

# FOLKESTONE HARBOUR RAILWAY LTD

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07136347

Dear Member,

As you will have seen from the mail outs from The Remembrance Line Association Ltd things are progressing well and an operating company has been formed to run the business operation.

We are now in the position where we need to start raising capital so we are in a position to finance the running of the railway and the setup costs associated with such a venture.

3 Types of Shares have been allocated to raise funds and I would like to explain how they work.

Class A Shares – 20,000 shares @ £25 = £500,000, these shares are only for sale to members. If all shares are sold, then the company will share a dividend equal to 45% of the net profits, in the event that all the members shares are not sold, then the profit share % will be calculated on a pro-rata basis. To protect the members funds, all the capital raised by the sale of Class A Shares will be held in a client's account of the company at HSBC until the company has won the lease for the railway, in the event of failure of the company to secure the lease the capital will be returned to the members in full without deduction. When the lease has been secured the funds will be made available to the company to run the operation as planned.

Class B Shares – 1 Share @ £1, this share will entitle the members association to receive 5% of the net profit of the company each year by way of dividend so that they may continue on with their endeavours and eventually run services of their own along with other projects the members request. In return for this profit share the association will make available funds from their fund raising efforts to start the business process. Unlike the Class A shares these funds are not protected as they will be used for the initial costs of the company.

Class C Shares – These will be issued as and when any non-member wishes to invest funds in the company, these funds will not be protected in the same as the Class A shares.

The only limitation that we are imposing on the members share is that no single member may purchase more than 10% of the share capital without first obtaining agreement of the Board of Directors.

To allow association members a voice in the operating company, it is a requirement of the company that the Chairman/woman of the association is on the board of Directors and attends the board meetings where they will be able to put forward the member's views and wishes.

Members may buy shares for themselves and their family, but in the event of a refund all funds will be returned to the owner on the share rather than the purchaser. Any shares bought for a minor must be declared at time of purchase.

If you need any further information, please call myself or email at [david@frizbee.co.uk](mailto:david@frizbee.co.uk).

A share purchase form is enclosed for your convenience; extra forms can be obtained by request.

*D P HARVEY*

D P Harvey

Managing Director