography of the Director being re-elected is set out below:

Martin Barratt (56), is an experienced operator and developer of visitor attractions. During his long career he has worked in and for theme parks, water parks, national museums, stately homes, castles, factory tours, heritage centres, farm parks and piers. He is currently a Board Member of the European and Middle East Division at the Themed Entertainment Association. Martin has worked for some of the largest attraction companies, such as Merlin Entertainments Group and the Tussauds Group, as well as developing and opening The Royal Armouries in Leeds and the Wedgwood Factory Tour. He has been personally responsible for building and running numerous attractions, and since 2004 has given advice to over 100 clients and many blue chip firms. Martin is a member of the Audit Committee, Nominations Committee and Remuneration Committee.

Richard (42), an associate of the Institute of Chartered Accountants of England and Wales (ACA), joined Paragon in 2012. Finding himself in a business very different to the one he left, Richard has enjoyed establishing careful financial management within an environment of high energy and creativity. Before Paragon, Richard had various CFO and FD roles across the IT, software and health sectors, including Chief Financial Officer at Parseq plc, and Finance Director roles at Documetric Limited, Debts.co.uk plc and Westfield Health.

Resolution 4 – Re-appointment of auditors

Grant Thornton UK LLP ("**GT**") act as the Company's auditors. Resolution 4 proposes the approval of the re-appointment of GT as the Company's auditors and authorises the Directors to fix the auditors' remuneration.

Resolution 5 – Allotment Authority

The Company initially passed this resolution providing the directors with authority to allot capital on 20 December 2011 which was due to expire in December 2018. This was updated in the Annual General Meeting on 13 December 2013 and is due to expire in December 2018.

This revised resolution is to ensure that the company has authority to issue share capital required under the terms of the sale and purchase agreement entered in December 2011 for the purchase of Paragon Creative Limited in order to settle, either directly or indirectly, the deferred consideration that will become due. The amount due is the lower of 18.75m shares or £750,000 worth at current market price.

All other matters remain as before.

Resolution 6 – Disapply preemption rights in respect of resolution [5](#)

Under the articles of association, the Directors may not allot certain equity securities unless a pre-emptive offer is first made to shareholders. However, the Directors may allot equity securities as if this article did not exist if authorised to do so by special resolution of the Company, and that authority should state the maximum amount of equity securities that can be allotted under the authority and the date on which the authority expires. The maximum amount is that noted in resolution 5, being approximately 10% of the current issued share capital, and the expiry date is co-terminous with that resolution.

Resolution 7 – Authority for the Purchase of Own Shares

The Company's articles of association contain an authority for the Company to make market purchases of up to 14.99 per cent. of the Company's ordinary share capital. This authority expires on the conclusion of the 2014 AGM. Resolution 6 proposes the renewal of this repurchase authority with a lower limit of 10 per cent to expire at the earlier of the next Annual General Meeting or 31 December 2015.

Action to be taken

Holders of Ordinary shares in the capital of the Company have the right to attend the AGM.

If you are a holder of Ordinary shares in the capital of the Company in certificated form, you are asked to complete the enclosed Form of Proxy and return it, together with any power of attorney or other authority under which it is signed or a notarially certified or office copy thereof, to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 48 hours before the time of the AGM.

Completion of the Form of Proxy does not prevent a shareholder from attending and voting in person.

If you are a holder of Depository Interests representing Ordinary shares in the capital of the Company, you are

asked to complete the enclosed Form of Direction and return it, together with any power of attorney or other authority under which it is signed or a notarially certified or office copy thereof, to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive no later than 72 hours before the time of the AGM. Alternatively, if you are a holder of Depository Interests representing Ordinary shares in the capital of the Company, Depository Interests may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual. Instructions should be transmitted so as to be received by the Company's agent Capita Registrars, (RA10) not less than 72 hours before the time appointed for holding the AGM or adjournment as the case may be.

Location of meeting

The Annual General Meeting will be held at **Paragon Creative, Unit 8, Harrier Court, Elvington, York, YO41 4EA**. If possible, could you let our company secretary, Richard Arden, know to expect your arrival in advance.

Recommendation

The Board believes that the resolutions to be put to the Annual General Meeting are in the best interests of the Company and the shareholders as a whole and, accordingly, the Directors unanimously recommends that shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings in the Company.

Yours sincerely

Mark Taylor

Executive Chairman

On behalf of the Board

NOTICE OF ANNUAL GENERAL MEETING
PARAGON ENTERTAINMENT LIMITED
(Registered in the Cayman Islands with registered no. MC-234241)

NOTICE is hereby given that the Annual General Meeting of Paragon Entertainment Limited (the "Company") will be held at Paragon Creative, Unit 8, Harrier Court, Elvington, York, YO41 4EA, on 15 December 2014 at 11 a.m. for the transaction of the following business:

As ordinary business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- 1. That** the Company's annual accounts for the year ended 31 December 2013, together with the directors' report and the auditors' report on those accounts, be received and adopted.
- 2. That,** having retired as required under the articles at the first AGM following appointment, that Martin Barratt be re-elected as a director of the Company.
- 3. That,** having retired as required under the articles at the first AGM following appointment, that Richard Arden be re-elected as a director of the Company.
- 4. That** the re-appointment of Grant Thornton UK LLP as the auditors of the Company be approved and the Directors be authorised to fix the auditors' remuneration until the conclusion of the next Annual General Meeting of the Company.
- 5. That** the directors of the Company be generally and unconditionally authorised for the purposes of and in accordance with article 5.1 of the Articles and all other purposes and in substitution for any previous power conferred on the directors pursuant to that article, exercise all powers of the Company to:
 - 5.1** issue and allot equity securities up to an aggregate amount equal to 10 per cent. by number of Ordinary Shares in the fully diluted share capital of the Company from time to time to be issued and allotted for the purposes of purchasing the Management Participation Shares (as such term is defined in the Admission Document of December 2011);
 - 5.2** issue and allot equity securities up to an aggregate amount equal to 10 per cent. by number of Ordinary Shares in the fully diluted share capital of the Company from time to time to be issued and allotted for the purposes of making an allotment of shares in respect of any exercise of the Marwyn Participation Option (as such term is defined in the Admission Document of December 2011);
 - 5.3** issue and allot equity securities up to an aggregate amount equal to 10 per cent. by number of Ordinary Shares in the fully diluted share capital of the Company from time to time to be issued and allotted in connection with the proposed EMI Scheme (as such term is defined in the Admission Document of December 2011);
 - 5.4** issue and allot equity securities up to an aggregate amount 18,749,275 (approximately equal to 10 per cent.) by number of Ordinary Shares in the fully diluted share capital of the Company from time

to time to be issued and allotted for the purposes of the settlement either directly or indirectly of the deferred consideration due in relation to the acquisition of Paragon Creative Limited in December 2011 (as such terms are defined in the Admission Document of December 2011) and;

- 5.5 otherwise than pursuant to resolutions 5.1 to 5.3, issue and allot equity securities up to an aggregate par value of £18,768.06 [being 10% of the current issued share capital] to such persons, at such times and generally on such terms and conditions as the directors of the Company in their absolute discretion may determine;

provided that such authority shall commence on the date of the passing of this resolution and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on the fifth anniversary following the passing of this resolution, save that the Company may make an offer or agreement before this authority expires which would or might require equity securities to be allotted after this authority expires and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if this authority had not expired.

As ordinary business, to consider and, if thought fit, to pass the following resolutions as special resolutions:

6. That subject to the passing of resolution 5 and pursuant to article 5.2 of the Articles, the directors of the Company be and are hereby generally and unconditionally authorised to allot equity securities (as such term is defined in article 5.2 of the Articles) pursuant to the authority granted to them in resolution 4 as if the rights of pre-emption contained in article 5.5 of the Articles did not apply, such authority to expire (unless previously renewed, varied or revoked by the Company in general meeting) on the fifth anniversary following the passing of this resolution, save that the Company may make an offer or agreement before this authority expires which would or might require equity securities to be allotted after this authority expires and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if this authority had not expired.
7. That the Company be and is hereby generally and unconditionally authorised to make market purchases of its own shares including out of capital of up to 10 per cent. of the share capital in issue at the date of this resolution provided that:
- 7.1 the minimum price (excluding expenses) which may be paid for an Ordinary Share is 0.1 pence per Ordinary Share; and
- 7.2 the maximum price (excluding expenses) which may be paid for an Ordinary Share is an amount equal to five per cent. above the average of the middle market quotations for such Ordinary Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is to be made, and (unless previously revoked, varied or renewed) this authority shall expire on the date falling 18 months after the date of the passing of this resolution or, if earlier, on the conclusion of the next Annual General Meeting of the Company, save that the Company may enter into a contract to purchase its shares before this authority expires under which such purchase will or may be completed or executed wholly or partly

after this authority expires and may make a purchase of its shares pursuant to any such contract as if this authority had not expired.

BY ORDER OF THE BOARD

Date 19 November 2014

Registered Office

Maples Corporate Services Limited

PO Box 309, Uglund House

Grand Cayman KY1-1104

Cayman Islands

NOTES

(a) The Company gives notice that only those shareholders entered on the Company's register of members for uncertificated shares ("Register") at 6.00 p.m. on Friday 12 December 2014 (the "Specified Time") and for certificated shares at 6.00pm on Saturday 13 December 2014 will be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting. Should the Annual General Meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote and for the purpose of determining the number of votes they may cast at the adjourned Annual General Meeting. Should the Annual General Meeting be adjourned for a longer period, then to be so entitled, uncertificated members must be entered on the Register at the time which is 72 hours before the time fixed for the adjourned Annual General Meeting and certificated members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned Annual General Meeting, or if the Company gives notice of the adjourned Annual General Meeting, at the time specified in the notice.

(b) If you are a member of the Company at the Specified Time, you may appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

(c) A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

(d) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares but must attend the Annual General Meeting in person. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the proxy 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 indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

(e) For the Form of Proxy to be valid it must be completed and executed in accordance with the instructions printed on it and should be returned to the Registrar at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event to be received by the Registrar by not later than 11 a.m. on Saturday 13 December 2014 (being 48 hours prior to the Annual General Meeting). Completion and return of a Form of Proxy will not preclude a member from attending and voting in person at the Annual General Meeting.

(f) For the Form of Direction to be valid it must be completed and executed in accordance with the instructions printed on it and should be returned to the Depository at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event by not later than 11 a.m. on Friday 12 December 2014 (being 72 hours prior to the Annual General Meeting).

(g) If you are a holder of Depository Interests representing ordinary shares in the capital of the Company, Depository Interests may be

voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST User 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. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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 Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID) by 11 a.m. on Friday 12 December 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.

(h) In the case of joint holders of shares, the vote of the senior who tenders the vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which names stand in the Register in respect of the joint holding. In the case of joint holders of Depository Interests, the Form of Direction may be signed by any of the holders but the names of all of them should be stated. The vote of the first named holder in the register of Depository Interests will be accepted to the exclusion of the votes of the other joint holders in respect of the joint holding.

(i) 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. In order to attend and vote at the Annual General Meeting, a corporate representative must bring evidence of his authority.

(j) A copy of this notice can be found at the Company's website: www.paragoment.com.