

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or as to the action you should take, you are recommended to seek advice from your solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, by another appropriately authorised independent financial adviser.

If you sell or transfer or have sold or transferred all of your Ordinary Shares, please forward this Document, with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

The release, publication or distribution of this Document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

CLOUDBUY PLC

(Incorporated in England and Wales with registered number 03732253)

Proposed cancellation of admission of Ordinary Shares to trading on AIM

Notice of General Meeting

Re-Registration as a Private Limited Company

and

Adoption of New Articles of Association

The Directors, whose names appear in Part I of this Document, accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of each of the Directors (who have all taken reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Arden Partners PLC (“Arden Partners”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in relation to the

matters referred to in this document. The responsibilities of Arden Partners as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. Persons receiving this document should note that Arden Partners will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the arrangements described in this Document. Arden Partners has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by it for the accuracy of any information or opinion contained in this document or for the omission of any information.

This Document should be read in its entirety. Your attention is drawn to the letter from the Board of the Company set out in Part I of this Document which includes a recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

A notice to convene a General Meeting of CloudBuy PLC, to be held at the offices of CloudBuy PLC 5 Jupiter House, Calleva Park, Aldermaston, Berkshire RG7 8NN at 11 a.m. on 27 January 2020 is set out in Part IV of this Document. Shareholders will find enclosed with this Document a Form of Proxy for use in relation to the General Meeting. To be valid, the Form of Proxy must be completed in accordance with the instructions set out on the form and returned as soon as possible to the Company Secretary 5 Jupiter House, Calleva Park, Aldermaston, Berkshire RG7 8NN, so as to be received as soon as possible but in any event no later than 11 a.m. on 23 January 2020, being 48 hours (excluding weekends) before the time fixed for the General Meeting. The return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.

TABLE OF CONTENTS

	Page
Expected timetable of principal events	3
Directors and Advisers	4
Definitions	5
Letter from the Board of Directors	8
Effect of Re-registration and Adoption of New Articles	15
The Takeover Code	17
Notice of General Meeting	21

EXPECTED TIMETABLE OF PRINCIPAL EVENTS^{1, 2}

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	7 January 2020
Publication and posting of this Document and Form of Proxy to Shareholders	9 January 2020
Latest time and date for receipt of completed Forms of Proxy in respect of the General Meeting	11:00 a.m. on 23 January 2020
Time and date of the General Meeting	11:00 a.m. on 27 January 2020
Expected last day of dealings in Ordinary Shares on AIM	6 February 2020
Expected time and date of Cancellation ³	7:00 a.m. on 7 February 2020

¹ All of the times referred to in this Document refer to London time, unless otherwise stated.

² Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

³ The Cancellation requires the approval of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting.

DIRECTORS AND ADVISERS

Directors

Ronald Duncan Executive Chairman
Lyn Duncan Chief Executive Officer
David Gibbon CFO & COO
David Chellingsworth Non-Executive Director
Michael Pasternack Non-Executive Director
all of:
5 Jupiter House,
Calleva Park,
Aldermaston RG7 8NN

Company Secretary

David Gibbon

Registered office and principal place of business

5 Jupiter House,
Calleva Park,
Aldermaston RG7 8NN

Nominated Adviser and Sole Broker

Arden Partners PLC
125 Old Broad Street
London EC2N 1AR

Registrars

Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS99 6ZY

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

“AIM”	the market operated by the London Stock Exchange;
“AIM Rules”	the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time;
“Business Day”	a day (excluding Saturday, Sunday and public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal banking business;
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution;
“Cancellation Resolution”	Resolution 1 to be proposed at the General Meeting;
“Company” or “cloudBuy”	cloudBuy PLC, a company incorporated in England and Wales with registered number 03732253;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755), as amended;
“Current Articles”	the articles of association of the Company at the date of this Document;
“Directors” or “Board”	the directors of the Company, whose names are set out in Part 1 of this Document and otherwise the directors from time to time. The Board comprises the directors at any time or the directors present at a duly convened meeting at which a quorum is present or, as the case may be, the directors assembled as a committee of such Board;
“Disclosure Guidance and Transparency Rules”	the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of FSMA;

Document	this document, containing information about the Cancellation, the Re-registration, the adoption of the New Articles, and the General Meeting;
“Form of Proxy”	the form of proxy enclosed with this Document for use at the General Meeting or at any adjournment thereof;
“FSMA”	the Financial Services and Markets Act 2000 as amended;
“General Meeting”	the General Meeting of the Company convened for 11 a.m. on 27 January 2020 and any adjournment thereof, notice of which is set out at Part IV of this Document;
“Arden Partners”	Arden Partners PLC;
“London Stock Exchange”	London Stock Exchange plc;
“New Articles”	the new articles of association of the Company to be adopted pursuant to Resolution 2 with such principal changes as summarised at Part II of this Document, a copy of which can be viewed at: https://investor.cloudbuy.com/aim-rule-26.html ;
“Notice of General Meeting” or “Notice”	the notice of General Meeting which is set out in Part IV of this Document;
“Ordinary Shares”	the ordinary shares in the capital of the Company of 1p each and “Ordinary Share” means any one of them;
“Panel”	the Panel on Takeovers and Mergers;
“Registrars”	Computershare Investor Services plc, The Pavilions, Bridgewater Road, Bristol BS99 6ZY;
“Regulatory Information Service”	has the meaning given to it in the AIM Rules for any of the services approved by the London Stock Exchange for the distribution of AIM announcements and included within the list maintained on the website of the London Stock Exchange;
“Re-registration”	the proposed re-registration of the Company as a private limited company;
“Resolutions”	the resolutions to be proposed at the General Meeting in the form set out in the Notice of General Meeting;

“Shareholders” holders of Ordinary Shares from time to time and “Shareholder” means any one of them; and

“United Kingdom” or “UK” the United Kingdom of Great Britain and Northern Ireland.

A reference to “£” is to pounds sterling, being the lawful currency of the UK.

PART I

LETTER FROM THE BOARD OF CLOUDBUY PLC

(Incorporated in England and Wales with registered no. 03732253)

Directors:

Ronald Duncan (Executive Chairman)
Lyn Duncan (Chief Executive Officer)
David Gibbon (CFO & COO)
David Chellingsworth (Non-Executive Director)
Michael Pasternak (Non-Executive Director)

Registered Office:

5 Jupiter House
Calleva Park
Aldermaston RG7 8NN

9 January 2020

To the Shareholders of CloudBuy PLC

Dear Shareholder,

Proposed cancellation of admission of Ordinary Shares to trading on AIM, Notice of General Meeting, Re-Registration as a Private Limited Company and Adoption of New Articles of Association

1. Introduction

As announced by the Company today, the Directors have concluded that it is in the best interests of the Company and its Shareholders to cancel the admission of the Ordinary Shares to trading on AIM, seek approval for the Company to be re-registered as a private limited company and adopt the New Articles. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out in Part IV of this Document.

The Company is seeking Shareholders' approval for the Cancellation, Re-registration and adoption of the New Articles at the General Meeting, which has been convened for 11 a.m. on 27 January 2020 at the offices of CloudBuy PLC, 5 Jupiter House, Calleva Park, Aldermaston RG7 8NN.

If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 7 February 2020.

The purpose of this Document is to seek Shareholders' approval for the Resolutions, to provide information on the background and reasons for Cancellation, the Re-registration and adoption of the New Articles, and to explain the consequences of the Cancellation, the Re-registration and adoption of the New Articles and provide reasons why the Directors unanimously consider

the Cancellation, Re-registration and adoption of the New Articles to be in the best interests of the Company and its Shareholders as a whole.

The Notice of the General Meeting is set out in Part IV of this Document.

2. Background and reasons for Cancellation

The Directors have conducted a review of the benefits and drawbacks to the Company and its Shareholders in retaining its quotation on AIM and believe that Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Directors have considered the following key factors, amongst others:

- the company strategy has been to focus on PHBChoices, this has not performed as expected and the resulting shortfall in revenue means that further significant cost reductions are required;
- the considerable cost, management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM are, in the Directors' opinion, disproportionate to the benefits to the Company. Excluding savings from staff and director redundancies, it is estimated that Cancellation will reduce the Company's recurring administrative costs by £100,000 per annum, and these sums can be better spent maintaining the business; and.

the company no longer has any institutional investors and has a low market capitalisation which makes it very difficult to raise further funds in the market as the volume of trading further reduces the attractiveness to institutional investors.

Following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation at the earliest opportunity.

Following the Cancellation, the Board believes that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

3. Process for, and principal effects of, the Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

Under the AIM Rules, the Company is required to give at least 20 clear Business Days' notice of Cancellation. Additionally, Cancellation will not take effect until at least 5 clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 6 February 2020 and that the Cancellation will take effect at 7.00 a.m. on 7 February 2020.

The principal effects of the Cancellation will be that:

- while the Ordinary Shares will remain freely transferrable, it is likely that the liquidity and marketability of the Ordinary Shares will be constrained and the value of such shares may be adversely affected as a consequence;
- in the absence of a formal market and quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;
- Arden Partners will cease to be nominated adviser to the Company;
- whilst the Company's CREST facility will remain in place immediately post the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST. In this instance, Shareholders who hold Ordinary Shares in CREST will receive share certificates; and
- the Cancellation and Re-registration may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The Company will remain registered with the Registrar of Companies in England & Wales in accordance with and subject to the Companies Act 2006 (the "Law"), notwithstanding the Cancellation. Shareholders should also note that the Takeover Code will continue to apply to the Company following the Cancellation for the period of at least 10 years from the date of Cancellation subject to the Re-registration occurring.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company will:

- continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Law;
- continue to hold general meetings and annual general meetings for at least 2 years following the Cancellation and Re-registration where shareholder resolutions are proposed. ; and
- continue, for at least 12 months following the Cancellation, to maintain its website, <https://investor.CloudBuy.com> and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the Disclosure Guidance and Transparency Rules, AIM Rule 26 or to update the website as required by the AIM Rules.

In addition, the Company confirms that, with the exception of David Gibbon, the existing Directors expect to resign following the Cancellation. Ronald Duncan and Lyn Duncan will be available in an advisory capacity only, based on their long experience of the Company.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles with effect from the Re-registration. A summary of the principal changes being made by the adoption of the New Articles is included in Part II of this Document. A copy of the New Articles can be viewed at <https://investor.cloudbuy.com/aim-rule-26.html>.

4. Transactions in the Ordinary Shares prior to and post the proposed Cancellation

4.1 Prior to Cancellation

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to Cancellation.

4.2 Dealing and settlement arrangements

The Company do not intend to implement a recognised dealing facility following the delisting, and, as such, it is likely that the liquidity and marketability of the Ordinary Shares will be constrained and the value of such shares may be adversely affected as a consequence. In the absence of a formal market and quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time.

The Directors are aware that Shareholders may wish to acquire or dispose of Ordinary Shares in the Company following the Cancellation. Accordingly, the Board intends to put in place an internal process that will allow Shareholders or persons wishing to acquire or sell Ordinary Shares to leave an indication that they are prepared to buy or sell at an agreed price. The Company will then use its reasonable

endeavours to contact those parties that are willing to buy and sell in order that they may discuss effecting the bargain.

Once such a procedure has been put in place details will be made available to Shareholders on the Company's website (<https://investor.cloudbuy.com/>). It is expected that this will take place after the Cancellation.

Transfers of interests in Ordinary Shares in certificated form should be sent to the Company Secretary, CloudBuy PLC, 5 Jupiter House, Calleva Park, Aldermaston RG7 8NN. Existing share certificates remain valid.

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 6 February 2020 and that the effective date of the Cancellation will be 7 February 2020.

5. Current Trading, Strategy and Prospects

Since the interim results for the six months ended 30 June were published on 21 August 2019, revenue has not grown as expected. One of the Company's larger customers, UOB in Singapore have cancelled their contract. Under the termination agreement, the Company will receive a termination fee in January 2020 representing the majority of the fixed fees which would have been payable in the remaining period of the contract which was due to end in September 2021. The Company has also generated significant revenue for enhancements in the past and had expected future transaction based revenue from UOB, these prospective revenues will not be compensated for.

The Company will continue to pursue its strategy of simplifying the business and focusing on a few larger clients and in particular to grow revenue from PHBChoices. If the cancellation resolution is passed, the Company intends to make significant savings in Q1 through redundancies including the redundancy of 2 executive and 2 non-executive directors. The directors made redundant are expected to receive less than 50% of their contractual redundancy entitlement. The salary of David Gibbon, the remaining director, will be reduced significantly for at least 6 months post delisting.

6. Re-registration

Following the Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the new articles of association on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

Application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company or that any such application to cancel the resolution to re-register as a private limited company has been determined and confirmed by the Court.

7. Takeover Code

Notwithstanding the Cancellation and Re-registration, under the Takeover Code the Company will continue to be subject to its terms for a period of 10 years following the Cancellation (subject to the Re-registration occurring).

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months. Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties. As part of his funding, Roberto Sella has received a dispensation (whitewash) from Rule 9.

Following the expiry of the 10 year period from the date of the Cancellation (subject to the Re-registration occurring), or such other date on which the Takeover Code ceases to apply to the Company, the Company will no longer be subject to the provisions of the Takeover Code. A summary of the protections afforded to Shareholders by the Takeover Code which will be lost is set out in Part III of this document.

8. Process for Cancellation

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in Part IV of this Document contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock

Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 6 February 2020. Accordingly, if the Cancellation Resolution is passed the Cancellation will become effective at 7.00 a.m. on 7 February 2020. If the Cancellation becomes effective, Arden Partners will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

9. General Meeting

9.1 General Meeting Details

The General Meeting will be held at the offices of cloudBuy plc, 5 Jupiter House, Calleva Park, Aldermaston RG7 8NN commencing at 11.00am on 27 January 2020. Each Resolution other than resolutions 3 and 4 will be proposed as a special resolution. Resolution 1 with respect to the cancellation is not conditional on any of the other Resolutions although the other Resolutions are conditional on the Cancellation, set out in Resolution 1 being passed, the adoption of the New Articles pursuant to Resolution 2 is also effectively conditional on the Re-registration, Resolution 3 is also conditional on the Re-registration and adoption of the New Articles and Resolution 5 is also conditional on the passing of Resolution 4.

9.2 Voting Commitments

The Directors and Roberto Sella together representing 27.5% of the issues share capital, have given an irrevocable commitment that they will vote in favour of the motions at the General Meeting.

10. Action to be taken

You will find enclosed with this Document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete and return the Form of Proxy to the Company Secretary, CloudBuy PLC 5 Jupiter House, Calleva Park, Calleva Park, Aldermaston RG7 8NN, in accordance with the instructions printed thereon as soon as possible but, in any event, to be received no later than 11 a.m. on 23 January 2020. Completion and return of a Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you so wish.

11. Recommendation

The Directors consider that the Cancellation, Re-registration and adoption of the New Articles are in the best interests of the Company and its Shareholders as a whole and therefore unanimously recommend that you vote in favour of the Resolutions at the General Meeting.

Yours faithfully,

The Board

PART II

PRINCIPAL EFFECT OF RE-REGISTRATION AND ADOPTION OF NEW ARTICLES ON SHAREHOLDERS

1. **Accounts**

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

2. **General meetings and resolutions**

A public company is required to hold an annual general meeting of Shareholders each year, whereas a private company is not. However, following the Re-registration and the adoption of the New Articles the Company will continue to hold annual general meetings for at least 2 years after the Re-registration.

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of 75 per cent of the voting shares then in issue (in the case of special resolutions) although the Company will continue to hold general meetings (other than annual general meetings) for at least 1 year following the Cancellation and Re-registration to ensure that Shareholders have the opportunity to meet the Directors and discuss the Company.

3. **Directors**

The Current Articles contain provisions requiring the Directors to retire by rotation every three years. These provisions have been removed in the New Articles. In addition, the New Articles will not require any Director appointed by the Board to be re-appointed by the Shareholders at the next annual general meeting following his appointment, as is currently required.

4. **Issue of shares for non-cash consideration**

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-

cash consideration. These restrictions will not apply following the Re-registration and adoption of the New Articles.

5. Refusal to register a share transfer

The Board will in the New Articles have absolute discretion to refuse to register any share transfer that is not made in accordance with the share transfer provisions in the New Articles (whether the share is paid up or not).

6. Financial assistance, reductions of capital and purchase of own shares out of capital

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply.

In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court. Similarly, following Re-registration, the Company will be able to effect buy backs of shares out of capital, which it is currently prohibited from doing as a public limited company.

7. Company Secretary

There is no requirement for a company secretary to be appointed, although the Company may appoint one should it wish.

8. Removal of unnecessary provisions and simplification

The New Articles will not contain many of the detailed provisions of the Current Articles which are common for listed companies, and which will not be necessary for the Company following the Cancellation. Many of these provisions duplicate provisions of company law or can be simplified.

These include provisions relating to:

- a) the form of resolutions; and
- b) the requirement to keep accounting records.

PART III THE TAKEOVER CODE

The Takeover Code

The Takeover Code currently applies to the Company and will do so for 10 years following the Cancellation (subject to the Re-registration occurring). However, once the 10 year period referred to has expired, the Takeover Code will not apply to the Company and will not apply to any offer made to Shareholders to acquire their Ordinary Shares subsequent to the 10 year period following the Re- registration of the Company as a private company.

Shareholders should note that, if the Cancellation becomes effective (and subject to the Re-registration occurring), after the expiry of 10 years from the date of the Cancellation (or such other date at which the Takeover Code ceases to apply to the Company) they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below. **Before giving your consent to the Re-registration of the Company as a private company, you may want to take independent professional advice from an appropriate independent financial adviser.**

The Takeover Code

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The General Principles and Rules of the Takeover Code

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part 1 of Appendix A of this Part III. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

Giving up the protection of the Takeover Code

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part 2 of Appendix A of this Part III. **You are encouraged to read this information carefully as it outlines certain important protections which will cease to apply 10 years following Cancellation (subject to the Reregistration occurring) or on such other date at which the Takeover Code ceases to apply to the Company.**

APPENDIX A

Part 1: The General Principles of the Takeover Code

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company, or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

Part 2: Detailed application of the Takeover Code

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. **You should note that 10 years after the Cancellation (subject to the Re-registration occurring) you will be giving up protections afforded by the Takeover Code.**

Equality of treatment

General Principle 1 of the Takeover Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

Information to shareholders

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

The opinion of the offeree board and independent advice

The board of the offeree company is required by Rule 3.1 of the Takeover Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

Option holders and holders of convertible securities or subscription rights

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If Cancellation occurs, 10 years following the Cancellation (subject to Re-registration having occurred) or on such other date at which the Takeover Code ceases to apply to the Company, these protections will be lost.

PART IV
NOTICE OF GENERAL MEETING
(the “Company”)

NOTICE IS HEREBY GIVEN THAT a General Meeting of the Company (the “Meeting”) will be held at 11 a.m. on 27 January 2020 at the offices of CloudBuy PLC, 5 Jupiter House, Calleva Park, Aldermaston RG7 8NN to consider and, if thought fit, approve the resolutions set out below, where Resolutions 3 and 4 are proposed as ordinary resolutions and Resolutions 1, 2 and 5 are proposed as special resolutions.

Special Resolutions

1. THAT, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by the London Stock Exchange plc) of the ordinary shares of 1p each in the capital of the Company be and is hereby approved and the directors of the Company be authorised to take all action reasonable or necessary to effect such cancellation.

2. THAT, subject to and conditional upon Resolution 1 being approved at the General Meeting and the cancellation of the admission of the ordinary shares of 1p in the capital of the Company to trading on AIM (the market of that name operated by the London Stock Exchange PLC) (“Cancellation”) becoming effective:

(a) the Company be re-registered as a private limited company under the Companies Act 2006 (the “Act”) with the name of CLOUDBUY Limited; and

(b) and pursuant to section 101(4) of the Act, the regulations contained in the document submitted to the meeting and for the purposes of identification signed by the chairperson be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

Ordinary Resolutions

3. THAT, subject to and conditional up Resolution 2 being approved the directors be given authority to authorise matters giving rise to an actual or potential conflict for the purposes of section 175 of the Act.

4. THAT, subject to and conditional upon Resolution 1 being approved at the General Meeting and the Cancellation becoming effective, that the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal amount of £50,000, such authority to apply in substitution for all previous authorities and to expire on the date which is the fifth anniversary after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting but, in each case, so that the Company may make offers

and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

Special Resolution

5. THAT, subject to the passing of resolution 4, the directors be and are hereby empowered to allot equity securities (as defined in Section 560(1) of the Act) wholly for cash pursuant to the authority given by resolution 4 above or where the allotment constitutes an allotment of equity securities by virtue of Section 560(2) of the Act up to an aggregate nominal amount of £50,000 as if Section 561(1) of the Act did not apply to any such allotment, such authority to expire on the date which is the fifth anniversary after the passing of this resolution unless previously renewed, varied or revoked by the Company in general meeting, but in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require equity securities to be allotted after the authority ends.

For the purposes of this resolution:

- a. references to an allotment of equity securities shall include a sale of treasury shares; and
- b. the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

By order of the Board

Registered Office:

5 Jupiter House
Calleva Park
Aldermaston
RG7 8NN

9 January 2020

Notes

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:

- 11 a.m. on 23 January 2020; or,
- if this Meeting is adjourned, 48 hours prior to the adjourned meeting (not including non-working days),

shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

4. 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.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

7. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company Secretary at 5 Jupiter House, Calleva Park, Aldermaston RG7 8NN or scanned and sent by email to David.Gibbon@cloudbuy.com; and
- received by the Company Secretary no later than 11 a.m. 23 January 2020.

8. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

10. 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 the joint holding (the first-named being the most senior).

Changing proxy instructions

11. To change your proxy instructions simply submit a new proxy form. Note that the cut-off time for receipt of proxy forms (see above) also applies in relation to new proxy forms; any amended proxy appointment received after the relevant cut-off time will be disregarded.

12. If you submit more than one valid proxy form, the form received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company Secretary at 5 Jupiter House, Calleva Park, Aldermaston RG7 8NN or scan and email the signed notice to David.Gibbon@cloudbuy.com. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by the Company Secretary no later than 11 a.m.

23 January 2020.

14. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

15. 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.

Communication

16. Except as provided above, members who have general queries about the Meeting should call +44 (0)118 963 7000 (no other methods of communication will be accepted).

17. You may not use any electronic address or the telephone details provided either:

- in this notice of general meeting; or
- any related documents (including the chairman's letter and proxy form),

to communicate with the Company for any purposes other than those expressly stated.