

LETTER FROM THE CHAIRMAN

GUSBOURNE PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 08225727)

Directors:

Andrew Weeber *(Non-Executive Chairman)*
Mike Paul *(Non-Executive Deputy Chairman)*
Charlie Holland *(Chief Executive Officer)*
Jon Pollard *(Chief Operating Officer)*
Lord Arbuthnot PC *(Non-Executive Director)*
Paul Bentham *(Non-Executive Director)*
Matthew Clapp *(Non-Executive Director)*
Ian Robinson *(Non-Executive Director)*

Registered Office:

7 Cowley Street
London
SW1P 3NB

6 June 2017

Dear Shareholder

Share Capital Reorganisation, Deep Discount Bond Conversion and Notice of General Meeting

1. Introduction

We propose to hold a general meeting shortly before the Company's Annual General Meeting on 29 June 2017.

This general meeting is being called to consider and, if thought fit, pass four resolutions to assist the Company in issuing shares in the course of future fundraisings and to authorise the allotment of shares in relation to an offer to convert deep discount bonds previously issued by the Company.

2. Share Capital Reorganisation

It is proposed that each ordinary share of 50 pence each in the capital of the Company be divided into one ordinary share of 1 pence and one deferred share of 49 pence ("Share Capital Reorganisation").

The deferred shares will effectively have no rights and the Company will not issue any share certificates or credit CREST accounts in respect of them.

The number of ordinary shares in issue, and held by each shareholder, as a result of the passing of the relevant resolutions will not change. It is simply the nominal value of the ordinary shares which will change, very largely only of significance for accounting purposes.

3. Deep Discount Bond Conversion

On 2 September 2016 the Company issued deep discount bonds ("Bonds") with a subscription price of £4,073,034. The Bonds are redeemable on 15 August 2021 with a redemption amount of £6,266,868. On 2 September 2016 the Company also issued share warrants at a rate of one warrant for every £2 of the Bonds ("Warrants").

The Company proposes, shortly after the Company's Annual General Meeting on 29 June 2017, to offer holders of these Bonds the opportunity to convert the Bonds into ordinary shares in the Company at a conversion price of 40 pence per ordinary share ("Conversion of Bonds"), that being the price at which the Company has today proposed to shareholders an open offer ("the Open Offer").

If holders of Bonds opt to convert Bonds into ordinary shares in the Company, their Warrants will be unaffected.

The Company proposes this to strengthen its balance sheet and therefore increase the number of funding options available to it in the future.

If any holders of Bonds opt to convert their Bonds, the directors of the Company will require the power to allot ordinary shares pursuant to the Conversion of Bonds.

Resolutions 3 and 4 are proposed to give the directors the powers required to allot the maximum number of shares which would fall to be allotted if all holders of Bonds opted to convert all of their Bonds. These allotment powers will lapse following the completion of the Conversion of Bonds, if any.

4. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of Cenkos at 6.7.8 Tokenhouse Yard, London EC2R 7AS, at 10.30a.m. on 29 June 2017 at which the Resolutions will be proposed as ordinary or special resolutions.

5. Resolutions

The Resolutions are proposed in the notice of General Meeting as set out at the end of this document. They are proposed as ordinary or special resolutions.

The Share Capital Reorganisation requires an ordinary resolution of the members.

The articles of association of the Company do not currently make any provision for deferred shares. The Directors are therefore seeking the passing of a special resolution to amend the articles of association by replacing article 5 with new articles 5 and 5A, which confirm that the Company's share capital is divided into ordinary and deferred shares and set out the rights attached to the deferred shares.

Shareholders should be aware that the Share Capital Reorganisation cannot take place if either Resolution 1 or 2 is not passed. The passing of Resolution 1 is conditional on the passing of Resolution 2.

The allotment of shares, if any, pursuant to the offer to convert Bonds into ordinary shares in the Company requires an ordinary resolution of the members.

The allotment of any such shares on a non pre-emptive basis requires a special resolution of the members.

Shareholders should be aware that the Conversion of Bonds cannot take place if either Resolution 3 or 4 is not passed. The passing of Resolution 4 is conditional on the passing of Resolution 3.

In deciding whether or not to vote in favour of the Resolutions, Shareholders should also be aware that the Open Offer may and the Conversion of Bonds may result in a dilution of the percentage of the Company's entire issued share capital that their shareholdings represent.

The Open Offer is to be underwritten by Lord Ashcroft KCMG PC. Lord Ashcroft KCMG PC has agreed in the event that:

- a) subscribers are not obtained for all or any of the shares offered pursuant to their pre-emptive entitlements under the Open Offer by 11.00a.m. on 27 June 2017;
- b) subscribers are not obtained for all or any shares pursuant to the excess application facility set out in the Open Offer document (with all such applications to be approved or otherwise, in whole or in part, by Lord Ashcroft KCMG PC); or

c) any subscriber defaults on its payment obligations as set out in the Open Offer document,

he will procure placees for, or will forthwith subscribe for, or will procure that an entity on his behalf will forthwith subscribe for, as principal, all of those shares offered pursuant to the Open Offer in respect of which subscribers or placees have not been obtained.

Following the Open Offer the number of ordinary shares in the Company will rise to 34,146,322 ordinary shares.

The Conversion of Bonds is only available to Bond holders. Shareholders who do not hold Bonds or decide not to convert their Bonds may find that their share in the Company is diluted if the option to convert Bonds into ordinary shares is taken up by any Bond holder. If every Bond holder opts to convert their Bonds, following the Conversion of Bonds the number of ordinary shares in the Company will rise to 45,336,032 ordinary shares.

6. Action to be taken in respect of the General Meeting

Shareholders will find accompanying to this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event not later than two Business Days before the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the General Meeting should he/she/it so wish.

Shareholders are reminded that the Share Capital Reorganisation is conditional, inter alia, on the passing of Resolutions 1 and 2 to be proposed at the General Meeting. Should either Resolution 1 or 2 not be passed, the Share Capital Reorganisation, and therefore the Open Offer, will not proceed.

Shareholders are further reminded that the Conversion of Bonds is conditional, inter alia, on the passing of Resolutions 3 and 4 to be proposed at the General Meeting. Should Resolution either 3 or 4 not be passed, the Conversion of Bonds, if any, will not proceed.

7. Recommendation

The Directors believe the Share Capital Reorganisation and the Conversion of Bonds to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the Resolutions. Irrevocable undertakings to vote in favour of the General Meeting Resolutions have been entered into by Lord Ashcroft KCMG PC and Andrew Weeber whose shareholdings in the Company are in aggregate 17,936,715 ordinary shares representing 75.9% of the Company's issued share capital.

Andrew Weeber
Chairman

NOTICE OF GENERAL MEETING

GUSBOURNE PLC

(incorporated and registered in England and Wales under number 08225727)

NOTICE is hereby given that a General Meeting of Gusbourne plc will be held at the offices of Cenkos at 6.7.8 Tokenhouse Yard, London EC2R 7AS on 29 June 2017 at 10.30a.m. to consider and, if thought fit, pass the following Resolutions, of which the Resolutions numbered 1 and 3 will be proposed as Ordinary Resolutions and the Resolutions numbered 2 and 4 will be proposed as Special Resolutions.

ORDINARY RESOLUTION

1. THAT, subject to and conditional upon the passing of resolution 2 set out in the notice, each of the issued ordinary shares of 50 pence each in the capital of the Company be and is hereby subdivided into one ordinary share of 1 pence and one deferred share of 49 pence, each having the rights and restrictions set out in the articles of association as amended pursuant to resolution 2.

SPECIAL RESOLUTION

2. THAT with effect from the conclusion of the meeting the articles of association of the Company be amended by deleting article 5 and replacing it with the following new articles 5 and 5A:

5 AMOUNT AND COMPOSITION OF SHARE CAPITAL

The capital of the Company comprises ordinary shares and deferred shares

5A DEFERRED SHARES

5A 1 The deferred shares

5A 1 1 confer no right to any dividend or any other distribution (other than on a winding up)

5A 1 2 confer no right to receive notice of, or to attend or vote at, general meetings of the Company, and

5A 1 3 on a winding up confer the rights to be paid out of the assets of the Company available for distribution an amount equal to 1p for all the deferred shares prior to the surplus being distributed to the holders of ordinary shares, but do not confer any right to participate in any surplus assets of the Company

5A 2 The Company shall not be obliged to issue share certificates in respect of the deferred shares

ORDINARY RESOLUTION

3. That the directors be and they are hereby generally and unconditionally authorised in addition to all existing authorities (and, for the avoidance of doubt, without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities) to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006 (the "Act")) up to an aggregate nominal amount of if Resolutions 1 and 2 above are passed, £11,897.10 (being 11,89,710 ordinary shares of 1 pence each, such nominal value being a requirement if this Resolution 3 is to apply), pursuant to the conversion of deep discount bonds as detailed in the circular sent to the Company's shareholders on 6 June 2017 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on 31 August 2017, except that the Company may before such expiry make offers or agreements which would or might require equity

securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offers agreements as if the authority conferred by this resolution had not expired.

SPECIAL RESOLUTION

4. That, subject to the passing of Resolution number 3 above, the directors be and they are hereby empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution number 3 as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of, if Resolutions 1 and 2 above are passed, £111,897.10, such nominal value being a requirement if this Resolution 4 is to apply, and shall expire upon the expiry of the authority conferred by Resolution 3 above, except that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the power conferred by this Resolution had not expired.

By Order of the Board
Ian Robinson
Company Secretary

Dated 6 June 2017

Gusbourne plc
7 Cowley Street
London
SW1P 3NB

Notes:

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint another person of his/her choice as that Shareholder's proxy to exercise all or any of that Shareholder's rights to attend and to speak and vote at the meeting on his/her behalf. A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy does not need to be a shareholder of the Company.
2. A Form of Proxy for use in connection with the meeting is enclosed with the document of which this notice forms part. Completion and return of a Form of Proxy will not prevent a Shareholder from attending and voting in person at the meeting. Addresses (including electronic addresses) in this document are included strictly for the purposes specified and not for any other purpose.
3. To appoint a proxy or proxies Shareholders must complete a Form of Proxy, sign it and return it, together with the power of attorney or, any other authority under which it is signed, or a notarially certified copy of such authority, to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so that it is received no later than 10.30 a.m. on 27 June 2017.
4. Only those members entered on the register of members of the Company at 6.00 p.m. on 27 June 2017 or, in the event that this meeting is adjourned, in the register of members as at 6.00 p.m. on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business on 27 June 2017 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held at 10.30 a.m. on 29 June 2017 and any adjournment(s) thereof 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 sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction 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 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, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited 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, to procure that his CREST sponsor or voting service provider takes) 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
7. 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.

