

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action you should take, you are recommended to seek your own professional advice from your stockbroker, solicitor, accountant or other financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) who specialises in advising upon investments in shares and other securities.

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

CUBO COMMUNICATIONS GROUP PLC
(incorporated in England and Wales under number 05433076)
Re-registration as a Private Limited Company
and
Notice of Annual General Meeting

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter to Shareholders from the Directors of Cubo Communications Group Plc set out in Part 1 of this document. This letter explains the background to and reasons for the proposal to re-register Cubo Communications Group Plc as a private limited company and contains a recommendation that you vote in favour of the Resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of Cubo Communications Group Plc to be held at the offices of Kingston Smith LLP at Charlotte Building, 17 Gresse Street, London W1T 1QL at 11 a.m. on 27 June 2017 is set out at the end of this document.

Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting. **Whether or not you intend to be present at the Annual General Meeting, the Form of Proxy should be completed, signed and returned to the Company's registrars Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 11.00 am on 25 June 2017.** The completion and return of a Form of Proxy will not affect your right to attend and vote in person at the Annual General Meeting or any adjournment thereof, if you wish to do so. If you do not send in a valid Form of Proxy or attend the Annual General Meeting in person and vote, no one else may vote on your behalf.

DEFINITIONS

“Annual General Meeting”	the annual general meeting of the Company convened for 11 a.m. on 27 June 2017, notice of which is set out at the end of this document
“Company”	Cubo Communications Group Plc
“Directors”	the directors of the Company
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the Annual General Meeting
“Notice”	the notice of the Annual General Meeting set out at the end of this document
“Ordinary Shares”	the ordinary shares of 1 pence each in the capital of the Company
“Re-registration”	the re-registration of the Company as a private limited company
“Resolutions”	the resolutions to be proposed at the Annual General Meeting as set out in the Notice
“Shareholders”	the holders of Ordinary Shares
“Takeover Code”	the City Code on Takeovers and Mergers
“Takeover Panel”	the Panel on Takeovers and Mergers

PART 1

CUBO COMMUNICATIONS GROUP PLC

(Registered in England and Wales with registered number 05433076)

Registered Office
Holden House,
57 Rathbone Place,
London W1T 1JU

Directors

David Kerry Simpson
Andrew Harris
Ian Mansel-Thomas

To all Shareholders and, for information purposes only, Option Holders

Dear Sir or Madam

Re-registration of the Company as a Private Limited Company Notice of Annual General Meeting

1. Introduction

The Company is seeking to obtain Shareholder approval to re-register the Company as a private limited company.

This letter explains why the Directors consider the Re-registration to be in the best interests of the Company and Shareholders as a whole.

The Re-registration requires the approval of not less than 75 per cent. of the votes cast by Shareholders at a general meeting.

The approval of Shareholders to the Re-registration is therefore being sought at the Annual General Meeting to be held at 11am on 27 June 2017. The Notice, which convenes the Annual General Meeting at which the Resolutions will be proposed, is set out at the end of this document.

2. Reasons for the Re-registration

The Directors consider that there is little benefit to maintaining the Company's status as a public limited company. The main advantage to the Company of re-registering as a private limited company is that it will reduce costs and administrative burdens associated with maintaining the Company's status as a public limited company. It will also allow future corporate actions (including, potentially, a future trade sale of the Company) to be undertaken in a more straightforward and cost effective manner due to the more flexible regime which applies to private limited companies. In particular, the Directors consider that if a sale opportunity were to present itself in the future, the need to make an offer in full compliance with the Takeover Code could potentially deter a buyer from proceeding, given the substantial costs and complexity involved with such a process, relative to the Company's size.

3. Application of the Takeover Code to the Company

The Takeover Code currently applies to the Company. However, if the Re-registration is approved, the Takeover Code will cease to apply to the Company after 8 September 2019 (being 10 years after the delisting of the Company's shares from AIM).

As such, shareholders should note that, if the resolution to re-register the Company as a private company becomes effective, 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 after 8 September 2019.

Brief details of the Takeover 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 stockbroker, solicitor, accountant or other independent financial adviser.**

- **The Takeover Code and the Takeover Panel**

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

The Takeover Code and the Takeover 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 Takeover 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. 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 Takeover 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 Takeover 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. You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up after 8 September 2019 if you agree to the re-registration of the Company as a private company.

4. Shareholder Protections

Notwithstanding the loss of protection afforded by the Takeover Code, the Directors remain subject to a wide range of statutory and common law rules designed to protect shareholders. In particular, the Companies Act 2006 protects shareholders by requiring directors to act within their powers; to promote the success of the company; to exercise independent judgment; to exercise reasonable care, skill and diligence; to avoid conflicts of interest; not to accept benefits from third parties and to declare an interest in a proposed transaction or arrangement. In fulfilling the duty to promote the success of the company, a director must have regard to many factors including the need to act fairly as between the members of the company.

5. New Articles of Association and Change of Name

Under the Companies Act 2006, as part of the Re-registration, the Company is required to make such changes to its articles of association and name as are required in connection with the Company becoming a private company limited by shares. A resolution will therefore be proposed at the Annual General Meeting to adopt new articles and to change the name of the Company to Cubo Communications Group Limited.

The new articles of association proposed to be adopted include provisions which the Directors believe to be appropriate for a private limited company incorporated under the Companies Act 2006 with a broad shareholder base. The changes proposed to be made to the existing articles of association are as follows:

- Change of the Company's name to Cubo Communications Group Limited;
- Deletion of old Article 46 - Failure to Disclose Interests in Shares – these provisions have been removed because they are only relevant to public companies;
- Insertion of new Article 52 - Share buy-back – in accordance with the Companies Act 2006, these provisions allow for the Company to make small buybacks of shares out of capital.
- Deletion of old Article 60 - Share Warrants - and corresponding changes throughout the articles of association – this article provided the ability to issue share warrants to bearer which were abolished by legislation in 2015.

A copy of the proposed new articles of association are attached as Appendix B.

6. Annual General Meeting

Implementation of the Re-registration requires the approval of Shareholders at a general meeting. Accordingly, there is set out at the end of this document a notice convening the Annual General Meeting and setting out the Resolutions to be proposed at that Annual General Meeting.

7. Action to be taken

Shareholders will find enclosed a Proxy Form for use in connection with the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete the Proxy Form in accordance with the instructions printed on it. The completion and return of a Proxy Form will not preclude Shareholders from attending the Annual General Meeting should they wish to do so.

8. Recommendations

The Board considers the Re-registration to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Board recommends that you vote in favour of the Resolutions in connection with the Re-registration.

Yours sincerely

Ian Mansel-Thomas

Director and Company Secretary

For and on behalf of the board of Cubo Communications Group Plc

PART 2
CUBO COMMUNICATIONS GROUP PLC
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (the “AGM”) of Cubo Communications Group Plc (the “Company”) will be held at the offices of Kingston Smith LLP, Charlotte Building, 17 Gresse St, London W1T 1QL on 27 June 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions. Resolutions 1 and 2 will be proposed as special resolutions and resolutions 3 to 5 will be proposed as Ordinary resolutions.

Special Resolutions

1. Re-registration as a Private Limited Company

To register the Company as a private limited company under the Companies Act 2006 by the name of Cubo Communications Group Limited.

2. New Articles of Association

Subject to the passing of Resolution 1, the new articles of association annexed as Appendix B be adopted in substitution for and to the exclusion of the existing articles of association.

Ordinary Resolutions

3. Annual Accounts

To receive and adopt the Company's audited annual accounts for the financial year ended 31 December 2016 together with the directors' report and auditor's report on those accounts.

4. Reappointment of auditors

To reappoint Kingston Smith LLP as auditors of the Company to hold office until the conclusion of the Company's next AGM.

5. Auditor's remuneration

To authorise the Directors to fix the remuneration of the auditors.

Dated: 30th May 2017

By order of the Board

Ian Mansel-Thomas
Director and Company Secretary

Registered Office:
Holden House
57 Rathbone Place
London W1T 1JU

Notes:

1. Holders of Cubo Communications Group Plc ordinary shares are entitled to attend this meeting. Any member entitled to attend and vote at the meeting may appoint one or more proxies to attend, to speak and to vote on his behalf at the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. A proxy need not be a member of the Company but must attend the meeting to represent him or her.
2. A Form of Proxy is enclosed for holders of Cubo Communications Group Plc ordinary shares. To be valid, the Form of Proxy (together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy of such power of attorney or other authority) must be received, duly completed and signed, by the registrars of the Company, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than 11.00 a.m. on 25 June 2017. Completion of a Form of Proxy will not preclude a member from attending and voting in person.
3. A shareholder which is a corporation (including a company) (a “**corporation**”) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a “corporate representative”) must submit a certified copy of the resolution giving the relevant authority to that corporate representative to the registered office (for the attention of the Company Secretary) by the same deadline as in note 2 above. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company. Alternatively, a corporation may complete and return a Form of Proxy.
4. In the case of joint shareholders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which their names stand in the register of members in respect of their joint holding. The names of all joint shareholders should be stated on the Form of Proxy, but the signature of one holder will be sufficient.
5. The resolutions will be decided on a show of hands unless a poll is demanded in accordance with the provisions of the articles of association of the Company and of the Companies Act 2006.
6. Any question relevant to the business of the AGM may be asked at the meeting by anyone permitted to speak at the meeting.

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, by agreeing to the Re-registration, you will be giving up the protections afforded by the Takeover Code after 8 September 2019.

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 on an offer 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 information about the companies involved in the offer must be made equally available to all offeree company shareholders 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 the Re-registration takes effect, these protections will be lost.

Appendix B
New Articles of Association

See separate document attached.