

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 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:

Robin Williams – Chairman
John Foster
Jeremy Brade
Robert Johnston
Dominic Lavelle

Registered Office:

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

20 August 2020

Annual General Meeting

Thursday 17 September 2020

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

Dear Shareholder

Given the current government guidance with regards to the COVID-19 pandemic, the 2020 AGM will be held virtually on Thursday 17 September 2020 at 14.00 using the conferencing software, Zoom. Holding a virtual annual general meeting will still provide you with similar opportunities online as you would have attending an annual general meeting in person. You will be able to view the proxy voting presentation and ask questions in the meeting. However, Shareholders will not be able to vote in person at the AGM and therefore we strongly encourage you to appoint the Chairman of the AGM as your proxy, to ensure that your vote is counted, as the Chairman will vote all proxy votes at the meeting in accordance with shareholder instructions which will have been provided beforehand through the online service provided by the Registrar. Further details on how to provide voting instructions are set out below.

Full details of how to attend the AGM can be obtained by emailing our Company Secretary, Carol Bishop - carol.bishop@fihplc.com.

Action to be taken

Voting on the resolutions will be carried out by way of a poll vote. Due to the COVID-19 pandemic and government guidelines there will not be an opportunity for Shareholders to vote in person at the AGM, so we recommend that you appoint the Chairman of the AGM as your proxy as soon as possible, and by no later than 2.00 p.m. on 15 September 2020, with directions as to how to cast your vote on the resolutions proposed. In doing so your vote will be cast without the need for you to attend the meeting virtually. Please complete and submit your proxy appointment and voting instructions online using the following link - www.signalshares.com. You will need to log into your signal shares account or register if you have not previously done so. To register you will need your investor code, this is detailed on your share certificate or available from our Registrar, Link Asset Services. All proxy appointments along with online voting directions must be registered before 2.00 p.m. on 15 September 2020 in order for your vote to be counted.

You will not receive a hard copy form of proxy for the 2020 AGM in the post, however if you need help with appointing a proxy or assistance with online voting directions, please contact our Registrar, Link Asset Services, on 0371 664 0391 if calling from the United Kingdom, or +44 (0) 371 664 0391 if calling from outside of the United Kingdom, or email Link Assets Services at enquiries@linkgroup.co.uk. Calls will be charged at local rates. Calls outside the United Kingdom will be charged at the applicable international rate. The lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

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 6 of this Notice, you will find Resolutions numbered 7 to 10 which will be proposed in order to renew or replace authorities and powers given by shareholders at the last annual general meeting of the Company. An explanation of those items of business and the action you may wish to take is given on pages 6 to 7.

During the meeting, you will be able to submit written questions via the online mail. Questions must be submitted prior to the Chairman completing his review of the results of voting on the resolutions put before shareholders, and will be collected during the course of the meeting and responded to at the conclusion of the formal voting.

Recommendation

The Directors consider that the resolutions numbered 7 to 10 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.

As a result of the adverse impact of the COVID-19 pandemic, the Directors will not be recommending the payment of a final dividend at the current time and therefore no resolution is being put to the AGM and no final dividend will be paid to Shareholders.

I look forward to conducting our first ever virtual shareholder meeting on 17 September 2020 and reporting an update on the business of the group following the easing of lockdown measures over the summer.

Yours faithfully,

Robin Williams
Chairman

Definitions

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company which is due to be held virtually on 17 September 2020 at 14.00 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).
“FSMA”	The Financial Services and Markets Act 2000, as amended.
“Ordinary resolution”	a resolution, which must each receive at least 50% of the votes cast in order to be passed (not counting votes withheld).
“Shareholders”	holders of Ordinary Shares.
“Special resolution”	a resolution, which must each receive at least 75% of the votes cast in order to be passed (not counting votes withheld).

FIH group plc

Notice of Annual General Meeting

Notice is hereby given that the 2020 Annual General Meeting of FIH group plc will be held virtually on Thursday 17 September 2020 at 14.00.

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 2020 together with the Directors' and Auditor's reports thereon.
2. As an ordinary resolution:
To appoint Dominic Lavelle, as a Director.
3. As an ordinary resolution:
To re-appoint Jeremy Brade, as a Director.
4. As an ordinary resolution:
To re-appoint Robert Johnston, as a Director.
5. As an ordinary resolution:
To re-appoint KPMG LLP as Auditor to hold office until the conclusion of the next general meeting at which the accounts of the Company are laid before the Shareholders.
6. As an ordinary resolution:
To authorise the Directors to determine the remuneration of the Auditor.
7. As an ordinary resolution:
That, in substitution for all existing authorities, 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:
 - (a) up to an aggregate nominal amount of £417,000; and
 - (b) comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £417,000 in connection with an offer by way of a rights issue,

This authority shall expire on the earlier of 30 September 2021 or the conclusion of the annual general meeting of the Company to be held in 2021, 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. References in this resolution 7 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in section 560(1) of the Act) are to the nominal amount of shares that may be allotted pursuant to the rights.

8. As a special resolution:
That, subject to the passing of Resolution 7 and in substitution for all existing authorities, the Directors are authorised to allot equity securities (within the meaning of Section 560 of the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, as if Section 561(1) of the Act did not apply to any such allotment or sale, such authority to be:
 - (i) limited to the allotment of equity securities and/or sale of treasury shares for cash up to an aggregate nominal amount of £62,500; and
 - (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the annual general meeting of the Company in 2021 or, if earlier, at the close of business on 30 September 2021, unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted (and/or treasury shares to be sold) after the authority given by this resolution has expired, and the Directors may allot equity securities (and/or sell treasury shares) under any such offer or agreement as if the authority had not expired.

9. As a special resolution:

That, in accordance with Chapter 4 of Part 18 of 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 1,251,498;
- 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 2021 or the conclusion of the annual general meeting of the Company to be held in 2021, 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.

10. 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 Act) not exceeding £50,000 in total during the period beginning 17 September 2020, the date of the Company's 2020 Annual General Meeting, and expiring at the end of the annual general meeting to be held in 2021, or, if earlier, on 30 September 2021.

By order of the Board
Carol Bishop
Secretary
20 August 2020

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

Explanatory notes

Resolution 7 – Authority to allot relevant securities

Under the Companies Act 2006 (s551) directors must be authorised either by ordinary resolution or by the articles of association to allot shares or grant rights to subscribe for shares or to convert any security into shares in the company. Most listed companies seek a general authority to allot shares at their annual general meeting every year. 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 £417,000 (representing a maximum number of 4,170,000 ordinary shares at 10p each) being approximately one third of the issued share capital at 20 August 2020.

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 2021 or, if earlier, at the conclusion of the Annual General Meeting in 2021.

For the purposes of resolution 7 “rights issue” means an offer to:

- (i) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, including an offer to which the directors may impose any limits or restrictions or make any other arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

Resolutions 8 – Disapplication of statutory pre-emption rights

Resolution 7 gives the Directors authority to issue new shares, however in the event of an issue of new shares, existing shareholders have a right of first refusal over the issue of new shares by the company, usually in proportion to the current shareholdings, so if a shareholder already owns 5% of the shares in issue, they would be given first refusal over 5% of any new shares to be issued. This allows the proportion of their shareholding in the company to be kept intact. These rights are known as pre-emption rights.

Rules and regulations relating to pre-emption rights are found in the Companies Act 2006 and articles of association. In addition, investor bodies publish guidelines relating to pre-emption practices setting out what they believe is acceptable practice. The disapplication of 5% of pre-emption rights for specific acquisitions or capital investments is considered to be best practice. This disapplication is recommended to ease the granting of authority of up to 5% of share capital, and is not intended to rule out granting share capital exceeding this, but ensure that requests over the 5% limit require shareholder approval and are to be considered by shareholders on a case by case basis.

Pre-emption rights provide valuable protection for shareholders and remain an important part of company law, but flexibility can benefit both shareholders and companies by enabling companies to respond rapidly to market opportunities without the requirement to follow prescribed pre-emption procedure, which (particularly for those companies with a number of existing shareholders) can be time-consuming, expensive and cumbersome, incurring the cost and delay entailed by convening an additional shareholder meeting.

Companies may disapply pre-emption rights over ordinary shares, if authorised to do so, by the shareholders passing a special resolution. It is usual to see a special resolution dis-applying pre-emption rights in the notice of annual general meeting of listed companies. FIH group plc seeks shareholder approval under Resolution 8 to be able to issue up to £62,500, being approximately 5% of its total issued ordinary share capital, to be used only in connection with an acquisition or specified capital investment

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, and the Directors would always ensure that capital is raised on the best possible terms, and always understand that they have a responsibility to signal an intention to seek a non-pre-emptive issue at the earliest opportunity and to establish a dialogue with the company's shareholders.

This power would expire on 30 September 2021 or, if earlier, at the conclusion of the Annual General Meeting in 2021.

Resolution 9 – 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 1,251,498 representing approximately 10% of the Company's issued ordinary share capital at 20 August 2020. The authority would, again, expire on 30 September 2021 or, if earlier, at the conclusion of the Annual General Meeting in 2021. 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 10 – Political donations

It remains the Company's policy not to make any political donations, nor to incur any political expenditure on behalf of political parties, other political organisations or independent election candidates and neither the Company nor any of its subsidiaries has any intention of using the authority for this purpose. However, the Companies Act defines "political party", "political organisation", "political donation" and "political expenditure" very widely and the Company or any of its subsidiaries may incur expenditure such as advertising, sponsorship or attendance at events organised by political parties, which may fall within the wide definitions. Accordingly, the Company wishes to ensure that neither it nor any of its subsidiaries inadvertently commits any breaches of the Act and Resolution 10 seeks authority for the Company and its subsidiaries to incur such expenditure up to a maximum of £50,000 in aggregate during the period from 17 September 2020, the date of the 2020 Annual General Meeting, and ending at the end of the next Annual General Meeting of the Company to be held in 2021, or, if earlier on 30 September 2021.

Important notes for Shareholders

1. You will not receive a hard copy form of proxy for the 2020 AGM in the post. Appointment of a proxy and directions as to voting on all resolutions is to be carried out online, in advance of the meeting using the link www.signalshares.com. You will need to log into your signal shares account or register if you have not previously done so. To register you will need your investor code, this is detailed on your share certificate or available from our Registrar, Link Asset Services. Appointment of a proxy and voting directions online must be registered before 2.00 p.m. on 15 September 2020 in order for your vote to be counted. If you need help with appointing a proxy and providing voting directions online, please contact our Registrar, Link Asset Services, on 0371 664 0391 if calling from the United Kingdom, or +44 (0) 371 664 0391 if calling from outside of the United Kingdom, or email Link Asset Services at enquiries@linkgroup.co.uk. Calls will be charged at local rates. Calls outside the United Kingdom will be charged at the applicable international rate. The lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales.

2. You may appoint one or more persons of your choice to act as your proxy. A proxy may attend the AGM and, on a poll, vote in respect of the shares you hold. A proxy need not be a shareholder of the Company. However, in light of the current restrictions, a Shareholder and any person appointed as a proxy (other than the Chairman of the AGM) will not be able to vote in person at the AGM. You are therefore strongly encouraged to appoint the Chairman of the AGM as your proxy with regard to voting. This does not prevent you, or another proxy, from attending the AGM.
3. Pursuant to Regulation 41 of the CREST Regulations, the Company specifies that only those shareholders registered in the Company's register of members as at close of business on 15 September 2020 (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 15 September 2020 will be disregarded in determining the rights of any person to attend or vote at the meeting.
4. 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.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the virtual Annual General Meeting to be held on 17 September 2020 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via www.euroclear.com). 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 or instructions 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 constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID : RA10) no later than 14.00 on 15 September 2020 or, in the event of an adjournment of the meeting, 48 hours before the adjourned 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. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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 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/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.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.