

## AFH FINANCIAL GROUP PLC

(Incorporated and registered in England and Wales with registered number 07638831)

(the "Company")

### NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY

**NOTICE IS HEREBY GIVEN** that the **ANNUAL GENERAL MEETING** of the Company will be held at 11:00 a.m. on 2 March 2018 at AFH House, Buntsford Drive, Stoke Heath, Bromsgrove B60 4JE for the purposes set out below.

#### Ordinary Business

1. To receive the Accounts and Reports of the Directors and of the Auditors for the year ended 31 October 2017.
2. To re-elect Mark Chambers who is retiring for re-election pursuant to Article 24.4.
3. To re-elect Austin Broad who is retiring for re-election pursuant to Article 24.4.
4. To re-elect Alexis James who is retiring for re-election pursuant to Article 24.4.
5. To re-appoint Mazars LLP as Auditors of the Company and to authorise the directors to fix their remuneration.

#### Special Business

##### Ordinary Resolution

6. That, in accordance with section 551 of the Companies Act 2006 (the "**2006 Act**"), the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £500,000 (consisting of 5,000,000 ordinary shares of 10 pence each) provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the earlier of 15 calendar months from the date upon which this resolution is passed and the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.

##### Special Resolution

7. That subject to the passing of resolution 6, the Directors be given the general power to allot equity securities (as defined by section 560 of the 2006 Act)

for cash, either pursuant to the authority conferred by resolution 6 or by way of a sale of treasury shares, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

- a) the allotment of equity securities in connection with an offer by way of a rights issue to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £500,000 (consisting of 5,000,000 ordinary shares of 10 pence each).

The power granted by this resolution will expire on the earlier of 15 calendar months from the date upon which it is passed and the conclusion of the Company's next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

8. That the Company be, and is hereby, unconditionally and generally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of ordinary shares of 10 pence each in the capital of the Company ("**Ordinary Shares**") on such terms and in such manner as the directors shall determine, provided that:
  - a) the maximum aggregate number of Ordinary Shares that may be purchased is 1,800,000 (representing approximately 5 per cent. of the issued ordinary share capital of the Company);
  - b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 95 per cent. of the average of the closing middle market

price for an Ordinary Share as derived from the AIM appendix to the London Stock Exchange's Daily Official List for the five business days immediately prior to the day the purchase is made;

- c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is an amount equal to 105 per cent. of the average of the closing middle market price for an Ordinary Share as derived from the AIM appendix to the London Stock Exchange's Daily Official List for the five business days immediately prior to the day the purchase is made;
- d) this authority shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company unless previously revoked, varied or renewed; and
- e) the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract as if such authority had not expired.

Dated 29 January 2018

By Order of the Board

*Registered office:*

AFH House, Buntsford Drive, Stoke Heath, Bromsgrove, B60 4JE

**Notes:**

- 1 Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the Annual General Meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder - you may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact SLC Registrars Limited, Ashley Park House 42-50 Hershaw Road Walton-on-Thames Surrey KT12 1RZ.
- 2 To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the relevant box on the proxy form. If you sign and return the proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- 3 To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. 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 you give no voting indication, 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.
- 4 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.
- 5 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).
- 6 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 7 To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at SLC Registrars Limited, Ashley Park House 42- 50 Hershaw Road Walton-on-Thames Surrey KT12 1RZ no later than 11:00 a.m. on 28 February 2018.
- 8 The return of a completed Form of Proxy will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- 9 To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6:00 p.m. on 28 February 2018 (or, in the event of any adjournment, on the time and date which is 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 10 As of 6.00 p.m. on the day immediately prior to the date of posting of this Notice of Annual General Meeting, the Company's issued share capital comprised 37,596,741 ordinary shares of 10 pence each. Each ordinary share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on the day immediately prior to the date of posting of this Notice of Annual General Meeting is 37,596,741.