North Highland Products Ltd
34a High Street, Wick
Caithness
Scotland, KW1 4BS
Tel: 0845 838 0488
Fax: 0845 838 0490
E mail:info@mey-selections.com

12 December 2008

Dear Member

You will be aware that His Royal Highness The Prince Charles, Duke of Rothesay inspired the North Highland Initiative and the creation of Mey Selections in 2005. I am now writing to you to thank you for your support for Mey Selections since it started trading in August 2005 and secondly, to bring you up to date with our plans for the future.

When we started operations, our vision was to build a strong brand for food and drink products sourced from the North Highlands area in order to differentiate the superior quality of our products, and to promote the economy of the area. This enables us to give customers what they want and generate an improved margin to share with all our suppliers. We now have a wide range of suppliers including farmers, fishers, fine food and drink producers, local food service providers, and textile and craft producers.

Our original vision has exceeded all expectations with the sales turnover of the business now approaching £10 million per annum and hundreds of thousands of pounds created in premiums for suppliers. Our award-winning products are now sold in Sainsbury's, independent retailers, and food service outlets, throughout the UK and abroad, and on the Internet. We have come to realise that discerning customers are increasingly willing to pay a little more for quality assured products with a guaranteed provenance and sustainability. The progress which we have made over the past three years has made us increasingly aware of the opportunity to further develop the **Mey Selections** brand and to provide long-term benefit for all our suppliers. There is still much to do, but a lot has been achieved.

The business was originally incorporated by a small group of farmers as a company limited by guarantee. We now have a membership of around five hundred farmers, fishers, and fine food producers and so the original business structure is no longer appropriate for the current scope of our operations. It does not enable us;

- to share any increase in the value of the business with our members,
- to raise money from investors, and
- to pay dividends or borrow money in order to finance the development of the business.

For these reasons we need to change our business structure.

North Highland Products Ltd
34a High Street, Wick
Caithness
Scotland, KW1 4BS
Tel: 0845 838 0488
Fax: 0845 838 0490
E mail:info@mey-selections.com

To take forward the establishment of the brand and extend our sales penetration we need to develop a longer term financial strategy for the benefit of all concerned. Highlands and Islands Enterprise is supporting these developments and NP's Board has initiated a plan for the re-structuring and re-financing of the business, details of which are set out in the attached note.

We propose to hold General Meetings of North Highland Products Limited and **Mey Selections** Limited on the same day so that you may have the opportunity to vote on the proposals set out in the note. You will be notified of the date, time and venue of the meeting which will be held in the New Year, and you are welcome to attend. If you are unable to be there, you will be able to complete and return a proxy form.

The proposals set out in the enclosed document have been unanimously approved by the Board who all intend to vote in their favour. They have also been approved unanimously by the Board of **Mey Selections** Limited. I have been appointed as Chairman of **Mey Selections** Limited and can confirm on behalf of **Mey Selections** Limited that the proposals set out in the enclosed document have been unanimously approved by its Board who intend to proceed with the proposals set out in this letter.

The objective of these proposals is to provide;

- premium returns to suppliers who trade with the company,
- shares for our members,
- resources to take advantage of business opportunities, and
- investors with a return and an exit without jeopardising the company

I believe that these proposals are first and foremost for the benefit of suppliers' own businesses and the wealth of the area.

I thank you again for your support in the past and look forward to your continuing support in the future. These are uncertain times in the world economy and I believe that **Mey Selections** offers us all a way to act together to promote a viable food and farming economy in the North Highlands. I hope that everything is clear and that you will feel able to support the proposals which will be of benefit to all suppliers and the economy of the North Highlands, and will help **Mey Selections** Limited through the next phase of its development. Should you have any queries at all, however, please do not hesitate to telephone me on 01955 621309 or John Strak on 07802936466.

If you are in any doubt about the content of this letter you should consult your solicitor or other adviser authorised for the purposes of the Financial Services and Markets Act 2000.

Yours sincerely,

Danny Miller
Chairman