

INTRODUCTION

These notes have been compiled with a view to assisting shareholders to gain a clearer understanding of their relationship with the Company. Answers to some of the more frequently asked questions are included, together with some helpful advice and background information. Please keep this leaflet in a safe place with your share certificates for future reference.

THE COMPANY

Gloucestershire Warwickshire Steam Railway, PLC was incorporated on 20th August 1981 to purchase the railway between Stratford-upon-Avon and Cheltenham and operate it as a heritage railway. The Company has an authorised share capital of £2,000,000 divided into 2,000,000 shares of £1 each.

The Company obtained a Light Railway Order in 1983 and became the legal operator of the railway. Public services commenced on 22nd April 1984.

GLOUCESTERSHIRE WARWICKSHIRE RAILWAY LIMITED

Volunteers who work on the railway must be members of the Gloucestershire Warwickshire Railway Limited, a company limited by guarantee, which supports the aims of the Company. Annual membership is available for a modest subscription and the benefits include free copies of a quarterly magazine "The Cornishman", a limited number of free journeys on the railway and an opportunity to participate in the activities associated with running the railway. For further information please write to the G.W.R.L. Membership Secretary at Toddington.

TYPICAL SHAREHOLDERS

We have no major shareholders other than our support body, the Gloucestershire Warwickshire Railway Limited. The 3,000 plus shareholders are typically enthusiastic supporters of the Railway whose first interest is the wellbeing of their Railway.

GENERAL MEETINGS

Shareholders have the right to attend and vote at the Company's General Meetings and, if resident in the United Kingdom, are entitled to receive appropriate notice of such meetings. Shareholders may appoint a proxy to vote for them at such meetings who need not be a shareholder.

The Company usually holds its Annual General Meeting at Toddington each year. Shareholders are given an update on the progress of the railway as well as statutory information. Shareholders may ask the Board any questions at the meeting.

The Board calls extraordinary General Meetings when there is special business to deal with as required by the Companies Acts. The Board will also call an Extraordinary General Meeting on written request by holders of ten per cent of current share capital. In the latter case the request for a meeting should be addressed to the Company Secretary at Toddington and must state the purpose in the form of a resolution to be put to the shareholders.

DISTRIBUTION OF DIVIDENDS AND ASSETS

The Company has always invested all its surplus income in the expansion of the railway and has never declared a dividend to the shareholders. On the 26 June 2003 the Company's Memorandum and Articles of Association were changed to formalise this by explicitly prohibiting the distribution of Dividends or Assets, other than the provision of free or complimentary rail travel.

SHAREHOLDER BENEFITS

The most valuable benefit enjoyed by shareholders is the knowledge that they have made a positive contribution to the preservation of an important part of Britain's heritage.

FREE TRAVEL ON THE RAILWAY

Free travel benefits are granted to the first named holder on the share register alone and vary with the total number of shares held irrespective of any second named holders. The benefit is calculated annually and the appropriate vouchers etc. despatched with the Annual Report and Accounts. Each voucher is valid until 31st October of the following year for one return trip over the whole length of the railway open to the public on any train other than certain special events. These travel benefits are reviewed by the board annually and are currently as follows:-

Shareholding	Travel Vouchers
Between 100 & 500	Three free return trips per year.
Between 501 & 1,000	Four free return trips per year.
Between 1,001 & 3,000	Five free return trips per year.
Between 3,001 & 5,000	FREE UNLIMITED travel for the holder and two accompanying guests
Over 5001 shares	FREE UNLIMITED travel for a family (two adults and two children)

BUYING MORE SHARES

Shareholders may, subject to the Company's current regulations, purchase further shares at any time by completing a share application form and sending it with appropriate remittance to The Share Registrar at Toddington. Application forms are supplied with each Annual Report and are available on request.

A new share certificate is issued for each application. Share certificates are issued within two calendar months of application.

SHARE ISSUE REGULATIONS

The following main regulations apply in addition to those in our 1981 prospectus: -

- Each application must be for a minimum of 50 shares (£50) or higher in increments of 10 shares (additional £10).
- No transfer will be made that results in a shareholder having less than 20 shares or a number that is not divisible by ten.

SHARE ISSUE ADMINISTRATION

The register of shareholders is held on a computer to facilitate administration. The register is not used for any other purpose.

SOME FREQUENTLY ASKED QUESTIONS AND THEIR ANSWERS



TO WHOM DO I ADDRESS QUESTIONS CONCERNING SHAREHOLDINGS?

The company, B W Registrars, who appears on some old Share Certificates no longer deal with these issues. All queries should be addressed to: -

The Share Registrar
G.WSR PLC
The Railway Station
Toddington
Gloucs., GL54 5DT

Shareholders should appreciate that the Share Registrar is a volunteer so a response may not be as quick as with a commercial concern. In order to speed a reply shareholders are requested to enclose a stamped self-addressed envelope.

WHO RECEIVES OFFICIAL NOTIFICATION OF MEETINGS?

The first named shareholder on the Company's register only receives official notices. All named shareholders, including joint holders, may attend meetings but only one may vote.

WHAT IF I CHANGE MY ADDRESS?

Shareholders should notify the Share Registrar of any change of address in order that the share register may be kept up to date, giving full name as well as the old and new addresses. Please include your postcode.

WHY HAVEN'T I RECEIVED ANY REPORTS RECENTLY?

The most frequent reason is that the shareholder has not notified the Share Registrar of a change of address. If in doubt, advise the Share Registrar of your last change of address.

WHAT IF I CHANGE MY NAME OR GET MARRIED?

Shareholders who change their name on marriage or for any other cause should notify the Share Registrar. The notification should include both old and new names and addresses. Certified copies of the Change of Name Deed or Marriage Certificate should also be enclosed as evidence of your change of name.

WHAT HAPPENS TO SHARES HELD IN JOINT NAMES WHEN ONE HOLDER DIES?

Once a copy of the death certificate has been recorded by the Share Registrar the records will be changed to show that the shares are held solely in the other person's name.

WHAT SHOULD HAPPEN WHEN A SHAREHOLDER DIES?

In the event of a shareholder dying, it is important that the Share Registrar is notified as soon as possible in order that the register may be amended to show the names of the executors and the correct address for future correspondence. The holding of a deceased shareholder may not be transferred until the Share Registrar has had sight of an official copy of the death certificate or grant of probate or letters of administration. When settling the estate of a deceased shareholder it has sometimes proved difficult to dispose of shares in the Company because of their specialised nature. In such circumstances executors may consider donating the shares to the Gloucestershire Warwickshire Railway Limited.

HOW CAN I ENSURE THAT THE SHARES PASS TO A PERSON OF MY CHOICE WHEN I DIE?

The easiest way is to make provision in your will. The transfer can then be dealt with speedily by your executors.

In the event that you have no particular person in mind; you can donate them to our supporting body, the Gloucestershire Warwickshire Railway Limited. (see below)

HOW DO I PASS MY SHARES TO THE G.W.R.L. IN MY WILL?

A suitable phrase for your will would take the form:-

"I give all Shares in the Gloucestershire Warwickshire Steam Railway PLC held solely in my name to Gloucestershire Warwickshire Railway Limited whose registered office is at The Railway Station, Toddington, Gloucestershire, GL54 5DT and direct that the appropriate Share Transfer forms be executed by my Executors"

HOW DO I SELL MY SHARES?

The Company's shares are not quoted so all sales are on a "willing buyer, willing seller basis". Since potential shareholders may still purchase new shares directly from the Company, it is up to the holder to find a buyer. The shares then must be formally transferred (see below). The Company's regulations do not permit the Company to 'buy-back' its own shares.

HOW DO I TRANSFER SHARES?

Shares may be transferred from one person to another, subject to the Company's regulations being observed. The process is somewhat complex; it requires the completion of a stock transfer form and possibly the payment of Inland Revenue stamp duty. The completed form is then sent to the Registrar with the original Share Certificate(s). It is therefore recommended that persons wishing to transfer shares should initially consult a solicitor or an accountant. Shareholders who have difficulty can write to the Share Registrar for advice.

HOW DO I ESTABLISH A VALUE OF SHARES FOR PROBATE?

The Company's shares are not quoted; so all sales are on a "willing buyer, willing seller basis". Since potential shareholders may still purchase new shares directly from the Company few shares change hands for a consideration. The majority of transfers take place following the death of the original shareholder and pass to a relative for no consideration. Over the years approximately two transfers per year have been for any consideration and those have been at face value. The shares may normally, therefore, be valued at cost for probate purposes.

HOW DO I PURCHASE SHARES FOR ANOTHER PERSON?

The application form should be completed on the proposed shareholder's behalf and then signed by the purchaser stating their relationship to the proposed holder. If the certificate is to be despatched to the purchaser for later presentation to the holder then this must be clearly stated on the application form. There is no minimum age for a shareholder.

WHY AM I RECEIVING MORE THAN ONE SET OF SHAREHOLDER COMMUNICATIONS?

This may mean that you have shares registered in two or more accounts with slightly differing details or that some are in your sole name and the others held jointly with other people. Write to the Share Registrar with the full details to get appropriate advice.