

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

If you sell or have sold or otherwise transferred all of your ordinary shares, please send this document and form of proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee.

This document comprises a Circular relating to Aviation PLC prepared in accordance with the Listing Rules of the Financial Conduct Authority. This Circular has not been approved by the Financial Conduct Authority.

AVATION PLC

(Incorporated and registered in England and Wales with company number 5872328)

Notice of General Meeting

A notice convening a General Meeting of the Company to be held at on 5 March 2021 is set out at the end of this document. Shareholders will find attached to this document a Form of Proxy for use in connection with the General Meeting. The attached Form of Proxy for use at the General Meeting should be completed, signed and returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom, in accordance with the instructions printed thereon as soon as possible and to be valid must arrive not later than 48 hours before the time fixed for the General Meeting. In accordance with the Corporate Insolvency and Governance Act 2020, the General Meeting will be held as a closed meeting and Shareholders will not be permitted to attend. Shareholders are urged to appoint the Chairman of the General Meeting as their proxy.

This Circular and Notice of General Meeting does not constitute or form part of an offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall any part of it nor the fact of its distribution form part of or been relied on in connection with any contract or investment relating thereto, nor does it constitute a recommendation regarding the securities of the Company.

LETTER FROM THE CHAIRMAN

AVATION PLC

(incorporated and registered in England and Wales with registered number 5872328)

Directors

Robert Jeffries Chatfield (Executive Chairman)
Roderick Douglas Mahoney
Stephen John Fisher
Derek Sharples

Registered office

5 Fleet Place
London EC4M 7RD
United Kingdom

9 February 2021

To the holders of ordinary shares

Dear Shareholder

Notice of General Meeting

As further detailed in the Company's RNS of 9 February 2021, the Company has reached an agreement with a committee of bondholders representing 76% of Aviation Capital S.A.'s 6.5% senior notes due 2021 issued under Aviation's global medium term note programme (the **Notes**) to extend the maturity of the Notes (the **Bond Extension**).

As noted in the RNS, the key terms of the Bond Extension include:

- a maturity extension of the Notes from 15 May 2021 to 31 October 2026
- 6.5% interest plus at the option of the company either 2.5% interest payable in kind (PIK) or 1.75% cash interest
- consent fee of 75bps, with 25bps deferred until the Company has received net proceeds from asset disposals of more than US\$10 million
- General strengthening of the Notes' covenants

In addition to those key terms, the Company has agreed to issue six million warrants to subscribe for Ordinary Shares (the **Bondholder Warrants**). The key terms of the Bondholder Warrants are:

- Exercise price to be 114.5 pence per share
- Time to expiry 31 October 2026
- Exercisable at any time by the holder
- Exercisable on a cash or cashless basis
- Separate from (not stapled to) the Notes
- Warrants to be tradeable/listed on a stock exchange within 12 months of issue
- Each warrant gives the holder to subscribe for one ordinary share of £0.01 each in the capital of the Company, following which the Company will make application for admission of such shares to trading on the Main Market of the London Stock Exchange

Although Shareholders passed a resolution at its December 2020 AGM to disapply pre-emption rights, the issue of the Bondholder Warrants would utilise nearly the whole of that authority and so if the Company wished to raise equity finance during the course of 2021, it would be required to ask shareholders for further authorities. Therefore, it is considered prudent by the Board to ask for a specific separate authority to disapply pre-emption rights in connection with the issue of the Bondholder Warrants.

In addition to sufficient authority to issue the Bondholder Warrants, the Company is seeking authority to allot a further two million shares with pre-emption rights disapplied with the proceeds of any such issue to be for the Company's general corporate purposes, as may be necessary from time to time.

Shareholders are accordingly being asked to pass a special resolution at the General Meeting to disapply pre-emption rights as outlined above.

Notice of General Meeting

You will find set out at the end of this document, a notice convening a general meeting of the Company to be held at 9.00 a.m. on 5 March 2021. In light of the current Covid-19 pandemic and pursuant to the provisions of the Corporate Insolvency and Governance Act 2020 the meeting will be held as a closed meeting and no Shareholders or proxies will be permitted to attend. The Company will make arrangements to ensure the quorum requirements for General Meeting are met. Shareholders are therefore urged to vote in advance by proxy and to appoint the Chairman of the meeting as their proxy to ensure their votes are counted.

Action to be taken

You will find enclosed with this document a Form of Proxy for use by Shareholders at the General Meeting. You are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and in any event not later than 9.00 a.m. on 3 March 2021, being 48 hours before the time appointed for holding the General Meeting.

Recommendation

As noted above, the Directors consider that the passing of the Resolution is likely to promote the success of the Company and is in the best interests of the Company and its shareholders as a whole.

Accordingly, the Directors unanimously recommend that shareholders vote in favour of the resolutions to be proposed at the General Meeting. Those Directors who hold shares intend to vote in favour of the resolutions in respect of their holdings of ordinary shares amounting to 12,376,668 ordinary shares in aggregate (representing approximately 19.1% of the issued ordinary share capital of the Company as at the date of this document).

Yours faithfully



Robert Jeffries Chatfield
Executive Chairman

AVATION PLC

(incorporated and registered in England and Wales with company number 5872328)

Notice of General Meeting

Notice is hereby given that a General Meeting of Aviation PLC (the **Company**) will be held at 9.00 a.m. (UK time) on 5 March 2021 for the purpose of considering and, if thought fit, passing the following resolution which, will be proposed as a special resolution:

SPECIAL RESOLUTION

That the Directors be and they are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the **Act**) to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply the allotment of equity securities up to an aggregate nominal amount of £80,000 and the power hereby conferred shall operate in addition to any previous power given to the directors pursuant to sections 570 or 573 of the CA 2006 and shall expire on the date falling 12 months from the date of the passing of this resolution unless such power is renewed or extended prior to or at such meeting, except that the Company may before the expiry of any power contained in this resolution 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 as if the power conferred hereby had not expired.

By order of the Board



Duncan Scott
Company Secretary
AVATION PLC

9 February 2021

Registered Office: **5 Fleet Place
London
EC4M 7RD
United Kingdom**

PROCEDURAL NOTES TO NOTICE OF GENERAL MEETING

**In the light of the Covid-19 Pandemic and the provisions of the Corporate Insolvency and Governance Act 2020
shareholders' attention is specifically drawn to note 1**

1. A member of the Company entitled to attend and vote at the General Meeting may ordinarily appoint a proxy or proxies to attend and to speak and vote instead of him. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. **As the General Meeting will be held as a closed meeting, members are urged to vote in advance by proxy and to appoint the Chairman of the meeting as no other member or proxy will be permitted to attend**
2. The attached form of proxy for use at the General Meeting should be completed, signed and returned to the Company's registrars (the **Registrars**) at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom (if the form is posted outside the United Kingdom, you should return it in an envelope specifying "*par avion*" (airmail) using the Registrars' address above). It must arrive no later 9.00 a.m. (UK time) on 3 March 2021.
3. To be effective, the instrument appointing a proxy, and any power of attorney or other authority under which it is signed (or a copy of any such authority certified notarially or in some other way approved by the directors), must be deposited with the Registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom no later than 9.00 a.m. (UK time) on 3 March 2021 (or 9.00 a.m. (UK time) on the day two days prior to an adjourned meeting) or, in the case of a poll taken more than 48 hours after it is demanded, not less than 24 hours before the time appointed for the taking of the poll at which it is to be used.
4. In the case of joint holders, the vote of the senior who tenders the vote shall 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 the names stand in the Register of Members of the Company.
5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the General Meeting (and for the purpose of determining the number of votes they may cast), members must be entered on the register of members of the Company by 6.00 p.m. (UK time) on 3 March 2021. If the meeting is adjourned then, to be so entitled, members must be entered on the register of members of the Company at 6.00 p.m. (UK time) on the day two days before the time fixed for the adjourned meeting, or, if the Company gives notice of the adjourned meeting, at any other time specified in that notice.
6. Any person to whom this notice is sent who is a person nominated under Section 146 of the CA 2006 to enjoy information rights (a **Nominated Person**) may, under an agreement between him and the member by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in paragraph 1 above does not apply to Nominated Persons. The right described in that paragraph can only be exercised by members of the Company.
7. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes which are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make separate notification to the Company and the Financial Conduct Authority.
8. As at 8 February 2021 (the latest practicable date prior to the publication of this document), the Company's issued ordinary share capital consisted of 64,879,942 ordinary shares. As at that date the Company held 2,210,000 ordinary shares in treasury. Treasury shares are not taken into consideration in relation to the payment of dividends and voting at shareholder meetings. Accordingly, there are a total of 62,669,942 voting rights available for the purpose of calculating shareholders' percentage voting rights.
9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
10. A copy of this notice and other information required by section 311A of the CA 2006 is published on the Company's website at <http://www.aviation.net/notices.html>.
11. Any document or information relating to proxies for the General Meeting may be sent to AGM@aviation.net.

