

# 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:**

Robin Williams – Chairman  
John Foster  
Jeremy Brade  
Robert Johnston

**Registered Office:**

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

8 July 2019

## Annual General Meeting

Thursday 5 September 2019

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

Dear Shareholder

The 2019 Annual General Meeting is to be held at the offices of FTI Consulting, 200 Aldersgate, London, EC1A 4HD on Thursday 5 September 2019 at 14.00. 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 of this Notice, you will find Resolutions numbered 6 to 10 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 6 to 7.

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 PXS, 34 Beckenham Road, BR3 9ZA as soon as possible and, in any event, so as to arrive no later than 14.00 on 3 September 2019. (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 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.

I look forward to seeing you on 5 September 2019 and reporting on the continued good progress in the current year.

Yours faithfully,

Robin Williams  
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 5 September 2019 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).
“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.
“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 2019 Annual General Meeting of FIH group plc will be held at the offices of FTI Consulting, 200 Aldersgate, London, EC1A 4HD on Thursday 5 September 2019 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 2019 together with the Directors' and Auditor's reports thereon.
2. As an ordinary resolution:  
To declare a final dividend of 3.35 pence per ordinary share in respect of the financial year ended 31 March 2019 to be paid on 20 September 2019 to the holders of ordinary shares on the register of members at the close of business on 16 August 2019. Information on the Company's Dividend Reinvestment Plan can be found in note 6 on page 8.
3. As an ordinary resolution:  
To re-appoint Jeremy Brade, as a Director.
4. 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.
5. As an ordinary resolution:  
To authorise the Directors to determine the remuneration of the Auditor.
6. 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 £416,738; and
  - (b) comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £416,738 in connection with an offer by way of a rights issue,

This authority shall expire on the earlier of 30 September 2020 or the conclusion of the annual general meeting of the Company to be held in 2020, 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 6 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.

7. As a special resolution:  
That, subject to the passing of resolution 6 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 of the Act did not apply to any such allotment or sale, such authority to be limited to
  - (a) the allotment of equity securities and/or sale of treasury shares for cash in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 6, by way of a rights issue only):
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary, and

(b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £62,500, which is equivalent to approximately 5% of the total issued ordinary share capital of the Company as at the latest practicable date before publication of this notice of AGM, such authority to expire at the end of the Annual General Meeting to be held in 2020, or, if earlier, at the close of business on 30 September 2020, 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 any offer or enter into any agreement which would or might require equity securities to be allotted (and/or treasury shares to be sold) after such expiry and the Directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if the power hereby conferred had not expired.

8. As a special resolution:

That, subject to the passing of Resolution 6 and in substitution for all existing authorities, the Directors are authorised in addition to any authority granted under Resolution 7 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 2020 or, if earlier, at the close of business on 30 September 2020, 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 1,250,210;
- 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 2020 or the conclusion of the annual general meeting of the Company to be held in 2020, 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 5 September 2019, the date of the Company's 2019 Annual General Meeting, and expiring at the end of the annual general meeting to be held in 2020, or, if earlier, on 30 September 2020.

By order of the Board  
Carol Bishop  
Secretary  
8 July 2019

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

## Explanatory notes

### Resolution 6 – 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 £416,738 (representing a maximum number of 4,167,380 ordinary shares at 10p each) being approximately one third of the issued share capital at 8 July 2019.

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 2020 or, if earlier, at the conclusion of the Annual General Meeting in 2020.

For the purposes of resolution 6 “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 7 and 8 – Disapplication of statutory pre-emption rights

Resolution 6 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 flexibility plus an additional 5% disapplication for specific acquisitions or capital investments is considered to be best practice. These limits are recommended to ease the granting of authority of up to 10% of share capital in total, and are not intended to rule out granting share capital exceeding this, but ensure that requests over the 10% 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 7 to be able to issue up to £62,500, being approximately 5% of its total issued ordinary share capital without restriction, and approval under Resolution 8 for a further aggregate nominal amount of £62,500 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 2020 or, if earlier, at the conclusion of the Annual General Meeting in 2020.

#### 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 1,250,210 representing approximately 10% of the Company's issued ordinary share capital at 8 July 2019. The authority would, again, expire on 30 September 2020 or, if earlier, at the conclusion of the Annual General Meeting in 2020. 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 5 September 2019, the date of the 2019 Annual General Meeting, and ending at the end of the next Annual General Meeting of the Company to be held in 2020, or, if earlier on 30 September 2020.

## 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, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 14.00 on 3 September 2019. Alternatively you may return the proxy in an envelope addressed to: FREEPOST PXS, 34 Beckenham Road, BR3 9ZA. 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 CREST Regulations, the Company specifies that only those shareholders registered in the Company's register of members as at close of business on 3 September 2019 (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 3 September 2019 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 5 September 2019 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via [www.euroclear.com](http://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 3 September 2019 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.

5. To register your vote online, please log on to [www.signalshares.com](http://www.signalshares.com) and follow the on-screen instructions.
6. It should be noted that the Company has a Dividend Reinvestment Plan that allows shareholders to reinvest dividends to purchase additional shares in the Company. For shareholders to apply the proceeds of this and future dividends to the plan, application forms must be received by the Company's Registrars by no later than Friday 30 August 2019. Existing participants in the Plan will automatically have the interim dividend reinvested. Details on the Plan can be obtained from Link Asset Services on 0371 664 0381 or at [www.signalshares.com](http://www.signalshares.com). Calls are charged at the standard geographic rate and will vary by provider. If you are outside the United Kingdom, please call +44 371 664 0381. Calls outside the United Kingdom will be charged at the applicable international rate. The lines are open from 9.00am to 5.30pm, Monday to Friday excluding public holidays in England and Wales.