

Notice of Annual General Meeting

This document is important and requires your immediate attention.

If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom, or if you are taking advice in another jurisdiction, from an appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Inspiration Healthcare Group plc you should deliver this document together with the enclosed Form of Proxy as soon as possible 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. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold or otherwise transferred only part of your holding of your Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Inspiration Healthcare Group plc

(Incorporated and registered in England and Wales with registered number 03587944)

**Recommended proposals for the capitalisation of merger reserve,
cancellation of the share premium account
and**

Notice of Annual General Meeting

This document should be read as a whole. Your attention is drawn to the Letter from the Chairman of the Company which is set out in Part III of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below.

Notice of the Annual General Meeting of the Company to be held at the Company's offices, Unit 2 Satellite Business Village, Crawley, West Sussex RH10 9NE at 11:30 am on 30 June 2017 is set out in Part IV of this document. A Form of Proxy for use at the meeting is enclosed with this document. To be valid, the Form of Proxy must be completed and returned as soon as possible and in any event so as to be received by the Company's registrars Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11:30 am on 28 June 2017. Completion and posting of the Form of Proxy will not prevent a shareholder from attending and voting in person at the Annual General Meeting.

Notes

Part I

Expected Timetable of Principal Events

Circular and Form of Proxy posted to Shareholders	19 May 2017
Latest time and date for receipt of Form of Proxy for the Annual General Meeting	11:30 am on 28 June 2017
Annual General Meeting	11:30 am on 30 June 2017
Expected effective date for completion of the Capital Reduction	26 July 2017

Notes:

- (1) The expected date for the completion of the Capital Reduction is based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and dependent on the Court's timetable.
- (2) The timetable assumes that there is no adjournment of the Annual General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.
- (3) References to times in this document are to London times unless otherwise stated.

Part II

Definitions

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

AIM	the Alternative Investment Market operated by the London Stock Exchange plc;
Annual General Meeting or AGM	the annual general meeting of the Company, notice of which is set out at the end of this document and including any adjournment(s) thereof;
Articles	the articles of association of the Company adopted on 6 December 2001 (as amended by special resolution on 10 December 2001);
Board	the Directors of the Company;
CA 2006	Companies Act 2006;
Capital Reduction Bonus Issue	the bonus issues of Capital Reduction Shares for every one Ordinary Share held by each Shareholder on the register of members of the Company at the Capital Reduction Record Time in order to facilitate the Capital Reduction as described in this document;

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Capital Reduction	the proposed cancellation of the share premium account and the Capital Reduction Shares as described in the Letter from the Chairman in Part III of this document;
Capital Reduction Record Time	6.00 pm on the date immediately preceding the date of the Court Hearing;
Capital Reduction Shares	B shares in the capital of the Company to be created by the Capital Reduction Bonus Issues;
Company	Inspiration Healthcare Group plc, a company incorporated in England and Wales with registered number 03587944 and having its registered office at Unit 2 Satellite Business Village, Crawley, West Sussex RH10 9NE;
Court	the High Court of Justice in England and Wales;
Court Hearing	the hearing by the Court to confirm the Capital Reduction;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Regulations	the Uncertificated Securities Regulations 2001 (as amended);
Form of Proxy	the form of proxy accompanying this document relating to the Annual General Meeting;
Notice of AGM	the notice of Annual General Meeting, set out in Part IV of this document;
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company;
Registrars	Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
Resolutions	the resolutions to be proposed at the Annual General Meeting which are set out in full in the notice of Annual General Meeting, set out in Part IV of this document; and
Shareholders	holders of Ordinary Shares.

Notes continued

Directors

M S Abrahams
(Non-executive Chairman)

N J Campbell
(Chief Executive Officer)

T Foster
(Group Sales Director)

R J Beveridge
(Non-executive Director)

B Nolson
(Non-executive Director)

M J Briant
(Chief Financial Officer
and Company Secretary)

Registered Office
Unit 2 Satellite
Business Village
Crawley
West Sussex RH10 9NE

Part III

Letter from the Chairman

Inspiration Healthcare Group plc

(Incorporated in England and Wales with registered number 03587944)

3 May 2017

Dear Shareholder

1. Introduction and Summary

- 1.1 The Annual General Meeting of the Company is to be held at 11:30 am on 30 June 2017 at the Company's offices, Unit 2 Satellite Business Village, Crawley, West Sussex RH10 9NE. The notice convening the Annual General Meeting is set out in Part IV of this document.
- 1.2 I am writing to you with proposals recommended by the Board to create positive distributable reserves for the Company in order to provide the Board with the flexibility to distribute profits to Shareholders as dividends, subject to the financial performance of the Company.
- 1.3 The background to and reasons for the Capital Reduction are set out more fully in paragraph 2 below. Your approval is being sought to carry out a reduction of the Company's capital by way of:
 - (i) cancellation of the amount standing to the credit of the Company's share premium account; and
 - (ii) the capitalisation of the amount standing to the credit of the Company's merger reserve by way of two issues and subsequent cancellations of the Capital Reduction Shares,so as to create positive distributable reserves.

The Capital Reduction is conditional upon, amongst other things, the Company obtaining appropriate Shareholder approval at the Annual General Meeting.
- 1.4 Part II of this document contains definitions of words and terms that have been used throughout it. Please refer to Part II as you review the documentation.
- 1.5 **The purpose of this document is to provide you with information about the background to and the reasons for the Capital Reduction, to explain why the Board considers the Capital Reduction to be in the best interests of the Company and its Shareholders as a whole and why the Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting, notice of which is set out in Part IV of this document.**

2. Background to and reasons for the Capital Reduction

- 2.1 The Company has accumulated historic trading losses which have resulted in the Company's accounts for the year ended 31 January 2017 showing a deficit in its profit and loss account of £10,320,326 and the Company having negative distributable reserves.

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- 2.2 As the Company has negative distributable reserves it is prohibited under the CA 2006 from making distributions to Shareholders, including the payment of dividends.
- 2.3 As at 31 January 2017 the Company's share premium account showed a balance of £9,929,052. In addition, a sum of £4,600,132 was standing to the credit of the Company's merger reserve. A share premium account and a merger reserve are non-distributable reserves and, accordingly, the purposes for which the Company can use them are extremely restricted. In particular, they cannot be used for paying dividends.
- 2.4 The Board is therefore proposing to cancel the share premium account, and through the issues of the Capital Reduction Shares and their subsequent cancellation, an amount equal to the Company's merger reserve, to create realised profits of £4,208,858 which will, subject to the discharge of any undertakings required by the Court as explained below, be sufficient to eliminate the historic deficit and create positive distributable reserves. If approved by the Shareholders, the cancellations will require subsequent approval by the Court.
- 2.5 The Capital Reduction will provide the Board with the flexibility to distribute future profits to Shareholders as dividends, subject to the financial performance of the Company.

3. Proposed Capital Reduction

- 3.1 In order to eliminate the deficit of £10,320,326 on the Company's profit and loss account, it is proposed that:
 - (i) the amount standing to the credit of the Company's share premium account in the sum of £9,929,052 is cancelled;
 - (ii) the amount standing to the credit of the Company's merger reserve in the sum of £4,600,132 is capitalised by way of bonus issues of newly created Capital Reduction Shares; and
 - (iii) the Capital Reduction Shares will be cancelled.
- 3.2 The cancellations, if approved by the Court, will create realised profits sufficient to eliminate the accrued deficit on the Company's profit and loss account and create positive distributable reserves.
- 3.3 The Capital Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company.
- 3.4 There will be no change in the number of Ordinary Shares in issue following the implementation of the Capital Reduction.
- 3.5 In order to approve the Capital Reduction the Court will need to be satisfied that the interests of the Company's creditors will not be prejudiced as a result. It is for the Court to determine whether any protection is required for creditors of the Company and, if so, what form such protection should take. If required to do so, the Company will put in place such form of creditor protection as the court determines and which the Company is advised is appropriate. In order to protect creditors, the Company may be required to prove that it has sufficient liquid assets after the Capital Reduction has become effective to cover the total sum due to creditors of the Company at the date

Notes continued

that the Court order confirming the Capital Reduction is registered with Companies House. Alternatively, the Company may need to offer the Court an undertaking not to treat any part of the reserve arising on the Capital Reduction as distributable profits until the relevant creditors of the Company at the date the Capital Reduction becomes effective have been paid or have consented to the Capital Reduction, or another form of undertaking as is considered appropriate.

4. The Capital Reduction Bonus Issues and the rights of the Capital Reduction Shares

- 4.1 It is proposed to capitalise the sum of £4,600,132 standing to the credit of the Company's merger reserve by applying that sum (in two successive capitalisations) in paying up in full new Capital Reduction Shares and allotting and issuing such shares by way of bonus issues to the persons at the Capital Reduction Record Time on the basis of one Capital Reduction Share for every one Ordinary Share held at the Capital Reduction Record Time.
- 4.2 The Capital Reduction Shares will not be admitted to trading on AIM or any other market. No share certificates will be issued in respect of the Capital Reduction Shares. The Capital Reduction Shares will have extremely limited rights. In particular, the Capital Reduction Shares will carry no rights to participate in the profits of the Company and no rights to participate in the Company's assets, save on a winding-up. The Capital Reduction Shares will be transferable, but no market will exist in them and it is anticipated that the Court will confirm their cancellation at the Court Hearing on the day immediately after they have been issued.
- 4.3 The capitalisations of the merger reserve are needed as the Court only has the power to reduce share capital and other statutory reserves, including share premium and capital redemption reserves. Hence, in order to utilise the merger reserve in the Capital Reduction, it is necessary to convert that reserve into share capital (the new Capital Reduction Shares) and immediately thereafter cancel the Capital Reduction Shares.

5. Further details on the Capital Reduction procedure

- 5.1 Under the CA 2006, a company limited by shares may reduce its share premium account, as long as it is not restricted from doing so by its Articles, by obtaining the approval of its shareholders by special resolution and the confirmation of the Court.
- 5.2 The Company is not restricted in any way by its Articles from carrying out a reduction of capital and is, therefore, seeking approval of its shareholders for the Capital Reduction. Please see the Notice of Annual General Meeting, which sets out the Resolutions, in Part IV of this document.

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- 5.3 If the Shareholders approve the Resolutions at the Annual General Meeting, the Board intends to make an application to the Court to obtain its approval for the Capital Reduction as soon as possible following the Annual General Meeting.
- 5.4 Provisional dates have been obtained for the required Court hearings of the Company's application, but they are subject to change and dependent on the Court's timetable. On the present timetable, which is subject to change and dependent on the Court's timetable, it is anticipated that the Capital Reduction process would be complete by 26 July 2017.

6. Taxation

- 6.1 The following comments are intended as a general guide only and relate only to certain UK tax consequences of receiving the Capital Reduction Shares under the Capital Reduction Bonus Issues. The comments are based on current legislation and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. These comments deal only with Shareholders who are resident or ordinarily resident for taxation purposes in the UK, who are absolute beneficial owners of Ordinary Shares and who hold them as an investment and not on trading account. They do not deal with the position of certain classes of Shareholders, such as dealers in securities, insurance companies, collective investment schemes or persons regarded as having obtained their Ordinary Shares by reason of employment.

Capital Reduction Bonus Issues and Capital Reduction

- 6.2 The Capital Reduction Bonus Issues should be treated as a "reorganisation" for the purposes of UK taxation of chargeable gains (CGT), so that a Shareholder should not be treated as making a disposal or part disposal of his Ordinary Shares for CGT purposes upon receipt of the Capital Reduction Shares. Instead, the Capital Reduction Shares will be treated as the same asset, acquired at the same time, as his Ordinary Shares. On the basis that the Capital Reduction Shares will be treated as being paid up for 'new consideration' received by the Company, the issue of the Capital Reduction Shares should not give rise to any liability to United Kingdom income tax (or corporation tax) in the Shareholder's hands.
- 6.3 For CGT purposes, due to the fact that the Capital Reduction Shares:
- have no voting rights or rights to income;
 - have no market; and
 - at the time issued, it is anticipated that the Capital Reduction Shares will be cancelled for no payment on the day immediately following their issue,

the market value of the Capital Reduction Shares is likely to be nil for the duration of their existence. A Shareholder's CGT base cost of the Capital Reduction Shares and Ordinary Shares should be calculated by apportioning the base cost of such Shareholder's Ordinary Shares between the Capital Reduction Shares and the Ordinary Shares based on their respective market values. Consequently the issue of the Capital Reduction Shares should not impact on the base cost of the Ordinary Shares, and there should be no tax charge (nor any allowable loss) on the cancellation of the Capital Reduction Shares.

Notes continued*Stamp Duty and Stamp Duty Reserve Tax (SDRT)*

- 6.4 No stamp duty or SDRT will be payable on the issue of the Capital Reduction Shares.
- 6.5 This section is not intended to be, and should not be construed to be, legal or taxation advice to any particular Shareholder. Any Shareholder who has any doubt about his own taxation position, whether regarding CGT or otherwise, or who is subject to taxation in any jurisdiction other than (or in addition to) the UK should consult his professional taxation adviser immediately.

7. Annual General Meeting

Please see the Notice of Annual General Meeting of the Company, set out in Part IV of this document. At the Annual General Meeting, the Resolutions set out in Part IV of this document will be proposed to Shareholders.

8. Action to be taken

- 8.1 Shareholders will find a Form of Proxy enclosed for use at the Annual General Meeting. To be valid, the Form of Proxy must be completed and returned as soon as possible and so as to be received by the Registrars by not later than 11:30 am on 28 June 2017. You can return your Form of Proxy by post to Capita Asset Services at 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- 8.2 The completion and return of the Form of Proxy will not prevent you from attending and voting at the meeting in person.

9. Recommendation

The Board considers that the Capital Reduction will be beneficial for the Company as a whole. Accordingly, the Directors recommend that you vote in favour of the Resolutions to be proposed at the Annual General Meeting, as the Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 8,591,333 Ordinary Shares, being 28.01% of the existing Ordinary Shares in issue at the date of this document.

Yours faithfully

Mark Abrahams
Chairman

Notes continued

Part IV

Notice of Annual General Meeting

Notice is given that the annual general meeting of Inspiration Healthcare Group plc (“the Company”) will be held at the Company’s offices, Unit 2 Satellite Business Village, Crawley, West Sussex RH10 9NE at 11:30 am on 30 June 2017 for the following purposes:

Ordinary Business

To consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions:

1. To receive and adopt the financial statements of the Company for the financial year ended 31 January 2017 together with the Directors’ and Auditors’ reports on those financial statements.
2. To approve the Remuneration Report for the year ended 31 January 2017.
3. To re-elect Mark Abrahams as a Director of the Company.
4. To re-elect Neil Campbell as a Director of the Company.
5. To re-elect Bob Beveridge as a Director of the Company.
6. To re-elect Brook Nolson as a Director of the Company.
7. To re-elect Toby Foster as a Director of the Company.
8. To elect Michael Briant, who was appointed by the Board since the last annual general meeting of the Company, as a Director of the Company.
9. To reappoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company at a remuneration to be determined by the Directors.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolution 10 will be proposed as an ordinary resolution and resolutions 11, 12, 13 and 14 will be proposed as special resolutions:

10. That the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the “Act”), in substitution for all existing authorities to the extent unused, to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £1,012,028, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next annual general meeting or, if earlier, 30 June 2018, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant rights in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Notes continued

11. That, subject to the passing of Resolution 10 above, the Board of Directors of the Company be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the general authority conferred by Resolution 10 as set out in this Notice of Annual General Meeting as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £153,337. Such power shall expire on the conclusion of the next annual general meeting of the Company after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.
12. That the Company be generally and unconditionally authorised pursuant to Article 8(A) of the Articles of Association of the Company and section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares provided that:
 - a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 4,600,130, representing 15% of the Company's issued ordinary share capital at the date of this notice;
 - b. the minimum price, exclusive of any expenses, which may be paid for an ordinary share is £0.10;
 - c. the maximum price, exclusive of any expenses, which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange AIM All-Share List for the five business days immediately preceding the date on which such share is contracted to be purchased;
 - d. the authority hereby conferred shall expire on the earlier of 30 June 2018 or the close of the next annual general meeting of the Company; and
 - e. the Company may make a contract for the purchase of ordinary shares under this authority before the expiry of this authority which would or might be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares in pursuance of such a contract as if such authority had not expired.
13. THAT:
 - a. £4,208,858 of the amount standing to the credit of the merger reserve of the Company shall be capitalised and applied in paying up in full at par such number of new B shares (the **Capital Reduction Shares**) equal to the number of ordinary shares of 0.10 pence each in the capital of the Company (**Ordinary Shares**) in issue at the Capital Reduction Record Time (as defined in the circular to shareholders of the Company dated 3 May 2017), such Capital Reduction Shares having a nominal value equal to the sum that is obtained by dividing the number of Capital Reduction Shares to be issued as set out above into £4,208,858 as shall be required to effect such capitalisation, and the Directors be and are hereby authorised for the purposes of section 551 of the Companies Act 2006 (the **Act**) to allot and issue all the Capital Reduction Shares thereby created to such members of the Company including one of their number as they shall in their absolute discretion determine upon terms that they are paid up in full by such

Notes continued

capitalisation, and such authority shall for the purposes of section 551 of the Act expire on 31 December 2017;

- b. the Capital Reduction Shares created and issued pursuant to paragraph 13(a) above shall have the following rights and restrictions:
 - i. the holders of the Capital Reduction Shares shall have no right to receive any dividend or other distribution whether of capital or income;
 - ii. the holders of Capital Reduction Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
 - iii. the holders of Capital Reduction Shares shall on a return of capital on a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share and the holders of Capital Reduction Shares shall not be entitled to any further participation in the assets or profits of the Company;
 - iv. a reduction by the Company of the capital paid up and credited as paid up on the Capital Reduction Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the Capital Reduction Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of Capital Reduction Shares to reduce its capital (in accordance with the Act);
 - v. the Company shall have irrevocable authority at any time after the creation or issue of the Capital Reduction Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the Capital Reduction Shares then in issue at a price not exceeding 1 penny for all the Capital Reduction Shares;
- c. the Capital Reduction Shares created and issued pursuant to paragraph (a) above shall be cancelled; and
- d. the Company's share premium account be and is hereby cancelled.

14. THAT:

- a. £391,274 of the amount standing to the credit of the merger reserve of the Company shall be capitalised and applied in paying up in full at par such number of new B shares (the **Capital Reduction Shares**) equal to the number of ordinary shares of 0.10 pence each in the capital of the Company (**Ordinary Shares**) in issue at the Capital Reduction Record Time (as defined in the circular to shareholders of the Company dated 3 May 2017), such Capital Reduction Shares having a nominal value equal to the sum that is obtained by dividing the number of Capital Reduction Shares to be issued as set out above into £391,274 as shall be required to effect such capitalisation, and the Directors be and are hereby authorised for the purposes of section 551 of the Companies Act 2006

Notes continued

- (the **Act**) to allot and issue all the Capital Reduction Shares thereby created to such members of the Company including one of their number as they shall in their absolute discretion determine upon terms that they are paid up in full by such capitalisation, and such authority shall for the purposes of section 551 of the Act expire on 31 December 2017;
- b. the Capital Reduction Shares created and issued pursuant to paragraph 14(a) above shall have the following rights and restrictions:
- i. the holders of the Capital Reduction Shares shall have no right to receive any dividend or other distribution whether of capital or income;
 - ii. the holders of Capital Reduction Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company;
 - iii. the holders of Capital Reduction Shares shall on a return of capital on a liquidation, but not otherwise, be entitled to receive the nominal amount of each such share but only after the holder of each Ordinary Share shall have received the amount paid up or credited as paid up on such a share and the holders of Capital Reduction Shares shall not be entitled to any further participation in the assets or profits of the Company;
 - iv. a reduction by the Company of the capital paid up and credited as paid up on the Capital Reduction Shares and the cancellation of such shares will be treated as being in accordance with the rights attaching to the Capital Reduction Shares and will not involve a variation of such rights for any purpose. The Company will be authorised at any time without obtaining the consent of the holders of Capital Reduction Shares to reduce its capital (in accordance with the Act);
 - v. the Company shall have irrevocable authority at any time after the creation or issue of the Capital Reduction Shares to appoint any person to execute on behalf of the holders of such shares a transfer thereof and/or an agreement to transfer the same without making any payment to the holders thereof to such person or persons as the Company may determine and, in accordance with the provisions of the Act, to purchase or cancel such shares without making any payment to or obtaining the sanction of the holders thereof and pending such a transfer and/or purchase and/or cancellation to retain the certificates, if any, in respect thereof, provided also that the Company may in accordance with the provisions of the Act purchase all but not some only of the Capital Reduction Shares then in issue at a price not exceeding 1 penny for all the Capital Reduction Shares; and
- c. the Capital Reduction Shares created and issued pursuant to paragraph (a) above shall be cancelled.

There will be a presentation by the Executive Directors on the business at the start of the AGM.

By order of the Board

Company Secretary: **Mike Briant**

Date: 3 May 2017

Registered office: Unit 2 Satellite Business Village
Crawley West Sussex RH10 9NE

Notes continued

Notes:

- 1 A form of proxy is enclosed for use by shareholders and, if appropriate, must be deposited with the Company's registrars at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 11:30 am on 28 June 2017. Appointment of a proxy does not preclude a shareholder from attending the Annual General Meeting (AGM) and voting in person.
2. A member entitled to attend and vote at the AGM may appoint one or more proxies (who need not be a member of the Company) to attend and to speak and to vote on his or her behalf whether by show of hands or on a poll. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. In order to be valid an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notarially) must be returned by one of the following methods:
 - in hard copy form by post, by (during normal business hours only) courier or by hand to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out belowand in each case must be received by the Company not less than 48 hours before the time of the meeting.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST 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 that appropriate action on their behalf.

In order for a proxy appointment, or instruction, 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 regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA 10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. 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.

Notes continued

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 therefore 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 voting service provider(s)), to procure that his or her 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.

4. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertified Securities Regulations 2001.
5. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast) Shareholders must be registered in the Register of Members of the Company at close of business on 28 June 2017 or, in the event of any adjournment, at close of business on the date which is two days (not including non-working days) before the time of the adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.