

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, form of proxy and/or voting instruction form 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 Avation PLC prepared in accordance with the Listing Rules of the United Kingdom Listing Authority. This circular has not been approved by the Financial Conduct Authority.

The contents of this circular relate only to the proposed subject matter of the resolutions to be proposed pursuant to the notice of annual general meeting.

AVATION PLC

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

Notice of Annual General Meeting

The thirteenth annual general meeting of Avation PLC (the Company) will be held at 65 Kampong Bahru Road, Singapore 169370 on 15 November 2018 at 10.00 a.m. (UK Time) (the AGM). Shareholders based in the United Kingdom are invited to attend a video conference of the meeting which will be held contemporaneously at the offices of Charles Russell Speechlys LLP at 5 Fleet Place, London EC4M 7RD.

Whether or not you propose to attend the AGM, please complete and submit a form of proxy in accordance with the instructions printed on the enclosed form. The form of proxy must be received no later than 10.00 a.m. (UK time) on 13 November 2018. The return of a form of proxy will not preclude a member from attending, speaking or voting in person at the AGM should they so wish.

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

22 October 2018

To the holders of ordinary shares

Notice of 13th Annual General Meeting
Approval of the directors' authority to allot equity securities for cash
Approval of disapplication of pre-emption rights

Dear Fellow Shareholder,

As you will have seen from our Annual Report for 2018, our last financial year was another a record year and our financial performance reflects the thirteenth year of continuous execution of our business strategy.

We are pleased to report that, for the financial year, Avation produced its best ever fundamentals financial results. Lease revenue increased by 16% to US\$109.1 million. During the financial year, the value of Avation's aircraft assets steadily increased by 38% to US\$1.03 billion.

Fleet metrics improved with the average age of the aircraft fleet reduced to 3.2 years and the average remaining lease term increased to 7.7 years as at 30 June 2018 with no operating leases expiring until 2021.

Added scale and diversification delivered credit enhancement that saw credit rating upgrades from both S&P and Fitch Ratings and also allowed the issuance of \$300 million 6.5% Senior Notes due 2021, which extended debt maturity duration and lowered Avation's average cost of debt compared to the previous financial year.

Sources of Finance

We continue to evaluate the mix of financing required to optimise the Company's capital structure. When appropriate, equity funding from the issue of new share capital in the Company remains an important component in funding the Company's growth. The directors believe the Company has a proven track record in generating a return on contributed capital. Accordingly, the Notice of AGM contains resolutions enabling the directors to issue equity securities as described below. It is recommended that Shareholders support these resolutions.

Resolution 6 will be proposed as an ordinary resolution to provide the directors with authority to allot relevant securities (within the meaning of the Companies Act 2006 (the **CA 2006**)) up to an aggregate

nominal amount of £18,900 enabling the directors to allot up to 18.9 million new ordinary shares which represents approximately 30% of the Company's issued and agreed to be issued share capital.

In order to provide the directors with the power to allot equity securities (as defined by section 560 of the CA 2006) for cash without first offering those equity securities to Shareholders in accordance with section 561(1) of the CA 2006, Resolution 7 (which is subject to Resolution 6 being passed) will be proposed as a special resolution to provide the directors with authority to allot equity securities as if section 561(1) of the CA 2006 did not apply to such allotments up to a maximum nominal amount of £63,000, being a maximum of 6.3 million new ordinary shares, which represents approximately 10% of the Company's issued and agreed to be issued share capital.

Since the last AGM, the Company has issued 566,500 ordinary shares on the exercise of staff share warrants.

Use of Proceeds

The Directors confirm their intention that any cash raised by the Company from non-pre-emptive issues of equity securities pursuant to Resolution 7, should they occur, will be used to fund business matters such as:

- the purchase of aircraft, repayment of debt, general working capital; and
- the maintenance of adequate debt to equity ratios,

in each case, where the Board believes such transactions would be in the interests of the Company and its Shareholders. Detailed use of proceeds information would be provided in the context of any specific proposal to issue equity securities.

Recruitment and retention of management and staff

As the Company grows, the recruitment and retention of experienced executives are key to underpinning the continued growth of the Company's business. The Company has adopted a remuneration policy with the following principles aimed to assist in attracting and retaining suitably skilled executives and staff:

The policy is designed so as to:

- provide a fair and transparent remuneration policy that is in alignment with Shareholders' interests;
- provide both immediate and incentive remuneration that is sufficient to attract and retain employees within the current market;
- be consistent with market practices for listed companies;
- allow claw-back of incentives should previous performance be found to have led to future adverse circumstances for the Company; and
- ensure alignment between performance and compensation.

Part of the incentive mix will be the grant of options and/or warrants to members of staff, and such grants are overseen by the Company's board of directors.

Resolution 7 therefore further seeks to dis-apply pre-emption rights to enable directors to grant options and/or warrants to subscribe for shares with a nominal value in aggregate of up to £20,000, representing two million new ordinary shares (representing approximately 3.2% of the Company's issued and agreed to be issued share capital), in each case in accordance with the Company's remuneration policy and any employee share option scheme as adopted by the directors from time to time.

Notice of Annual General Meeting

You will find set out on page 5 of this document, a notice convening the annual general meeting of the Company to be held at 65 Kampong Bahru Road, Singapore 169370 on **15 November 2018** at 10.00 a.m. (UK time). Shareholders based in the United Kingdom are invited to attend a video conference of the meeting, which will be held contemporaneously at the offices of Charles Russell Speechlys LLP at 5 Fleet Place, London EC4M 7RD.

Action to be taken

You will find attached to this document a Form of Proxy for use by Shareholders at the AGM. Whether or not you intend to be present at the AGM, 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 the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and in any event not later than 10.00 a.m. (UK time) on 13 November 2018. Completion of a Form of Proxy will not preclude you from attending the meeting and speaking and voting in person if you so choose.

Recommendation

The directors consider that the passing of the resolutions 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 Board unanimously recommends that Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting. Those directors who hold shares intend to vote in favour of the resolutions in respect of their holdings of ordinary shares amounting at the date of this notice to 11,770,001 ordinary shares in aggregate (representing approximately 18.7% 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 Annual General Meeting

Notice is hereby given that the thirteenth Annual General Meeting of Avation PLC (the **Company**) will be held at 65 Kampong Bahru Road, Singapore 169370 on 15 November 2018 at 10.00 a.m. (UK time) (the **AGM**) for the purpose of considering and, if thought fit, passing the following resolutions which, in the case of resolutions 1 to 6, will be proposed as ordinary resolutions and, in the case of resolutions 7 to 9, will be proposed as special resolutions.

Whether or not you propose to attend the AGM, please complete and submit a form of proxy in accordance with the instructions printed on the enclosed form. The form of proxy must be received no later than 10.00 a.m. (UK time) on 13 November 2018. The return of a form of proxy will not preclude a member from attending, speaking or voting in person at the AGM should they so wish.

Explanatory notes in respect of the resolutions are provided on pages 8 to 9 of this document.

ORDINARY RESOLUTIONS

Resolution 1 – Report and Accounts

To receive and adopt the audited financial report of the Company for the financial year ended 30 June 2018, together with the reports of the directors and the auditors thereon.

Resolution 2 – Remuneration Report

To approve the remuneration report for the year ended 30 June 2018.

Resolution 3 – Re-Election of Roderick Douglas Mahoney as Director

That Roderick Douglas Mahoney, who retires by rotation, be re-elected as a director of the Company.

Resolution 4 – Re-appointment of Auditors

That Ernst & Young be re-appointed as auditors of the Company until the conclusion of the Company's next annual general meeting.

Resolution 5 – Remuneration of Auditors

That the directors of the Company be authorised to determine the remuneration of the auditors.

Resolution 6 – Authority to Allot Shares (General)

*That the directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the **CA 2006**) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the 2006 Act) of £18,900, and in each case, to such persons and at such times and on such terms as the directors think proper and provided that the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, unless and to the extent that such authority is renewed or extended prior to or at such meeting, save that the Company may, before the expiry of such period, make any offer or agreement which would or might require shares to be allotted after expiry of such period and the directors may allot shares in pursuance to such offer or agreement as if the authority conferred hereby had not expired.*

SPECIAL RESOLUTIONS

Resolution 7 – Disapplication of Pre-Emption Rights (General)

That, subject to the passing of resolution 6 and in accordance with section 570 of the CA 2006, the directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 6, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with a rights issue or any other pre-emptive offer in favour of holders of equity securities where the equity securities respectively attributable to the interest of all such holders are proportionate (as nearly as may be) to the respective amounts of equity securities held by them subject only to such exclusions or other arrangements as the directors may consider appropriate to deal with treasury shares, fractional entitlements or legal or practical difficulties under the laws of or the requirements of any recognised regulatory body in any territory or otherwise;*
- (b) in connection with grant of options under any employee share scheme adopted by the board of the Company from time to time and/or the grant of any share warrants up to an aggregate nominal amount of £20,000 and the issue of any shares pursuant to the exercise of any such options or warrants granted by the Company; and*
- (c) otherwise be limited to the allotment of equity securities up to an aggregate nominal amount of £63,000,*

and the power hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, unless and to the extent that such authority is renewed or extended prior to or at such meeting, save that the Company may, before the expiry of such period, make any offer or agreement which would or might require shares to be allotted after expiry of such period and the directors may allot shares in pursuance to such offer or agreement as if the power conferred hereby had not expired.

Resolution 8 - Share Buy Back Mandate

*That the directors of the Company be and are generally and unconditionally authorised to make market purchases (within the meaning of section 701 of the CA 2006) of ordinary shares in the issued share capital of the Company (**Shares**), provided that any purchase shall:*

- (a) not exceed in aggregate 30% of the total number of Shares as at the date of the passing of this resolution;*
- (b) be at such price or prices as may be determined by the directors from time to time (but not under £1.50 per Share and not exceeding an amount equal to the higher of (i) 105 per cent. of the average of the middle market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the value of an ordinary share calculated on the basis of the higher of the price quoted for: (a) the last independent trade and; (b) the amount stipulated by Regulatory Technical Standards adopted by the European Commission pursuant to Article 5(6) of the Market Abuse Regulation (EU) No. 596/2014 and, in any case, not exceeding £4.00 per share, excluding brokerage, commission, applicable goods and services tax, stamp duty and other related expenses); and*
- (c) be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose and otherwise in accordance with all other laws, regulations and rules of the relevant securities market as may for the time being be applicable,*

and further provided that the authority conferred by the passing of this resolution shall expire at the conclusion of the Company's next annual general meeting but a contract of purchase may be made before the expiry which will or may be completed wholly or partly thereafter, and a purchase of Shares may be made in pursuance of any such contract.

Resolution 9 – Disapplication of Pre-emption Rights (Treasury Shares)

That, in accordance with section 573 of the CA 2006 and in addition to the power conferred by Resolution 7, the directors be generally empowered to sell equity securities which are ordinary shares purchased by the Company and held as treasury shares, as if section 561(1) of the CA 2006 did not apply to any such sale, and the power hereby conferred shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, unless and to the extent that such authority is renewed or extended prior to or at such meeting, save that the Company may, before the expiry of such period, make any offer or agreement which would or might require ordinary shares held as treasury shares to be sold after expiry of such period and the directors may sell ordinary shares held as treasury shares in pursuance to such offer or agreement as if the power conferred hereby had not expired.

By order of the Board



Duncan Scott
Company Secretary
AVATION PLC

22 October 2018

Registered Office: *5 Fleet Place*
London EC 4M 7RD
United Kingdom

Directors: *Robert Jeffries Chatfield*
Roderick Douglas Mahoney
Stephen John Fisher
Derek Sharples

EXPLANATORY NOTES TO THE PROPOSED RESOLUTIONS

Resolution 1 – Report and Accounts

The directors are required by company law to present the financial statements, the directors' report and the auditors' report on the financial statements to the meeting.

Resolution 2 – Remuneration Report

Shareholders are asked to approve the remuneration report, a copy of which is set out in pages 19 to 27 of the 2018 annual report of the Company.

Resolution 3 – Re-Election of Roderick Douglas Mahoney as Director

Mr. Mahoney was a fleet planning and aircraft procurement consultant to the Group and has previously been a project advisor to a variety of Asia-Pacific airlines, suppliers and other aviation businesses, including Virgin Blue and V Australia. Before that, he held various senior executive positions at Airbus for 23 years, largely within the sales divisions covering Europe and Africa, China and the Pacific. He holds a Bachelor of Science Degree in Aeronautical Engineering, a Masters in Air Transport and a Masters of Applied Finance. Mr. Mahoney holds dual citizenship of the United Kingdom and Australia and resides in Singapore. Mr. Mahoney is a Graduate Member of the Australian Institute of Company Directors and a member of the Singapore Institute of Directors.

Resolution 4 – Re-appointment of Auditors

The Company is required at each general meeting at which financial statements are laid to appoint auditors who will remain in office until the next general meeting at which financial statements are laid. Messrs Ernst & Young have expressed their willingness to be appointed as auditor for the coming year.

Resolution 5 - Remuneration of Auditors

In accordance with company law and good corporate governance practice, Shareholders are asked to authorise the directors to determine the auditors' remuneration.

Resolution 6 - Authority to Allot Shares (General)

This resolution would give the directors' authority to allot new shares. The authority, if approved, will expire on the date of the 2019 annual general meeting. The authority will allow the directors generally and unconditionally to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £18,900, enabling the directors to allot up to 18.9 million new ordinary shares which represents approximately 30% of the Company's issued and agreed to be issued share capital to such persons and at such times and on such terms as the directors think fit.

Resolution 7 – Disapplication of Pre-Emption Rights (General)

If the directors wish to allot new shares (and other equity securities), or sell treasury shares, for cash, the Companies Act 2006 requires that these shares are offered first to Shareholders in proportion to their existing holdings. These rights are known as pre-emption rights (**Pre-Emption Rights**). There may be occasions, however, when, in order to act in the best interests of the Company, the directors will need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing Shareholders. This resolution would give the directors the power to allot shares for cash without first offering them to existing Shareholders in proportion to their existing holdings. The resolution

would limit any allotment in respect of non pre-emptive offers to an aggregate nominal amount of £63,000 equal to 6.3 million ordinary shares, representing approximately 10% of the issued and agreed to be issued share capital. The disapplication of pre-emption rights would expire at the conclusion of the next annual general meeting.

Resolution 8 - Share Buy Back Mandate

This resolution seeks authority for the Company to make market purchases of its own ordinary shares. If passed, the resolution gives authority for the Company to purchase shares representing up to 30% of its ordinary shares in issue as at the date of the passing of the resolution (excluding treasury shares). The directors will only exercise the authority to purchase ordinary shares where they consider that such purchases will be in the best interests of Shareholders generally and will result in an increase in earnings per ordinary share.

Resolution 9 – Disapplication of Pre-emption Rights (Treasury Shares)

This resolution would give the directors the power to sell treasury shares for cash without first offering them to existing Shareholders in proportion to their existing holdings. The disapplication of pre-emption rights would expire at the conclusion of the next annual general meeting. In accordance with Listing Rule 9.5.10, the Company does not intend to sell treasury shares at a discount of more than 10% to the middle market price of those shares at the time of announcing the terms of the sale.

PROCEDURAL NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. A member of the Company entitled to attend and vote at the AGM may 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 AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. The attached form of proxy for use at the AGM should be completed, signed and returned to the Company's registrars (the **Registrars**) at The Registrar, 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 than 10.00 a.m. (UK time) on 13 November 2018. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if they so wish.
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 The Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom no later than 10.00 a.m. (UK time) on 13 November 2018 (or 10.00 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. All members are entitled to attend and vote at the AGM and ask questions. Under section 319A of the Companies Act 2006 (**CA 2006**), the Company must answer any question you ask relating to the business being dealt with at the meeting unless: answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that to be entitled to attend and vote at the AGM (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 13 November 2018. 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.
7. Under section 527 of the CA 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the CA 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with section 527 or 528 of the CA 2006. Where the Company is required to place a statement on a website under section 527 of the CA 2006, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the CA 2006 to publish on a website.
8. 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.
9. 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.

10. As at 18 October 2018 (the latest practicable date prior to the publication of this document), the Company's issued ordinary share capital consisted of 62,943,746 ordinary shares carrying one vote each representing the same number of total number of voting rights in the Company.
11. 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.
12. Shareholders and any proxies or representatives they appoint understand that by attending the meeting that they are expressly agreeing that they are willing to receive any communications, including communications relating to the Company's securities, made at the meeting.
13. The following documents will be available for inspection at 65 Kampong Bahru Road, Singapore 169370 and at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD, UK from the date of this document until the end of the AGM:
 - (i) copies of the executive director's contract of employment; and
 - (ii) copies of the Chairman's contract of employment and the letters of appointment of non-executive directors.
14. 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.avation.net/notices.html>.
15. Any document or information relating to proxies for the AGM may be sent to AGM@vation.net.