

# FIH GROUP PLC

THIS DOCUMENT IS IMPORTANT.

If you are in any doubt about its contents, or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or transferred all your shares in FIH group plc, you should pass this document but not the accompanying form of proxy to the purchaser or transferee or to the person through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

## FIH group plc

(Incorporated in England and Wales with registered number 03416346)

**Directors:**

Jeremy Brade (Interim chairman)  
John Foster  
Robert Johnston

**Registered Office:**

Kenburgh Court  
133–137 South Street  
Bishop's Stortford  
Hertfordshire  
CM23 3HX

7 August 2017

## Annual General Meeting

Thursday 31 August 2017

To Shareholders and, for information only, to the holders of options under the Company's share option schemes.

Dear Shareholder,

The 2017 Annual General Meeting is to be held at the offices of FTI Consulting, 200 Aldersgate, London, EC1A 4HD on Thursday 31 August 2017 at 11.30 a.m. The formal Notice convening the meeting is set out on pages 4 to 5 of this document. In addition to the ordinary business set out in items 1 to 5 on page 4 of this Notice, you will find Resolutions numbered 6 to 9 which will be proposed in order to renew or replace authorities and powers given by shareholders at the last Annual General Meeting.

An explanation of those items of business and the action you may wish to take is given on pages 4 to 8.

#### Action to be taken

Shareholders will find enclosed a Form of Proxy for use in connection with the Annual General Meeting. Whether or not you are able to attend the meeting, you are requested to complete the Form of Proxy and return it to FREEPOST CAPITA PXS as soon as possible and, in any event, so as to arrive no later than 11.30 a.m. on 29 August 2017. (Please note that delivery using this service can take up to 5 business days). Shareholders who hold their shares electronically in CREST can appoint a proxy using the CREST electronic proxy appointment service as described in note 4 to the Notice of Annual General Meeting.

Alternatively, shareholders can register their proxy votes online, as indicated in note 5 of the notes to shareholders on page 8.

The completion and return of a Form of Proxy, the appointment of a proxy through CREST or registering your proxy votes online will not preclude you from attending and voting in person, if you wish so to do.

#### Recommendation

The Directors consider that the resolutions numbered 6 to 9 inclusive set out in the Notice of Annual General Meeting on pages 4 to 5 of this document are in the best interests of and most likely to promote the success of the Company for the benefit of its members as a whole and the Directors recommend that you vote in favour of them, as each of the Directors intends to do in respect of their own beneficial holdings, of shares in the Company.

I look forward to seeing you on 31 August 2017 and bringing you further up to date with developments at FIH, including the anticipated appointment of a new chairman.

Yours faithfully,

A handwritten signature in black ink that reads "Jeremy Brade". The signature is written in a cursive style with a large, stylized 'J' and 'B'.

Jeremy Brade  
Interim chairman

## Definitions

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise.

“Annual General Meeting” or “AGM”	the annual general meeting of the Company which is due to be held at FTI Consulting, 200 Aldersgate, London, EC1A 4HD on 31 August 2017 at 11.30 a.m. and notice of which is given at the end of this document.
“Board” or “Directors”	the directors of the Company, whose names appear on page 1 of this document.
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when clearing banks are open for business in the City of London).
“Buy-back and Stabilisation Regulation”	Commission Regulation (EC) of 22 December 2003 (No. 2273/2003) implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instructions.
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is Operator (as defined in the CREST Regulations).
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2000 No.3755).
“ Form of Proxy”	the form of proxy to be used by Shareholders at the Annual General Meeting.
“FSMA”	The Financial Services and Markets Act 2000, as amended.
“Shareholders”	holders of Ordinary Shares.

# FIH group plc

## Notice of Annual General Meeting

Notice is hereby given that the 2017 Annual General Meeting of FIH group plc will be held at the offices of FTI Consulting, 200 Aldersgate, London, EC1A 4HD on Thursday 31 August 2017 at 11.30 a.m.

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

1. As an ordinary resolution:

To receive the audited financial statements for the year ended 31 March 2017 together with the Directors' and Auditor's reports thereon.

2. As an ordinary resolution:

To declare a final dividend of 4.0p per share.

3. As an ordinary resolution:

To re-appoint Robert Johnston, who was appointed since the last Annual General Meeting, as a Director.

4. As an ordinary resolution:

To re-appoint KPMG LLP as Auditor.

5. As an ordinary resolution:

To authorise the Directors to determine the remuneration of the Auditor.

6. As an ordinary resolution:

That the Directors are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("the Act") to exercise all powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares in the Company up to a maximum aggregate nominal amount of £414,480. This authority shall expire on the earlier of 30 September 2018 and the conclusion of the Annual General Meeting of the Company to be held in 2018, save that the Company may, before such expiry, make any offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

7. As a special resolution:

That the Directors are hereby empowered pursuant to Section 570 of the Companies Act 2006 ("the Act") to allot equity securities (within the meaning of Section 560 of the Act) pursuant to the general authority conferred by resolution 6 in the Notice of Annual General Meeting accompanying the circular to the shareholders of the Company dated 7 August 2017, as if Section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

a) to the allotment of equity securities in connection with a rights issue or other issue in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of all holders of ordinary shares are proportionate (as nearly as practicable) to the respective numbers of ordinary shares held or deemed to be held by them, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depositary receipts, the requirements of any regulatory body or stock exchange, or any other matter; and

b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities for cash up to an aggregate nominal value of £124,344; and this power shall, unless renewed, varied or revoked, expire on the earlier of 30 September 2018 or the conclusion of the Annual General Meeting of the Company to be held in 2018, save that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power hereby conferred had not expired.

8. As a special resolution:

That, in accordance with Chapter 4 of Part 18 of the Companies Act 2006 (“the Act”) or otherwise as permitted by law and by the Company’s Articles of Association, the Company be generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Act) of its own ordinary shares on such terms, and in such manner as the Directors may, from time to time, determine, provided that:

- a) the maximum number of ordinary shares hereby authorised to be purchased is 1,243,442;
- b) the minimum price which may be paid for an ordinary share is 10p (excluding expenses);
- c) the maximum price (excluding expenses) which may be paid for an ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from The Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased; and
- d) the authority hereby conferred shall expire on the earlier of 30 September 2018 or the conclusion of the Annual General Meeting of the Company to be held in 2018, but a contract of purchase may be made before such expiry which will or may be executed wholly or partly thereafter and a purchase of shares may be made in pursuance of any such contract.

9. As an ordinary resolution:

That the Company and all companies that are its subsidiaries at any time during the period for which this resolution is effective are authorised, in aggregate, to make donations to EU political organisations and to incur EU political expenditure (such terms having meanings set out in sections 363 to 365 of the Companies Act 2006) not exceeding £50,000 in total during the period beginning 31 August 2017, the date of the Company’s 2017 Annual General Meeting, and expiring at the end of the Annual General Meeting to be held in 2018, or, if earlier, on 30 September 2018.

By order of the Board  
Carol Bishop  
Secretary  
7 August 2017

Registered office:  
Kenburgh Court  
133 – 137 South Street  
Bishop’s Stortford  
Hertfordshire CM23 3HX

Explanatory notes.

#### Resolution 6 – Authority to allot relevant securities

This resolution is a routine resolution which is adopted by most AIM listed companies and complies with the Investment Association Share Capital Management Guidelines issued in July 2016. If approved, the resolution would give the Directors the general authority to allot shares and/or grant rights to subscribe for or to convert into shares in the Company, up to a maximum nominal amount of £414,480 (representing a maximum number of 4,144,800 ordinary shares at 10p each), being approximately one third of the issued share capital at 7 August 2017.

This general authority is at the same level as last year in percentage terms in order to continue to afford the Company the flexibility to raise further funds in order, for example, to finance future acquisitions without incurring the costs of convening an additional shareholder meeting. The Directors have no present intention to exercise the authority conferred by this resolution. The Directors expect only to exercise this authority after careful consideration of all the options available, and if they consider such exercise to be in the best interests of the Company and its shareholders taken as a whole. The Directors intend, wherever possible, to use available cash and prudent further bank borrowings to fund acquisitions, before raising further funds via an allotment of shares. The Investment Association Share Capital Management Guidelines issued in July 2016 note that this routine authority is acceptable, as appropriate protections against shareholder dilution are provided by pre-emption rights and the requirement that shareholders of a listed company must have a vote on all major transactions. A similar protection is provided to shareholders of AIM listed companies in that shareholders are entitled to a vote on all transactions that would result in a fundamental change of the company's business.

This authority would expire on 30 September 2018 or, if earlier, at the conclusion of the Annual General Meeting in 2018.

#### Resolution 7 – Disapplication of statutory pre-emption rights

This special resolution is a routine resolution that has been approved by shareholders at the Company's AGM for many years. This resolution seeks to give the Directors the power to allot a limited quantity of equity securities (such as ordinary shares in the Company) for cash without first offering them to existing shareholders. The authority is limited to the allotment (otherwise than pursuant to a rights or similar issue) of equity securities of a maximum nominal amount of £124,344 representing a maximum number of 1,243,442 ordinary shares of 10p each or approximately 10% of the Company's issued ordinary share capital at 7 August 2017. This power would afford the Company the flexibility to raise further funds in order, for example, to finance future acquisitions through a placing of new ordinary shares without incurring the cost and delay entailed by convening an additional shareholder meeting. The Directors have no immediate plans to make use of this authority. The Company intends wherever possible to use its available cash and prudent additional bank borrowings, before any funds are raised through issuing share capital. This power would expire on 30 September 2018 or, if earlier, at the conclusion of the Annual General Meeting in 2018.

#### Resolution 8 – Purchase of own shares

This special resolution would confer shareholders' authority for the Company to make market purchases of its own ordinary shares. The Directors have no present intention of exercising this authority but wish to have the flexibility to do so in the future. Purchases of own shares would only be made through the London Stock Exchange. Any shares purchased would be cancelled and the number of shares in issue would thereby be reduced. Accordingly, the Directors will only exercise the authority to make purchases of shares granted by this resolution if they believe that to do so would result in an increase in earnings per share and is in the best interests of the shareholders generally. The maximum number of shares which may be purchased is 1,243,442 representing approximately 10% of the Company's issued ordinary share capital at 7 August 2017. The authority would, again, expire on 30 September 2018 or, if earlier, at the conclusion of the Annual General Meeting in 2018. The minimum price that could be paid for an ordinary share would be 10p and the maximum price would be equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from The Daily Official List for the five business days immediately preceding the day on which the share is contracted to be purchased in each case excluding expenses. The Directors expect that, if the authority were to be exercised, the consideration for such purchases would be defrayed by utilising the distributable reserves of the Company.

#### Resolution 9 – Political donations

Neither the Company nor any of its subsidiaries have made any donations to political parties in the European Union ("EU"), or elsewhere, in the financial year ended 31 March 2017 and it is Company policy not to do so. However, the relevant legislation, which is the Companies Act 2006 ("the Act"), defines EU political organisations very widely and, as a result, in certain circumstances donations intended for charitable or similar purposes may be regarded as political in nature.

In order to comply with these obligations and to avoid any inadvertent infringement of the Act, the Directors consider it prudent to seek shareholder approval for a general level of donation. Resolution 9 seeks authority for the Company and its trading subsidiaries to make donations to EU political organisations or to incur EU political expenditure not exceeding £50,000 in total during the period from 31 August 2017, the date of the 2017 Annual General Meeting, and ending at the end of the next Annual General Meeting of the Company to be held in 2018, or, if earlier, on 30 September 2018.

## Important notes for Shareholders

1. A Form of Proxy is enclosed. You may appoint one or more persons of your choice to act as your proxy. A proxy may attend the meeting and, on a poll, vote in respect of the shares you hold. A proxy need not be a shareholder of the Company. You may use the enclosed Form of Proxy to nominate your proxy. To be valid, Forms of Proxy must reach the Company's Registrar, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 11.30 am. on 29 August 2017. Alternatively you may return the proxy in an envelope addressed to: FREEPOST CAPITA PXS. Please note that delivery using this service can take up to 5 business days. Completing and returning a Form of Proxy to the Registrar will not preclude you from attending and voting at the meeting in person.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations, the Company specifies that only those shareholders registered in the Company's register of members as at close of business on 29 August 2017 (or if the meeting is adjourned, in the Company's register of members at close of business on the day two days before the day fixed for the adjourned meeting) shall be entitled to attend or vote at this Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the register after close of business on 29 August 2017 will be disregarded in determining the rights of any person to attend or vote at the meeting.
3. Copies of the service contracts of the Directors will be available for inspection at the registered office of the Company during normal business hours on each business day from the date of this document until the date of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting from 15 minutes prior to its commencement until its conclusion.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 31 August 2017 and any adjournment(s) thereof by utilising 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 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 CRESTCo's 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 : RA10) by 11.30 a.m. on 29 August 2017. 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 CREST 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.

5. To register your vote online, please log on to [www.signalshares.com](http://www.signalshares.com) and follow the on-screen instructions.