

FORMATION GROUP PLC NOTICE OF GENERAL MEETING







THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION TO TAKE YOU ARE RECOMMENDED TO CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

If you have sold or transferred all of your Ordinary Shares in Formation Group PLC, you should pass this document, together with the accompanying form of proxy and other documents enclosed herein, to the person through whom the sale or transfer was made for transmission to the purchaser or transferee.

FORMATION GROUP PLC NOTICE OF GENERAL MEETING

Notice of General Meeting

Notice of the general meeting which has been convened for 11.00 am on 4 January 2017 at the offices of Formation Group Plc, Oakwood House, 414-422 Hackney Road, London E2 7SY is set out at page 6 of this document.

To be valid, forms of proxy must be completed and returned in accordance with the instructions printed thereon, so as to be received by the Company as soon as possible and in any event not later than 11.00 am on 30 December 2016.



FORMATION GROUP PLC

("Formation" or the "Company")

(Incorporated and registered in England and Wales under company number 4145632)

Directors

Willie O’Dea (*Non-Executive Chairman*)
David Kennedy (*Chief Executive Officer*)
Desmond Khan (*Chief Finance Officer*)
Noel O’Carroll (*Director of Property Management Services*)
Patrick Kennedy (*Non-Executive Director*)
David Walsh (*Non-Executive Director*)
Bartholomew O’Keefe (*Non-Executive Director*)
Michael Kennedy (*Non-Executive Director*)

Registered Office

Oakwood House
414 – 422 Hackney Road
London
E2 7SY

9 December 2016

To the holders of Formation Group PLC shares and, for information only, holders of instruments capable of conversion into shares.

Dear Shareholder,

Notice of General Meeting

As you may be aware, on 1 December 2016 the Company announced that following extensive discussions amongst its board, including with representatives of its major shareholders, it has concluded that it is in the Company’s best interests to cancel its listing on AIM and apply for the ordinary shares ("**Ordinary Shares**") of the Company to be admitted to trading on the ISDX Growth Market ("**ISDX**").

We are, therefore, pleased to be writing to you with details of a general meeting ("**GM**") which we are holding at our offices: Formation Group Plc, Oakwood House, 414-422 Hackney Road, London E2 7SY on 4 January 2017 at 11.00 am. The formal notice of the GM is set out at page 6 of this document.

If you would like to vote on the resolution but cannot attend the GM, please fill in the proxy form at the back of this document and return it to the Company’s registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible. Equiniti Limited must receive it by no later than 11.00 am on 30 December 2016.

Purpose of the GM

The purpose of the meeting is to grant the Board the authority to cancel the listing of the Company’s Ordinary Shares on AIM ("**Cancellation**" or "**Delisting**").

Rationale for the Delisting

The Directors have concluded that a resolution should be put to Shareholders to approve the AIM Cancellation for the following reasons:

- the costs associated with maintaining a listing on AIM (including professional, legal, accounting, broking and nominated advisory costs and fees of the London Stock Exchange) are now disproportionate to the value provided by the listing;
- like many other small listed companies, the Company suffers from a lack of demand for its shares and, in practical terms, has a small free float;
- the time spent by senior management to ensure compliance with AIM Rules and other related regulatory requirements including corporate governance, reporting and disclosure obligations; and
- by applying for an ISDX listing the board is retaining significant flexibility to progress the Company's strategy and potentially return capital to shareholders in the future.

In light of the above, the Board has concluded that ISDX would be a more appropriate venue for the Company's Ordinary Shares to trade.

Process for the AIM Cancellation

Under the AIM Rules, the Cancellation can only be effected by the Company after the passing of a resolution of the Shareholders in a general meeting passed by a majority of not less than 75 per cent. of the votes cast, and the expiry of a period of twenty Business Days from the date upon which notice of the Cancellation is given in accordance with the AIM Rules. In addition, a period of at least five Business Days following the passing of the Cancellation Resolution is required before the Cancellation may be put into effect. Subject to the passing of the Cancellation Resolution at the General Meeting, it is expected that trading on AIM in the Ordinary Shares will cease at close of business on Wednesday 11 January 2017 with the Cancellation becoming effective from 7:00am on Thursday 12 January 2017.

Admission to ISDX

The Company has made an application for Formation's shares to be admitted to trading on ISDX and it is expected that trading on the market should start on or about 15 December 2016.

The ISDX Growth Market is a recognised investment exchange aimed at small to medium enterprises. The straight forward admission process and rule book is designed to reduce the red tape and cost involved for companies seeing a public market listing. ISDX is the second largest UK junior stock market (after AIM) for smaller companies. The market provides an important and cost effective destination for smaller growing companies who require capital to support their growth potential.

The Ordinary Shares will continue to be settled through CREST and existing share certificates will remain valid.

Risks associated with retaining an interest in the Company following the AIM Cancellation

The Directors draw to the attention of Shareholders the following factors which should be taken into account in assessing how to vote on the AIM Cancellation and whether or not to retain their interests in Shares in the event that the AIM Cancellation is approved by the Shareholders and becomes effective:

- the Company will no longer be subject to the AIM rules and Shareholders will only be able to rely on the protections afforded to shareholders under applicable English law, the City Code and ISDX rules;
- the levels of disclosure and corporate governance under the ISDX rules are less than those for a company quoted on AIM;
- there may be personal tax consequences for Shareholders. If you are in any doubt about your tax position, and/or are subject to tax in a jurisdiction other than the UK, you should consult an appropriate independent professional adviser.

The above considerations are non-exhaustive and Shareholders should seek their own independent advice when assessing the likely impact on them of the AIM Cancellation.

Recommendation

For the reasons set out above, the Directors believe that the proposed Delisting is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution at the General Meeting as they intend to do in respect of their own direct holdings amounting to, in aggregate, 3,663,316 Ordinary Shares representing approximately 2 per cent. of the total voting rights of the Company. In addition, irrevocable undertakings to vote in favour of the resolution have been received from shareholders holding an aggregate of 133,565,954 Ordinary Shares (representing various trusts of which members of the Kennedy family are beneficiaries) representing approximately 61 per cent. of the total voting rights of the Company.

Yours sincerely



William O'Dea
Non-executive Chairman

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Notice of GM posted to shareholders	Friday 9 December 2016
Latest time and date for receipt of forms of proxy	11.00 am on 30 December 2016
GM	11.00 am on 4 January 2017

Glossary

Act	the Companies Act 2006, as amended
Admission	the admission to trading on AIM of the Ordinary Shares
AIM	a market operated by London Stock Exchange
AIM Rules	the London Stock Exchange AIM Rules for Companies
Articles or Articles of Association	the articles of association of the Company in force at the date of this document
Board of Directors	the board of directors of the Company
Business Day	any day upon which the London Stock Exchange is open for business and any reference to business days shall be clear business days
Cancellation or Delisting	the proposed cancellation of Admission on AIM
City Code or Takeover Code	City code on Takeovers and Mergers
Company or Formation	Formation Group plc (company number 4145632)
CREST	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST regulations)
London Stock Exchange	London Stock Exchange plc
Ordinary Shares or Shares	ordinary shares of 1 pence each in the capital of the Company
Notice	the notice convening the General Meeting at the end of this document
Resolution	the resolution set out in the Notice
Shareholders	the holders of the Ordinary Shares



Notice of General Meeting

FORMATION GROUP PLC

(Incorporated and registered in England and Wales with registered number 4145632).

NOTICE IS HEREBY GIVEN THAT a General Meeting of the Company will be held at the offices of Formation Group Plc, Oakwood House, 414-422 Hackney Road, London E2 7SY on 4 January 2017 at 11.00am for the purposes of considering and, if thought fit, passing the following resolution as an ordinary resolution:

THAT:

The admission of the ordinary shares of 1pence each in the capital of the Company to trading on the AIM market of the London Stock Exchange be cancelled.

By Order of the Board

REGISTERED OFFICE
Oakwood House
414 - 422 Hackney Road
London E2 7SY



Mr Desmond Khan
Company Secretary
Dated 9 December 2016

PROXY FORM NOTES

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy, contact the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Where more than one proxy is appointed, a member must specify the number of shares the rights in respect of which each proxy is entitled to exercise. A proxy need not be a shareholder of the Company. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted.

Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of joint holdings (the first-named being the most senior). A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice.

2. To be valid, the Form of Proxy must be received by Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not less than 48 hours (excluding non-business days) before the time appointed for the holding of the meeting.
3. The return of a completed Form of Proxy will not prevent a shareholder attending the general meeting and voting in person if he/she wishes to do so.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the general meeting and any adjournment(s) of it 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, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
5. 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 Euroclear UK & Ireland Limited's (EUI) 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 company's agent, Share Registrars Limited (CREST Participant RA19) by the latest time(s) for receipt of proxy appointments specified in this 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.



6. 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 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.
7. 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 2001.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company at 6.30pm on 30 December 2016 (or in the event of any adjournment, at 6.30pm on the day which is two days (excluding non-business days) before the date fixed for the adjourned meeting) shall be entitled to attend and vote at the general meeting in respect of the number of shares registered in their name at such time. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. As at 8 December 2016 (being the latest practicable date prior to the publication of this document), the Company's authorised share capital consists of 300,000,000 ordinary shares of £0.01 each.
10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

formation
GROUP PLC

Formation Group PLC
Oakwood House, 414-422 Hackney Road, London, E2 7SY
Tel: +44 (0)20 7920 7590 Fax: +44 (0)20 7739 7682

www.formationgroupplc.com

PLEASE TEAR HERE



PROXY FORM

I/We,

(block capitals)

of

being (a) member(s) of the above-named Company hereby appoint the Chairman of the meeting OR (Note 3).

(Name of Proxy)

as my/our proxy to vote for me/us on my/our behalf at the general meeting to be held on 4 January 2017 at 11.00 am and at any adjournment thereof.

Dated..... 2016/17 Signature(s).....

	For	Against	Withheld
Special resolution – Delisting from AIM			

To be effective, this form of proxy, together with any power of attorney or any other authority (if any) under which it is executed, or a copy of such power of attorney or other authority, certified notarially, must be lodged at the Company's registrars – Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than the close of business two days before the holding of the meeting or adjourned meeting at which it is to be used.

Notes

- Please indicate with an "X" in the appropriate boxes how you wish your proxy to vote. Unless otherwise directed the proxy will vote or abstain as he or she thinks fit.
- If you do not indicate how you wish your proxy to vote, your proxy will exercise his/her discretion as to whether, and if so how, he/she votes. Your proxy may also vote or abstain from voting as he/she thinks fit on any other business which may properly come before the meeting including on any permissible amendment to the resolutions set out in the notice of meeting.
- You are entitled to appoint a proxy or proxies, who need not be a member of the Company or the Chairman, to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. If you wish to appoint someone else other than the Chairman as proxy please delete the words "the Chairman of the meeting" and insert the name of the person whom you wish to appoint in the space provided. The Chairman of the meeting will act as your proxy, whether or not such deletion is made, if no other name is inserted.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, copy this form as many times as needed and indicate on each form how many shares are allocated to each proxy appointment.
- In the case of joint registered holders the signature of one holder on the form of proxy will be accepted by the vote of the senior who tenders a vote whether in person or by proxy to the exclusion of the votes of any joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of such joint holdings.
- In the case of a corporation the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or a duly authorised officer of the corporation.
- Any alteration made to the form of proxy should be initialled.
- To change your proxy instructions simply submit a new proxy appointment. Note that the cut-off time for receipt of proxy appointments (see below) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time shall be disregarded. You may contact the Company Secretary, Mr Desmond Khan, of the Formation Group plc, Oakwood House, 414 - 422 Hackney Road, London E2 7SY, United Kingdom to obtain another proxy form. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. To revoke a proxy instruction you will need to inform the Company by sending a hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars – Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by the cut-off time stated below. In the case of a member which is a corporation, the revocation must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of attorney) must be included in the revocation notice.
- This form of proxy should be signed and dated.
- Completion and return of the form of proxy will not affect the right of a member to attend and vote at the meeting.
- We have included on the proxy form the ability for a vote to be withheld. A vote withheld is not a vote in law and will not be counted towards the calculation of the proportions of votes "for" or "against".





Freeport RTHJ-CLLL-KBKU
Equiniti
Aspect House
Spencer Road
LANCING
BN99 8LU

PLEASE TEAR HERE

PERFED