

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in Shearwater Group plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for shares in the Company or any other security.

Shearwater Group plc

(Incorporated and registered in England & Wales with registered number: 05059457)

Notice of 2019 Annual General Meeting

Proposed share consolidation and sub-division

Notice of the AGM of the Company, to be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF on Wednesday 25 September 2019 at 11.00 a.m., is set out at the end of this document. The accompanying Form of Proxy for use in connection with the AGM should be completed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen B62 8HD no later than 11.00 a.m. on Monday 23 September 2019. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the AGM should they so wish.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 23 September 2019
Annual General Meeting	11.00 a.m. on 25 September 2019
Cessation of dealing in Existing Ordinary Shares	Close of business on 25 September 2019
Record date for Capital Reorganisation	Close of business on 25 September 2019
Admission and dealings in the New Ordinary shares expected to commence on AIM	8.00 a.m. on 26 September 2019
Expected date for New Ordinary Shares to be credited to CREST accounts (where applicable)	8.00 a.m. on 26 September 2019
Despatch of Share Certificates in respect of New Ordinary Shares to non-CREST Shareholders	Within 14 days of admission

- 1 References to dates and times in this document are to times and dates in London, United Kingdom. If any of the above times and/or dates change, the revised time and/or date will be notified by announcement through a Regulatory Information Service.

Letter from the Chairman of the Company

(Incorporated and registered in England and Wales with registered number 05059457)

Registered office:
22 Great James Street
London WC1N 3ES

Directors:

David Williams (*Chairman*)
Phil Higgins (*Chief Executive Officer*)
Paul McFadden (*Chief Financial Officer*)
Robin Southwell (*Non-executive Director*)
Stephen Ball (*Non-executive Director*)
Giles Willits (*Non-executive Director*)

2 September 2019

Dear Shareholder

Notice of 2019 Annual General Meeting of Shearwater Group plc (the “Company”)

The 2019 annual general meeting (“**2019 AGM**”) of the Company is to be held at 11.00 a.m. on Wednesday 25 September 2019 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF. The notice convening the 2019 AGM is set out on pages 9 to 13 of this document.

Shareholders of the Company (“**Shareholders**”) will be asked to approve ten resolutions at the meeting. Resolutions 1 to 6 represent routine business of the Company at its annual general meeting and require an ordinary resolution, that is, are required to be approved by Shareholders who together represent a simple majority of the ordinary shares in the Company present and voting (whether in person or by proxy) at the meeting. Resolutions 7 to 10 represent special business of the Company. Resolution 8 requires an ordinary resolution to be passed, and Resolutions 7, 9 and 10 require special resolutions to be passed, that is, are required to be approved by Shareholders who together represent 75 per cent. of the ordinary shares in the Company present and voting (whether in person or by proxy) at the meeting. Resolution 7 is a resolution to approve a share capital reorganisation of the Company, which is being proposed for the reasons set out in the summary for Resolution 7 below.

The resolutions are summarised below:

Resolutions 1 and 2 – Accounts and directors’ remuneration report

The directors will present to the meeting the audited accounts and the directors’ and auditor’s reports (which includes the directors’ remuneration report) for the financial year ended 31 March 2019 (“**2019 Annual Report**”). Resolution 1 asks that the 2019 Annual Report be received by Shareholders. Resolution 2 asks that the directors’ remuneration report be approved on an advisory vote.

Resolutions 3 and 4 – Election of directors

Phil Higgins and Paul McFadden are standing for election as directors of the Company for the first time and Resolutions 3 and 4 propose the election of those directors.

Resolutions 5 and 6 – Appointment and remuneration of auditors

It is the Company’s practice that its auditors are appointed at every annual general meeting of Shareholders at which accounts are presented. The current appointment of BDO LLP as the Company’s auditors will end at the conclusion of the 2019 AGM. The Company proposes to appoint BDO LLP as its auditors for the year ended 31 March 2020 and BDO LLP has advised the directors of its willingness to stand for appointment. Resolution 5 proposes to appoint BDO LLP as auditors of the Company. In addition, it is the Company’s normal practice for the directors to be authorised to agree how much the auditors should be paid and Resolution 6 grants this authority.

Resolution 7 – Consolidation and sub-division of share capital

(a) Background to and reasons for the Capital Reorganisation

As at the date of the AGM, the Company's issued ordinary share capital will consist of 2,210,646,000 ordinary shares of 1 pence each. This is a significant number of shares for a Company with a market capitalisation of approximately £42.6 million as of 30 August 2019. The Board believes that the proposed consolidation and sub-division (the "**Capital Reorganisation**") is necessary in order to increase the marketability of the Company's Ordinary Shares through the creation of a higher price per Ordinary Share and a more normal ratio between the market price and the nominal value. The Board believes that the Capital Reorganisation will result in a capital structure more conducive to attracting new institutional investors based both in the UK and in other overseas jurisdictions. The Board also believes that the Capital Reorganisation will increase market liquidity of the Company's shares by reducing the volatility and spread of the Company's shares and make trading in the Company's shares more attractive to a broader range of institutional investors and other members of the investing public.

(b) Details of the proposed Capital Reorganisation

The Company's issued ordinary share capital currently consists of 2,210,645,984 ordinary shares of 1 pence each. An additional 16 ordinary shares have been allotted and issued, subject to admission of such ordinary shares to trading on AIM, for the purposes of financing with the proceeds of such issue the purchase by the Company of the Deferred Shares (as defined below) which will be created as a result of the Capital Reorganisation. Accordingly, on the date of the AGM, the Company's issued ordinary share capital will consist of 2,210,646,000 (a number that is easily divisible by 100) ("**Existing Ordinary Shares**").

The Capital Reorganisation will comprise two elements:

- Consolidation – Every 100 Existing Ordinary Shares will be consolidated into one ordinary share of £1 (a "**Consolidated Share**").
- Sub-division – Immediately following the consolidation, each Consolidated Share will then be sub-divided into one new Ordinary Share of 10 pence (a "**New Ordinary Share**") and one deferred share of 90 pence (a "**Deferred Share**").

If the relevant resolution is passed, the Capital Reorganisation will become effective at close of business on the day of the AGM.

The Capital Reorganisation will give rise to fractional entitlements to shares. Any new shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of Shareholders entitled to fractions, save where the net proceeds of sale amount to £5.00 or less, in which case the Company will not distribute such proceeds of sale, which instead shall be retained for the benefit of the Company. Given the current price of the Existing Ordinary Shares, the Company does not anticipate that the net proceeds of sale attributable to any Shareholder entitled to fractions will be more than £5.00, and therefore it is expected that there will be no distribution of any net proceeds of sale to Shareholders.

If a Shareholder holds fewer than 100 Existing Ordinary Shares as at the Record Date, such that the rounding down process results in a Shareholder being entitled to zero Consolidated Shares, then they will cease to hold any New Ordinary Shares in the Company following the completion of the Capital Reorganisation.

The New Ordinary Shares arising on implementation of the Capital Reorganisation will have the same rights and benefits as the Existing Ordinary Shares, including voting, dividend and other rights. The Deferred Shares will not entitle holders to receive notice of or attend and vote at any general meeting of the Company or to receive a dividend or other distribution or to participate in any return on capital on a winding up other than the nominal amount paid on such shares following a substantial distribution to the holders of ordinary shares in the Company. In particular:

- (a) the Company may appoint any person to execute (on behalf of the holders of Deferred Shares) a transfer of the Deferred Shares and/or an agreement to transfer the same for consideration of

not more than the sum of £0.01 in aggregate for all the Deferred Shares to such person or persons as the Company may determine (whether or not an officer of the Company) as custodian of the Deferred Shares;

- (b) the Company may purchase the Deferred Shares (in accordance with the provisions of the Companies Act 2006) for not more than the sum of £0.01 in aggregate for all the Deferred Shares and cancel the Deferred Shares so purchased, without any requirement to obtain the consent or sanction of the holders of the Deferred Shares and, for the purposes of any such purchase, to appoint a person to execute (on behalf of the holders of the Deferred Shares) a contract for the sale to the Company of any Deferred Shares held by any of those holders, and any payment in respect of such purchase may be made, if the Board so determines, to charity; and
- (c) the reduction by the Company of the capital paid up on the Deferred Shares and the cancellation of such shares shall be in accordance with the rights attaching to the Deferred Shares and shall not involve a variation of such rights for any purpose and the Company shall be authorised at any time to reduce its capital (subject to the provisions of the Companies Act 2006) without obtaining the consent of the holders of Deferred Shares.

Accordingly, the Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention that, at an appropriate time, the Company may repurchase the Deferred Shares, cancel or seek the surrender of the Deferred Shares using such lawful means as the Board may at such time determine.

The following table shows the expected issued share capital of the Company immediately prior to the AGM and following the AGM if the Capital Reorganisation is approved:

	<i>Number of issued ordinary shares</i>	<i>Number of issued Deferred Shares</i>	<i>Aggregate nominal value of shares in the Company (£)</i>
Immediately prior to the AGM	2,210,646,000	0	22,106,460
Following close of business on the date of the AGM	22,106,460	22,106,460	22,106,460

The Company intends to adjust awards under the Group's share incentive plans accordingly to preserve the position of participants.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. Dealings in the Existing Ordinary Shares will cease at close of business on the date of the AGM and dealings in the New Ordinary Shares are expected to commence the following day. The Deferred Shares will not be admitted to trading on AIM.

The ISIN code for the New Ordinary Shares is GB00BKT6VH21 and the SEDOL number is BKT6VH2.

(c) Settlement

Assuming that the necessary resolution to approve the Capital Reorganisation is passed at the AGM, it is anticipated that CREST accounts for Shareholders who hold their Existing Ordinary Shares in uncertificated form will be credited with the New Ordinary Shares to which they are entitled on 26 September 2019 or as soon as practicable after the Capital Reorganisation becomes effective.

The Company will issue new share certificates to those Shareholders holding Existing Ordinary Shares in certificated form to take account of the Capital Reorganisation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid.

No share certificates will be issued for, and CREST accounts will not be credited with, the Deferred Shares.

(d) Amendments to articles of association

This resolution amends the Company's existing articles of association to include a new Article 4.7 setting out the rights and restrictions attaching to the Deferred Shares.

Resolution 8 – Issues of share capital

The authority conferred on the directors at the annual general meeting held on 27 September 2018 to allot shares or to grant rights to subscribe for, or convert any security into, shares in the share capital of the Company expires at the end of the 2019 AGM.

Paragraph (a) of this Resolution will, if passed, renew the directors' authority to allot shares, or grant rights to subscribe for, or convert any security into, shares up to an aggregate nominal amount of: (i) £7,368,819.95, which represents approximately 33.3 per cent. of the Company's existing issued ordinary share capital (excluding treasury shares) as at 30 August 2019 (being the latest practicable date before publication of the notice of the 2019 AGM); or (ii) if Resolution 7 is passed, £736,882, which represents approximately 33.3 per cent. of the Company's expected issued ordinary share capital (excluding treasury shares) immediately following the Capital Reorganisation.

Paragraph (b) of this Resolution will, if passed, renew the directors' authority to allot further of the Company's unissued shares in connection with a pre-emptive offer to existing shareholders by way of a rights issue up to an aggregate nominal amount of: (i) £14,737,639.89, which represents approximately 66.7 per cent. of the Company's existing issued ordinary share capital (excluding treasury shares) as at 30 August 2019 (being the latest practicable date before publication of the notice of the 2019 AGM); (ii) if Resolution 7 is passed, £1,473,764, which represents approximately 66.7 per cent. of the Company's expected issued ordinary share capital (excluding treasury shares) immediately following the Capital Reorganisation. This amount would be reduced by the aggregate nominal value of any allotments or grants under paragraph (a) of this Resolution. This is in accordance with the most recent institutional guidelines.

These authorities will expire at the end of the next AGM of the Company after this Resolution is passed or, if earlier, at the close of business on 24 December 2020. The directors intend to seek renewal of these authorities at future AGMs.

Resolution 9 – Disapplication of statutory pre-emption rights

This special resolution will, if passed, renew the power conferred on the directors at the annual general meeting held on 27 September 2018 to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares in each case for cash without first offering those shares to existing shareholders. Other than in connection with a rights issue or any other pre-emptive offer concerning equity securities, the authority contained in this Resolution 9 will be limited to the issue of shares for cash up to an aggregate nominal value of: (i) £2,210,645.98, which represents 10 per cent. of the nominal value of the Company's issued ordinary share capital (excluding treasury shares) as at 30 August 2019 (being the latest practicable date before publication of the notice of the 2019 AGM); or (ii) if Resolution 7 is passed, £221,064.60, which represents 10 per cent. of the nominal value of the Company's issued ordinary share capital (excluding treasury shares) immediately following the Capital Reorganisation. This includes the sale on a non pre-emptive basis of any shares held in treasury.

The directors have no present intention of exercising this power but believe it is in the interests of Shareholders for the directors to have this flexibility to allot shares for cash and to sell treasury shares for cash in those limited circumstances in line with the Company's strategy.

This power will expire at the end of the next AGM of the Company after this Resolution is passed or, if earlier, at the close of business on 24 December 2020. The directors intend to seek renewal of this authority at future AGMs.

Resolution 10 – Purchase of own shares

The authority conferred on the directors at the annual general meeting held on 27 September 2018 for the Company to make market purchases of its own ordinary shares expires at the end of the 2019 AGM.

The directors have no present intention of exercising the power to purchase any of the Company's ordinary shares but consider it prudent to retain their ability to do so. The directors will only exercise the authority if they are satisfied that this is, in their opinion, in the best interests of the Company and Shareholders generally.

If these purchases were made, the Company would be able to do either or a combination of the following:

- a) cancel the purchased ordinary shares so reducing the total number of ordinary shares in issue; or
- b) where the shares were purchased out of distributable profits, subject to certain limitations, hold them as treasury shares.

Treasury shares themselves may be cancelled, sold for cash or transferred for the purposes of the Company's employee share schemes. The statutory pre-emption rights apply to a sale of treasury shares for cash and the disapplication of the statutory pre-emption rights in Resolution 10 applies to any sales of treasury shares for cash which may occur.

This resolution, which will be proposed as a special resolution, authorises the directors to purchase up to a maximum of: (i) 221,064,598 ordinary shares, being 10 per cent. of the issued share capital of the Company as at 30 August 2019 (the latest practicable date before publication of the notice of the 2019 AGM); or (ii) if Resolution 7 is passed, 2,210,646 ordinary shares, being 10 per cent. of the issued share capital of the Company immediately following the Capital Reorganisation. This resolution provides that the maximum price per ordinary share payable on any exercise of the authority shall not be more than the higher of:

- a) an amount equal to 105 per cent. above the market value of an ordinary share for the five business days prior to making any purchase; and
- b) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out.

The minimum price payable shall be not less than 1 pence per ordinary share or, if Resolution 7 is passed, 10 pence per ordinary share, in each case being the nominal value of an ordinary share. For this purpose, both the maximum and minimum prices permitted to be paid are exclusive of expenses.

This authority will expire at the end of the next AGM of the Company after this Resolution is passed or, if earlier, at the close of business on 24 December 2020. The directors intend to seek renewal of this authority at future AGMs.

Action to be taken

You will find enclosed with this document a form of proxy (the "**Form of Proxy**") for use in connection with the 2019 AGM. Whether or not you are able to attend the 2019 AGM, you are requested to complete the Form of Proxy and return it to the Company's registrars, Neville Registrars at Neville House, Steelpark Road, Halesowen B62 8HD so as to arrive as soon as possible but in any event not later than 11.00 a.m. on Monday 23 September 2019.

The return of the appropriate Form of Proxy will not prevent you from attending the 2019 AGM and voting in person if you are entitled to do so and so wish.

If the Form of Proxy is not completed and returned by 11.00 a.m. on Monday 23 September 2019 your vote at the 2019 AGM will not count.

Recommendation

The directors consider that each of the proposed Resolutions to be considered at the 2019 AGM are in the best interests of the Company and shareholders as a whole. Accordingly, the directors recommend that you vote in favour of them as each of the directors intends to do in respect of their own beneficial holding of shares in the Company, which, as at 30 August 2019 (being the latest practicable date before publication of the notice of the 2019 AGM) amount in aggregate to 383,471,722 ordinary shares representing approximately 17.3 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

David Williams

Chairman

NOTICE OF AGM

Notice is hereby given that the 2019 annual general meeting (“2019 AGM”) of Shearwater Group plc will be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF on 25 September 2019 at 11.00 a.m. for the following purposes:

As ordinary business to consider and, if thought fit, pass Resolutions 1 to 6 inclusive which will be proposed as ordinary resolutions.

1. To receive the directors’ and auditor’s reports and the financial statements for the year ended 31 March 2019.
2. To approve the remuneration report for the year ended 31 March 2019 on pages 35 and 36 and pages 45 to 48 of the directors’ report.
3. To elect Phil Higgins as a director who was appointed by the Board since the last annual general meeting.
4. To elect Paul McFadden as a director who was appointed by the Board since the last annual general meeting.
5. To re-appoint BDO LLP as auditors to the Company to hold office until the conclusion of the next annual general meeting of the Company.
6. To authorise the directors to determine the auditor’s remuneration.

As special business to consider and, if thought fit, pass the following Resolutions of which Resolution 8 will be proposed as an ordinary resolution and Resolutions 7, 9 and 10 will be proposed as special resolutions:

7. THAT
 - (a) every 100 ordinary shares of 1 pence each in the capital of the Company in issue at close of business on the date of the AGM (“**Existing Ordinary Shares**”) be consolidated into one ordinary share of £1 (“**Consolidated Share**”), provided that, where such consolidation results in any shareholder being entitled to a fraction of a Consolidated Share, such fraction shall be dealt with by the directors as they see fit pursuant to their powers available to them under the Company’s articles of association (the “**Articles**”);
 - (b) each Consolidated Share then in issue be sub-divided into one ordinary share of 10 pence in the capital of the Company (“**New Ordinary Share**”) (or fraction thereof) and one Deferred Share of 90 pence in the capital of the Company (“**Deferred Share**”) and that the New Ordinary Shares shall have the same rights and be subject to the same restrictions as the Ordinary Shares that are currently in issue and as set out in the Articles and that the Deferred Shares shall have the same rights and be subject to the same restrictions of the Deferred Shares of 90 pence in the capital of the Company, as set out in the articles of association of the Company proposed to be amended by the Company pursuant to Resolution 7(c) below; and
 - (c) the articles of association be amended by:
 - (i) Inserting in Article 2.1 the following definition:

““**Deferred Shares**” means the deferred shares of 90p each in the capital of the Company with the rights set out in Article 4.7;”
 - (ii) Inserting the following Article as a new Article 4.7:

“4.7 Deferred Shares
The rights and restrictions attached to the Deferred Shares shall be as follows:

- (a) As regards income, the holders of the Deferred Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein.
- (b) As regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares), the holders of the Deferred Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or in specie) to the holders of the ordinary shares the amount of £100,000,000 in respect of each ordinary share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution in specie shall be ascertained in sterling, in each case in such manner as the Directors of the Company in general meeting may approve. The Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.
- (c) As regards voting, the holders of Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat.
- (d) The rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or pari passu with or subsequent to such shares. In addition, neither the passing by the Company of any resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders of the Deferred Shares.
- (e) Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred Shares for an aggregate consideration of 1p. Any payment in respect of such purchase may be made, if the Board so determines, to charity.
- (f) The Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer/cancellation of the Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the Deferred Shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such shares.
- (g) The Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the adoption of this Article, cancel such shares by way of reduction of capital for no consideration.
- (h) Notwithstanding any other provision of these Articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the Deferred Shares.”

8. THAT the directors are generally and unconditionally authorised for the purpose of s551 Companies Act 2006 to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”):

- (a) up to a maximum aggregate nominal amount of £7,368,819.95 or, if Resolution 7 is passed, £736,882; and

- (b) comprising equity securities (as defined in s560 Companies Act 2006) up to an aggregate nominal amount of £14,737,639.89 or, if Resolution 7 is passed, £1,473,764 (that amount to be reduced by the aggregate nominal amount of shares allotted or Rights granted under paragraph (a) of this resolution) in connection with an offer by way of a rights issue:
 - (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 attaching to those securities, or subject to those rights, as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any 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.

These authorities shall expire (unless previously renewed, varied or revoked) at the end of the next annual general meeting of the Company after this resolution is passed or, if earlier, at the close of business on 24 December 2020 but, in each case, so that the Company may make offers and enter into agreements before that expiry which would, or might, require shares to be allotted or Rights to be granted after that expiry and the directors may allot shares or grant Rights pursuant to any of those offers or agreements as if the authority had not expired.

9. THAT, in substitution for all existing powers and subject to the passing of Resolution 8, the directors are generally empowered pursuant to s570(1) Companies Act 2006 to allot equity securities (as defined in s560 Companies Act 2006) for cash pursuant to the general authority conferred on them by Resolution 8 as if s561(1) Companies Act 2006 did not apply to that allotment. This power:

- (a) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority in Resolution 8(b) 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 attaching to those securities, or subject to those rights, as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any 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;

- (b) shall be limited to the allotment of equity securities for cash pursuant to the authority in Resolution 8(a) (otherwise than in the circumstances set out in paragraph (a)) up to an aggregate nominal amount of £2,210,645.98 or, if Resolution 7 is passed, £221,064.60.

These authorities expire (unless previously renewed, varied or revoked) at the end of the next annual general meeting of the Company after this resolution is passed or, if earlier, at the close of business on 24 December 2020 but so that the Company may make offers and enter into agreements before that expiry which would, or might, require equity securities to be allotted after that expiry and the directors may allot equity securities pursuant to any of those offers or agreements as if this power had not expired.

These authorities apply in relation to a sale of shares which is an allotment of equity securities by virtue of s560(3) Companies Act 2006 as if in the first paragraph of this resolution the words “pursuant to the general authority conferred on them by Resolution 8” were omitted.

For the purposes of this resolution, references to the allotment of equity securities shall be interpreted in accordance with s560 of the Companies Act 2006.

10. THAT the Company is generally and unconditionally authorised for the purposes of s701 Companies Act 2006 to make one or more market purchases (within the meaning of s693(4) Companies Act 2006) of ordinary shares in its capital provided that:
- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 221,064,598 or, if Resolution 7 is passed, 2,210,646;
 - (b) the minimum price (excluding expenses) which may be paid for an ordinary share is not less than 1 pence or, if Resolution 7 is passed, 10 pence;
 - (c) the maximum price which may be paid for an ordinary share is in respect of an ordinary share contracted to be purchased on any day, not more than the higher of:
 - (i) an amount (excluding expenses) equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange plc's Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; and
 - (ii) an amount (excluding expenses) equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out; and
 - (d) this authority expires at the end of the Company's next annual general meeting after this resolution is passed or, if earlier, at the close of business on 24 December 2020 but the Company may make a contract of purchase of any ordinary shares which would, or might, be concluded wholly or partly after that expiry and may make a purchase of ordinary shares pursuant to such a contract as if this authority had not expired.

By order of the Board

Paul McFadden
Company Secretary

2 September 2019

Registered office:
22 Great James Street
London WC1N 3ES

Company Number: 05059457

NOTES:

- (a) Only those shareholders entered on the relevant register of members of the Company at 11.00 a.m. on 23 September 2019 will be entitled to attend or vote at the 2019 AGM in respect of the number of shares registered in their name at the time. Changes to entries on the relevant register after that deadline will be disregarded in determining the rights of any person to attend or vote at the 2019 AGM. Should the 2019 AGM be adjourned to a time not more than 48 hours after the deadline, the same deadline will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned AGM. Should the 2019 AGM be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned AGM or, if the Company gives notice of the adjourned AGM, at the time specified in the notice.
- (b) Any member may appoint a proxy to attend, speak and vote on his/her behalf. A member may appoint more than one proxy in relation to the 2019 AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares of the member, but must attend the meeting in person. A proxy need not be a member. Proxy forms should be lodged with the Company's Registrar or submitted not later than 11.00 a.m. on 23 September 2019. Completion and return of the appropriate proxy form does not prevent a member from attending and voting in person if he/she is entitled to do so and so wishes.
- (c) Any person to whom this notice is sent who is a person nominated under s146 Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement with the member who nominated him/her, have a right to be appointed, or have someone else appointed, as a proxy for the 2019 AGM. If a Nominated Person does not have this right or does not wish to exercise it, he or she may have a right under such an agreement to give the member voting instructions.
- (d) The statement of the rights of members in relation to the appointment of proxies in Note (b) does not apply to Nominated Persons.
- (e) As at 30 August 2019 (being the last working day before publication of this notice), the Company's issued share capital consisted of 2,210,645,984 Ordinary Shares, carrying one vote each. The Company does not hold any ordinary shares in treasury. So, the total voting rights in the Company as at that date are 2,210,645,984.
- (f) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (g) Under s527 Companies Act 2006, members meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the 2019 AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with s437 Companies Act 2006. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with ss527 or 528 Companies Act 2006. Where the Company is required to place a statement on a website under s527 Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the 2019 AGM includes any statement that the Company has been required, under s527 Companies Act 2006, to publish on a website.
- (h) A copy of this notice and other information required by s311A Companies Act 2006 can be found at www.shearwatergroup.com.
- (i) Any member attending the 2019 AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no answer needs to be given if to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or if the answer has already been given on a website in the form of an answer to a question or, finally, if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- (j) Except as set out in the notes to this notice, any communication with the Company in relation to the 2019 AGM, including in relation to proxies, should be sent to the Company's Registrars Neville Registrars at Neville House, Steelpark Road, Halesowen B62 8HD. No other means of communication will be accepted. In particular, you may not use any electronic address provided either in this notice or in any related documents (including the annual report and accounts for the year ended 31 March 2019 or the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
- (k) Copies of directors' service contracts with the Company and with any of its subsidiary undertakings, letters of appointment of non-executive directors, a copy of the proposed new articles of association of the Company and a copy of the existing articles of association marked to show the changes being proposed in Resolution 7 will be available for inspection at the Company's registered office at 22 Great James Street, London WC1N 3ES (during normal business hours on any weekday (Saturdays and English public holidays excepted)) from the date of this notice until the conclusion of the 2019 AGM. Such documents will also be available for inspection at the place of the 2019 AGM on the day of the 2019 AGM from at least 15 minutes prior to the meeting and during the meeting.

