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If you have sold or otherwise transferred all of your ordinary shares in Strat Aero plc (“Strat” or the “Company”), please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of ordinary shares, you should retain the documents and consult the stockbroker, bank manager or other agent through whom the sale or transfer was effected.

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*(Incorporated in England and Wales as a public limited company under number 9109008)*

## **NOTICE OF GENERAL MEETING**

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Notice of a General Meeting of the Company to be held at Kerman & Co., 200 Strand, London WC2R 1DJ on 11 August 2016 at 10 a.m. (the “GM”) is set out on page 4 of this document. A form of proxy is also attached at the end of this document for use in connection with the GM. Forms of proxy should be completed and returned to the Company’s Registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR as soon as possible and in any event so as to be received by 10 a.m. on 9 August 2016.

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## LETTER FROM THE CHAIRMAN OF STRAT AERO PLC

15 July 2016

### To Shareholders and, for information only, to Option Holders

#### Notice of General Meeting

Dear Shareholder,

I am writing to give you details of the resolutions to be proposed at the General Meeting which is to be held at 10 a.m. on 11 August 2016 at Kerman & Co, 200 Strand, London WC2R 1DJ (the "GM"). The resolutions are set out in the Notice of General Meeting on page 4 of this document.

#### **Background to the share capital reorganisation**

Under UK law, a company is unable to issue shares at a subscription price which is less than the par value of shares of the same class. This means that, if the par value of 1 pence per ordinary share is applicable to the existing ordinary shares and the mid-market closing price of such ordinary shares on 14 July 2016 (being the last practicable time prior to the publication of this announcement) was 0.70 pence, it is not possible for the Company to raise new equity capital.

#### **Ordinary business at the GM**

##### **Resolution 1 – Annual Report and Accounts**

This is an ordinary resolution to receive and adopt the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2015.

##### **Resolution 2 – Sub-division and re-designation of ordinary shares**

This is an ordinary resolution to sub-divide and re-designate each of the 262,106,046 issued ordinary shares of 1p each in the capital of the Company into 2,358,954,414 deferred shares of 0.1p each in the Company ("**Deferred Shares**") and 262,106,046 ordinary share of 0.1p each ("**New Ordinary Shares**").

##### *New ordinary shares*

Immediately following the sub-division and re-designation, each Shareholder will hold one New Ordinary Share of 0.1p and nine Deferred Shares in place of every one existing ordinary share of 1p each previously held in the capital of the Company. The rights of the New Ordinary Shares will be in all material respects the same as the ordinary shares.

##### *Deferred Shares*

The Deferred Shares will not carry voting rights or a right to receive a dividend. The holders of Deferred Shares will not have the right to receive notice of any general meetings of the Company, not have any right to attend, speak or vote at any such meeting. In addition, holders of Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares has received payment of £100,000 in respect of each ordinary share. Accordingly, the Deferred Shares will have no economic value. The Company does not intend to make any application for the Deferred Shares to be admitted to trading on AIM.

The Company does not intend to issue new share certificates to Shareholders following the re-organisation of its share capital.

The effective time and date of the sub-division and re-designation of ordinary shares will be 8.00 a.m. on 12 August 2016.

### **Resolution 3 – Amendment to the Articles**

Resolution 3 will be proposed as a special resolution to enable the Directors to make consequential amendments to the Company's existing articles of association to include provision in respect of the rights and restrictions attaching to the Deferred Shares and the sub-division and re-designation of the existing ordinary shares of 1p each in the Company and is conditional on the passing of Resolution 2 above.

#### **Form of Proxy**

A Form of Proxy for use at the GM is enclosed. Please complete and sign the Form of Proxy and return it to the Company's Registrars at the address set out on page 1 above, so as to arrive no later than 48 hours excluding non-business days before the time fixed for the GM (being by 10 a.m. on 9 August 2016). The return of the Form of Proxy will not, however, prevent you from attending the GM and voting in person should you wish to do so.

#### **Board Recommendation**

The Board considers that the Resolutions to be proposed at the GM are in the best interests of the Company and its shareholders as a whole and it unanimously recommends that shareholders vote in favour of each of them as the Board intend to do so in respect of the Ordinary Shares held by them.

Yours faithfully

**Graham Peck**  
Chairman

## **STRAT AERO PLC**

*Incorporated in England and Wales as a public limited company under number 9109008*

### **NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the General Meeting of the members of Strat Aero plc (“**the Company**”) will be held at 10 a.m. on 11 August 2016 at Kerman & Co, 200 Strand, London WC2R 1DJ (the “**GM**”) for the following purposes:

#### **Ordinary Business**

To consider and, if thought fit, to pass the following resolutions, of which resolution 1 and 2 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution:

1. To receive the audited statement of accounts of the Company for the year ended 31 December 2015 together with the reports of the Directors and the auditors thereon.
2. That, subject to and conditional on the passing of Resolution 3 in the notice, each issued ordinary share of 1p each in the capital of the Company be sub-divided and re-designated into one ordinary shares of 0.1p each in the capital of the Company, having the same rights and being subject to the same restrictions as the existing ordinary shares and nine deferred shares of 0.1p each in the capital of the Company, having the rights and being subject to the restrictions attached to them as set out in the articles of association of the Company to be amended pursuant to resolution 3 below.
3. That subject to the passing of Resolution 2 in the notice, the existing articles of association of the Company be amended pursuant to section 21 of the Companies Act 2006 by:
  - (a) the addition in article 2.1 of the following definitions:

“**Deferred Shares**” means deferred shares of £0.001 each in the capital of the Company;  
“**Ordinary Shares**” means ordinary shares of £0.001 each in the capital of the Company;
  - (b) the addition of a new Article 8 as follows:

**“8. Classes and rights attached to shares**

    - 8.1 The share capital of the Company shall be divided into Ordinary Shares and Deferred Shares.
    - 8.2 The Deferred Shares shall have attached hereto, as a class, the following rights, privileges, restrictions and conditions:
      - 8.2.1 Dividend  
The holders of Deferred Shares shall have no right to receive dividends or otherwise participate in the profits of the Company.
      - 8.2.2 Capital  
On a return of capital on liquidation or otherwise (other than in conversion, redemption or purchase by the Company of any of its own shares) holders of Deferred Shares shall be entitled the amount paid up or credited as paid up on the Deferred Shares, pro rata to their holdings of Deferred Shares, to be paid out of the assets of the Company available for distribution among the members, after payment, to the holders of Ordinary Shares of the amounts paid up thereon and of the sum of £100,000 on each Ordinary Share. The holders of the Deferred Shares shall not be entitled to any other or further right to participate in the assets of the Company.
      - 8.2.3 Voting and attendance at general meetings  
The holders of Deferred Shares shall have no right to receive notice of, or attend and vote at, any general meeting of the Company.

#### 8.2.4 Transfers, Authorities

Each holder of Deferred Shares shall be deemed irrevocably to have authorised the Company at any time to appoint a person or persons to execute on behalf of such holder an agreement in respect of the transfer of and a transfer of such shares to such person including without limitation the Company as the Company may designate, and/or to purchase the same itself in accordance with applicable laws in either such case for an aggregate consideration of £0.000001 per share without obtaining the sanction or consent of such holder and upon terms that any such consideration not exceeding £2.50 in respect of any holding of Deferred Shares may be paid to and/or retained for the benefit of the Company, and to execute or sign on behalf of such holder such other documents as may be necessary or appropriate to give effect to the foregoing provisions; and pending such transfer or purchase the Company may refrain from issuing any certificate in respect of such Deferred Shares.

8.3 Subject to the Statutes and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, in the absence of any such determination or in so far as such ordinary resolution does not make specific provision, as the Board may determine).

8.4 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.”

and the new articles produced to the meeting marked “A” and initialed by the Chairman (for the purposes of identification only) be and are hereby adopted as the articles of association of the Company with effect from the end of this meeting to the exclusion of and in substitution for, the existing articles of association and memorandum of association of the Company.

#### **BY ORDER OF THE BOARD**

#### **Heytesbury Corporate LLP**

*Company Secretary*

15 July 2016

Registered Office:     The Beehive  
                                  City Place  
                                  West Sussex  
                                  RH6 0PA

#### **NOTES:**

1. A member entitled to attend, speak and vote at the GM is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company but must attend the GM to represent you.
2. Forms of proxy, together with any power of attorney or other authority under which it is executed or a notarially certified copy thereof, must be completed and, to be valid, must reach the Company's Registrars at Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR not less than 48 hours not including non-business days before the time appointed for the holding of the meeting.
3. If the appointer is a corporation, the form of proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
4. The appointment of a proxy does not preclude a member from attending and voting at the meeting.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755) Reg. 41(1) and (2) and paragraph 18 (c) The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, only those shareholders on the Register of Members at 10 a.m. on 9 August 2016 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, a shareholder must be entered on the Company's Register of Members at the time which is 48 hours excluding non business days before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

7. To appoint more than one proxy, you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which in aggregate shall not exceed the number of shares held by you). Please also indicate if the proxy is part of a multiple set of instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to, or specifying a number in excess of those held by you, may result in the appointment being invalid. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrar.
8. As at the close of business on 14 July 2016, the Company's issued share capital comprised 262,106,046 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company, and therefore the total number of voting rights in the Company as at the time and date given above is 262,106,046.