

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the Resolutions to be voted on at the General Meeting of the Company to be held at Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ at 10.30 a.m. on 1 March 2017. If you are in any doubt about what action you should take, you should consult your stockbroker, bank manager, solicitor or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy for use in relation to the General Meeting as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.



(Incorporated and registered in England and Wales with registered no. 06458458)

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of Proxama plc to be held at **Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ** at 10.30 a.m. on 1 March 2017 is set out at the end of this document. A Form of Proxy for use in connection with the General Meeting is also enclosed with this document. The Form of Proxy should be completed and returned to the Company's Registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 48 hours prior to the General Meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

PART 1

LETTER FROM THE CHAIRMAN

Proxama plc

(Incorporated and registered in England and Wales with registered no. 06458458)

Directors:

David Bailey, *Chairman*
John Kennedy, *CEO*
Mike Woods, *CEO, Payments Division*
Shaun Gregory, *Non-Executive Director*

Registered office:

27/28 Eastcastle Street,
London
W1W 8DH

13 February 2017

To Shareholders and, for information purposes only, holders of options to subscribe for new Proxama ordinary shares of 0.01p each (“Ordinary Shares”)

Dear Shareholder

1 Introduction

The Company has today announced the calling of a general meeting of the Company (“**General Meeting**”) in connection with the convertible loan note instrument executed by Proxama plc (“**Proxama**” or the “**Company**”) on 12 December 2016 (the “**Instrument**”).

2 Background

Under the terms of the Instrument the Company is required at all times to maintain a minimum authority to allot 300,000,000 Ordinary Shares (the “**Minimum Share Number**”). Following the allotment of Ordinary Shares in connection with the Instrument on 8 February 2017, the Company’s authority to allot Ordinary Shares on a non pre-emptive basis fell below the Minimum Share Number.

Accordingly, the Company is now seeking the approval of the Shareholders (at the General Meeting) to provide the Directors with authority to allot such number of Ordinary Shares as may be required in connection with the conversion into Ordinary Shares of the remaining £800,000 of loan notes issued pursuant to the Instrument (“**Loan Notes**”). As this number is dependent upon the share price from time to time of the Ordinary Shares, the Directors propose that up to 400,000,000 Ordinary Shares be authorised for allotment, although the number of Ordinary Shares required to satisfy the conversion of the Loan Notes would be significantly less than 400,000,000 if the price per Ordinary Share remains at or above 0.475 pence (being the closing mid-market price on 10 February 2017, the latest practicable date prior to posting of this document). This authority to allot Ordinary Shares will be restricted to just the allotment of Ordinary Shares in connection with the Loan Notes.

If the Minimum Share Number is not reinstated, or if the Company is unable to issue Ordinary Shares as and when required in connection with the Loan Notes then the Company will be in potential breach of the terms of the Instrument. The potential outcome of any such breach is that the Company may be obliged to repay the outstanding balance of the Loan Notes (currently £800,000) at 120% of their face value (£960,000).

3 General Meeting

A notice is set out below this letter convening the General Meeting of Shareholders at the offices of Taylor Vinters LLP at Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ at 10.30 a.m. on Wednesday 1 March 2017 for the purpose of considering and, if thought fit, approving the resolutions set out therein (the “**Resolutions**”).

Set out below is an explanation of the Resolutions. Resolutions 1 and 3 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 2 and 4 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

- *Resolutions 1 and 2 – non pre-emptive allotment of the Ordinary Shares in connection with the Loan Notes*
Resolutions 1 and 2 empower the Directors to allot Ordinary Shares in connection with the Loan Notes for cash otherwise than in accordance with the statutory pre-emption provisions set out in the Companies Act 2006.
- *Resolutions 3 and 4 – non pre-emptive allotment of shares in the capital of the Company (general authority)*
Resolutions 3 and 4 empower the Directors to allot Ordinary Shares for cash otherwise than in accordance with the statutory pre-emption provisions set out in the Companies Act 2006.

4 Action to be taken in respect of the General Meeting

Please check that you have received with this document:

- a form of proxy for use by shareholders in connection with the General Meeting (“**Form of Proxy**”); and
- if you are a Shareholder based in the United Kingdom, a reply-paid envelope for use in conjunction with the return of the Form of Proxy.

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal business hours only, by hand, to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 10.30 a.m. on 27 February 2017 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

If Resolutions 1 and 2 are not passed, then as described in paragraph 2 above, the Company may be in breach of the Instrument and liable to repay up to £960,000 in cash in respect of the Loan Notes.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

5 Recommendation

The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that you vote in favour of the Resolutions. Each of the Directors, plus certain shareholders, has irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 305,581,608 Ordinary Shares, representing approximately 14.44 per cent. of the Ordinary Shares in issue as at the date of this letter.

Yours faithfully

David Bailey
Chairman

PART 2

NOTICE OF GENERAL MEETING

Proxama plc

(Incorporated in England and Wales with registered no. 06458458)

(the “Company”)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at **Taylor Vinters LLP, Tower 42, 33rd Floor, 25 Old Broad Street, London EC2N 1HQ** at 10.30 a.m., on 1 March 2017 for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 and 3 will be proposed as ordinary resolutions and resolutions 2 and 4 will be proposed as special resolutions:

ORDINARY RESOLUTION

1. That, the Directors be and they are hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot equity securities (as defined in section 560 of the Companies Act 2006 (the “Act”), (“Equity Securities”)) pursuant to section 551 of the Act, provided this authority shall be limited to the allotment of up to 400,000,000 Equity Securities with an aggregate nominal value of £40,000 in connection with the allotment of Ordinary Shares in connection with the Loan Notes (as defined in the Circular accompanying this Notice of General Meeting dated 13 February 2017 (the “Circular”)) provided always that the authorities conferred by this resolution shall expire at the earlier of the 12 December 2017 and there being no outstanding Loan Notes (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 551 of the Act.

SPECIAL RESOLUTION

2. That, subject to Resolution 1 above being passed, the Directors be and they are hereby authorised and empowered pursuant to section 570 of the Act to allot Equity Securities for cash pursuant to the section 551(1) authority referred to in Resolution 1 above, as if section 561(1) of the Act did not apply to any such allotment, provided that such power is limited to the allotment of up to 400,000,000 Equity Securities with an aggregate nominal value of £40,000 in connection with the allotment of Ordinary Shares in connection with the Loan Notes (as defined in the Circular) provided always that the authorities conferred by this resolution shall expire at the earlier of the 12 December 2017 and there being no outstanding Loan Notes (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 570 of the Act.

ORDINARY RESOLUTION

3. That, the Directors be and they are hereby generally and unconditionally authorised to exercise all of the powers of the Company to allot Equity Securities pursuant to section 551 of the Act, provided this authority shall be limited to the allotment of up to 705,464,662 Equity Securities with an aggregate nominal value of £70,546.47 provided always that the authorities conferred by this resolution shall expire at the earlier of the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 551 of the Act.

SPECIAL RESOLUTION

4. That, subject to Resolution 3 above being passed the Directors be and they are hereby authorised and empowered pursuant to section 570 of the Act to allot Equity Securities for cash pursuant to the section 551(1) authority referred to in Resolution 3 above, as if section 561(1) of the Act did not apply to any such allotment, provided that such power is limited to the allotment of up to 211,639,399 Equity Securities with an aggregate nominal value of £21,163.94, provided always that the authorities conferred by this resolution shall expire at the earlier of the conclusion of the next annual general meeting of the Company (unless previously renewed, varied or revoked by the Company in a general meeting) and provided further that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired. The authority granted by this resolution shall be in addition to all existing authorities to allot any shares or grant rights to subscribe for or convert securities into shares in the Company previously granted to the Directors pursuant to section 570 of the Act.

Dated: 13 February 2017

By Order of the Board
Cargil Management Services Limited
Company Secretary

Registered office:
27/28 Eastcastle Street
London W1W 8DH

Notes

1. A shareholder entitled to attend and vote at the General Meeting may appoint a proxy to attend, speak and vote instead of that shareholder. A proxy need not be a shareholder of the Company but must attend the meeting in person. 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 held by the appointing shareholder.
2. To be effective, the relevant proxy form must be completed and lodged with the Company's registrar, Computershare Investor Services plc, whose address is The Pavilions, Bridgwater Road, Bristol BS99 6ZY, no later than 48 hours before the meeting together with the original of any power of attorney or other authority under which the form of proxy is signed. In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of any officer or attorney duly authorised. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. Completion and return of the relevant proxy form enclosed herewith will not prevent a shareholder from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. 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 withhold from voting at his/her discretion. Your proxy will vote (or withhold from voting) as he/she thinks fit in relation to any other matter which is put before the meeting.
4. 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).
5. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), specifies that only those members registered in the Register of Members of the Company at 10.30 a.m. on 27 February 2017 (or if the General Meeting is adjourned, members entered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned General Meeting) shall be entitled to attend, speak and vote at the General Meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the Register of Members of the Company after 10.30 a.m. on 27 February 2017 shall be disregarded in determining the rights of any person to attend, speak or vote at the General Meeting.
6. Except as provided above, members who have general queries about the meeting should write to the Company Secretary at the address of our registered office. You may not use any electronic address provided either in this notice of General Meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

