

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART I AND PART II OF THIS DOCUMENT COMPRISE AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 108 OF THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (the “FSMA”) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your ordinary shares (“Assura Shares”) in Assura Group Limited (“Assura” or the “Company”) please forward this document, together with the accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, neither this document nor any accompanying document should be forwarded to or transmitted into any jurisdiction where to do so may constitute a violation of local securities laws or regulations, including, but not limited to, subject to certain exceptions, the Excluded Territories or their respective territories or possessions. If you sell or have sold or otherwise transferred only part of your registered holding of Assura Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and the accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore this document and/or the accompanying documents may not be distributed or published in any jurisdiction except under circumstances which result in compliance with any applicable laws and regulations. Therefore persons into whose possession this document (and/or any accompanying documents) comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction. This document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of New Assura. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.

ASSURA GROUP LIMITED

(a limited company incorporated in Guernsey with registered number 41230)

Recommended proposals for the introduction of a new England and Wales incorporated holding company by means of a Scheme of Arrangement under Part VIII of the Companies (Guernsey) Law, 2008, as amended and Notices of Court Meeting and Extraordinary General Meeting

Assura Shareholders should read the whole of this document and each of the accompanying documents.

Your attention is drawn to the letter from the Chairman of Assura set out in Part I of this document which contains the unanimous recommendation of the Board that you vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the Extraordinary General Meeting. A letter from Liberum and Oriel explaining the Scheme, which constitutes part of an Explanatory Statement in compliance with section 108 of the Companies (Guernsey) Law, 2008, as amended, appears in Part II of this document.

Notices of the Court Meeting and the Extraordinary General Meeting, each of which will be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG on 14 January 2015 are set out at the end of this document. The Court Meeting will start at 10.45 a.m. and the Extraordinary General Meeting at 11.00 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

The action to be taken by Assura Shareholders in respect of the Meetings is set out on page 14 of this document. Assura Shareholders will find accompanying this document a blue Form of Proxy for use in connection with the Court Meeting and a purple Form of Proxy for use in connection with the Extraordinary General Meeting. Whether or not you intend to attend the Meetings in person, please complete and sign each of the accompanying Forms of Proxy in accordance with the instructions printed on them and return them to Assura’s Registrars, Computershare Investor Services (Jersey) Limited at The Pavilions, Bridgewater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to be received by the deadline set out on the relevant form.

If the blue Form of Proxy for the Court Meeting is not returned by the specified time, it may be handed to representatives of Computershare Investor Services (Jersey) Limited or the Chairman of the Court Meeting before the start of the Court Meeting and will still be valid. However, in the case of the Extraordinary General Meeting, unless the purple Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of the relevant Form of Proxy will not prevent you from attending and voting in person at the Court Meeting or the Extraordinary General Meeting or any adjournment thereof, if you so wish and are so entitled.

Assura Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the Meetings or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Further details are set out in Part II (Explanation of the Scheme and Its Effects) of this document.

If you have any questions relating to this document, either of the Meetings and the completion and return of the Forms of Proxy, please telephone Computershare Investor Services (Jersey) Limited between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0870 707 4040 from within the UK or +44 870 707 4040 if calling from outside the UK. Calls to the 0870 707 4040 number cost approximately 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

A prospectus relating to New Assura ("**Prospectus**"), prepared in accordance with the Prospectus Rules of the UK Listing Authority made under section 73A of FSMA, is expected to be available on or around 23 January 2015 and will also be available in electronic form on the Assura Group's website (www.assuragroup.co.uk) following approval and filing with the FCA in accordance with the Prospectus Rules. A copy of the Prospectus may also be obtained from the date it is filed until Admission free of charge by writing to the registered office of New Assura (The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL) or the office of Assura's legal advisors, Addleshaw Goddard LLP (Milton Gate, 60 Chiswell Street, London EC1Y 4AG). You will not be required to take any action in relation to the Prospectus as it will contain no additional information that would be necessary for you to evaluate the Proposals, including the proposed Scheme.

Applications will be made to the UK Listing Authority for New Assura Shares to be admitted to the premium segment of the Official List of the UK Listing Authority ("**Official List**") and to the London Stock Exchange for the New Assura Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. If the Scheme proceeds as currently planned, it is expected that dealings in Assura Shares will continue until close of business on 27 January 2015 and that Admission of the New Assura Shares will become effective, and that dealings in New Assura Shares on the London Stock Exchange's main market for listed securities will commence at 8.00 a.m. on 28 January 2015.

Liberum Capital Limited ("**Liberum**") and Oriel Securities Limited ("**Oriel**"), both of which are authorised and regulated in the UK by the Financial Conduct Authority ("**FCA**"), are each acting exclusively for Assura and New Assura as joint sponsor and financial adviser in connection with the Proposals described in this document and will not be responsible to anyone other than Assura and New Assura for providing the protections afforded to clients of Liberum and Oriel or for providing advice in relation to the matters described in this document.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The contents of this document are not to be construed as legal, business or tax advice. Each prospective investor should consult his own independent legal, financial or tax adviser for legal, financial or tax advice.

NEW ASSURA SHARES HAVE NEITHER BEEN MARKETED TO, NOR ARE AVAILABLE FOR PURCHASE OR EXCHANGE, IN WHOLE OR IN PART, BY THE PUBLIC IN THE UNITED KINGDOM OR ELSEWHERE IN CONNECTION WITH THE INTRODUCTION OF THE NEW ASSURA SHARES TO THE OFFICIAL LIST. THIS DOCUMENT IS NOT A PROSPECTUS BUT A SHAREHOLDER CIRCULAR AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

The New Assura Shares have not been, and will not be, registered under the US Securities Act. Neither the SEC nor any US state securities commission has reviewed or approved this document or the Scheme. Any representation to the contrary is a criminal offence in the United States.

FORWARD LOOKING STATEMENTS

This document contains forward-looking statements which are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These statements include forward-looking statements both with respect to the Group and the markets in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements of a future or forward-looking nature identify forward-looking statements. It is believed that the expectations reflected in these

statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to any limitations of the Company's internal financial reporting controls; an increase in competition; an unexpected decline in turnover, rental income or the value of all or part of the Group's property portfolio; legislative, fiscal and regulatory developments, including but not limited to, changes in environmental, safety and healthcare regulations and governmental policy in relation to the delivery of primary healthcare and pharmacies; and currency and interest rate fluctuations. Each forward-looking statement speaks only as of the date of this document. Except as required by the rules of the FCA (and in particular the Prospectus Rules and the Disclosure and Transparency Rules), the London Stock Exchange, the Listing Rules or by law (in particular FSMA), the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to any person involved in the preparation of this document or to persons acting on the Company's behalf are, subject to the requirements of the Prospectus Rules, expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual results of operations, financial condition, prospects, growth, synergies, strategies and dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations, financial condition, prospects, growth, synergies, strategies and the dividend policy of the Company, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Except as required by the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the London Stock Exchange or otherwise required by law or regulation, Assura and New Assura expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein, or in any document incorporated by reference into this document, to reflect any change in Assura's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Currency exchange rate information

Unless otherwise indicated, all references in this document to "sterling", "pounds sterling", "£", "pence", "penny" or "p" are to the lawful currency of the UK.

No incorporation of website information

Neither the contents of the Company's website nor the content of any website accessible from hyperlinks on the Company's website is incorporated into, or forms part of, this document.

General

The contents of this document should not be treated as advice relating to legal, taxation, investment or any other matters. Assura Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Assura Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Assura Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Assura Shares and/or New Assura Shares. Assura Shareholders and prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and any investment therein. Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

No person has been authorised to give any information or make any representations other than the information contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Assura. Subject to the requirements of the Prospectus Rules, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾⁽²⁾

Latest time for lodging Forms of Proxy for the Court Meeting (blue form)	10.45 a.m. on 12 January 2015
Latest time for lodging Forms of Proxy for the Extraordinary General Meeting (purple form)	11.00 a.m. on 12 January 2015
Scheme Voting Record Time for the Court Meeting	5.00 p.m. on 12 January 2015 ⁽³⁾
Scheme Voting Record Time for the Extraordinary General Meeting for holders of Assura Shares in uncertificated form	5.00 p.m. on 12 January 2015 ⁽⁴⁾
Court Meeting	10.45 a.m. on 14 January 2015
Scheme Voting Record Time for the Extraordinary General Meeting for holders of Assura Shares in certificated form	the time of the vote at the Extraordinary General Meeting ⁽⁵⁾
Extraordinary General Meeting	11.00 a.m. on 14 January 2015 ⁽⁶⁾
Expected date of publication of the Prospectus by New Assura	23 January 2015
Last day of dealings in, and for registration of transfers of, Assura Shares	27 January 2015
Scheme Record Time	6.00 p.m. on 27 January 2015
Court Hearing to sanction the Scheme	27 January 2015
Scheme Effective Date	28 January 2015
Cancellation of listing of Assura Shares	8.00 a.m. on 28 January 2015
Admission and commencement of dealings in New Assura Shares	8.00 a.m. on 28 January 2015
Crediting of New Assura Shares to CREST accounts	28 January 2015
Share certificates for New Assura Shares expected to be despatched	within 7 days of Admission

NOTES:

- (1) Each of the times and dates in the table above is indicative only and may be subject to change. Final dates and times will depend on, amongst other things, the date upon which the Court sanctions the Scheme. If a time or date is changed, the Company will notify Assura Shareholders of the changes in the timetable either by post or publication of a notice through a regulatory information service.
- (2) References to times in this document are to London time.
- (3) If the Court Meeting is adjourned, the Scheme Voting Record Time for the adjourned Court Meeting will be 5.00 p.m. on the day which is two days before the date for holding the adjourned meeting.
- (4) If the Extraordinary General Meeting is adjourned, the Scheme Voting Record Time for the adjourned Extraordinary General Meeting for holders of Assura Shares in uncertificated form will be 5.00 p.m. on the day which is two days before the date for holding the adjourned meeting.
- (5) The Assura Articles do not permit a Scheme Voting Record Time to be set in advance of the vote at the Extraordinary General Meeting for holders of Assura Shares in certificated form. If the Extraordinary General Meeting is adjourned, the Scheme Voting Record Time for the adjourned Extraordinary General Meeting for holders of Assura Shares in certificated form will be the time of the vote at the adjourned meeting.
- (6) Or as soon thereafter as the Court Meeting has been concluded or adjourned.

SUMMARY

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document explains the proposals for a reorganisation of the Assura Group which will result in a new England and Wales incorporated, United Kingdom tax resident company (“**New Assura**”) becoming the parent company of the Assura Group (the “**Scheme**”).

Here is what you need to do now:

- Read this summary and the remainder of this document.
- Read the Letter from the Chairman of Assura (on pages 10 to 15 of this document) which explains what is happening and why your Board recommends that you should vote in favour of the Proposals.
- If you have any further queries, please call our **Shareholder Helpline**, the number of which is below.

Assura Shareholders should read the whole of this document and not just rely on this summary. This summary should not be regarded as a substitute for reading the whole document.

SHAREHOLDER HELPLINE TELEPHONE NUMBER:

0870 707 4040

(+44 870 707 4040 if you are calling from outside the UK)

Any London business day, 9.00 a.m. to 5.00 p.m. (UK time)

Calls cost up to approximately 10 pence (including VAT) per minute from a standard BT landline.

Charges from mobiles and other operators may vary.

Note: For legal reasons, this helpline will only be able to provide practical information and will not provide advice on the merits of any of the Proposals or give any financial, legal or taxation advice. For financial, legal or taxation advice, you will need to consult an independent financial or legal adviser.

To help you understand what is involved in the Scheme and the other matters referred to below, Assura has prepared this summary. **You should read the whole of this document and not rely solely on the summary set out below.**

1. Why is Assura proposing the Scheme?

The Group’s management and tax domicile was originally established in Guernsey in 2003. Subsequently, the management of the Group, and hence its tax domicile, was transferred to the UK. In 2013, the Group successfully entered the UK REIT regime, which requires it to retain its tax domicile in the UK, but conferred certain tax advantages on profits and gains from its UK property investments.

The Group’s operations are exclusively focused in the UK and in excess of 87 per cent. of the Group’s income is underpinned by the NHS. The location of the Group’s existing ultimate holding company in Guernsey no longer corresponds with the Group’s tax status and could potentially provide a misleading impression to the NHS that Assura’s primary focus is not the UK. In particular in contract negotiations and

bidding for new projects with NHS bodies this introduces additional complexity as it is necessary to explain the reason why the Group is not UK incorporated and that its tax domicile is not offshore.

The Board believes that moving to a UK domicile will align the Group with its UK tax jurisdiction and enable it to develop even better commercial relationships with the NHS and GPs which are the Group's principal customers. In addition, the Board expects that the move to UK registration will reduce some Group administration costs, as it will no longer be necessary to operate across legal jurisdictions in both England and Guernsey.

The Board, after detailed consideration, therefore believes the proposed new corporate structure is the most appropriate structure for the Assura Group and would best support its long term strategy and growth prospects.

2. Why is Assura implementing the Proposals by way of a scheme of arrangement?

The Scheme is a formal procedure under the Companies (Guernsey) Law, 2008, as amended, which is used to carry out corporate reorganisations. The Scheme requires the approval of Assura Shareholders and the Court. If the relevant approvals are obtained and the Conditions are satisfied or waived, all Assura Shareholders will be bound by the Scheme regardless of whether or how they voted.

3. What effect will the Scheme have on the Assura Employee Share Plans?

The Scheme will constitute a change of control for the purposes of the Assura Employee Share Plans. Under the rules of the Assura Employee Share Plans, awards would ordinarily vest and be exercisable unless they are exchanged for new awards which subsist over New Assura Shares but which are otherwise equivalent in all other respects with the existing awards under the Assura Employee Share Plans. It is intended that all subsisting awards under the Assura Employee Share Plans will be exchanged in this manner.

4. Why am I being sent this document?

The Scheme requires Assura Shareholders to vote on certain matters at both the Court Meeting and the Extraordinary General Meeting. The other Proposals require Assura Shareholders to vote on certain matters at the Extraordinary General Meeting. This document contains information to assist you in your voting decision in relation to the Proposals.

5. What will I end up with after the Scheme comes into effect?

Once the Scheme has become effective, you will hold one New Assura Share for each Assura Share that you held at the Scheme Record Time (which is expected to be 6.00 p.m. on 27 January 2015). The register of members of New Assura will be updated to reflect your shareholding on the Scheme becoming effective. If you hold your Assura Shares in a CREST account, the New Assura Shares will be credited to your CREST account and if you hold your Assura Shares in certificated form, share certificates will be sent to you in due course.

6. Is there a prospectus relating to the New Assura Shares that I will be receiving?

Yes. A Prospectus relating to the New Assura Shares, which will contain prescribed information relating to New Assura, is expected to be available on or around 23 January 2015 and will also be available in electronic form on the Assura Group's website (www.assuragroup.co.uk) following approval and filing with the FCA in accordance with the Prospectus Rules. A copy of the Prospectus may also be obtained from the date it is filed until Admission, free of charge, by writing to the registered office of New Assura (The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL) or the office of Assura's legal advisors, Addleshaw Goddard LLP (Milton Gate, 60 Chiswell Street, London EC1Y 4AG) or by calling the Shareholder Helpline (0870 707 4040 (+ 44 870 707 4040 from outside the UK), further details of which are included on page 6 of this document).

7. Why are there two meetings and do I need to attend both?

There will be two Assura Shareholder meetings, being the Court Meeting and the subsequent Extraordinary General Meeting, which are being called for different purposes and which will be held on 14 January 2015, one directly after the other.

The sole purpose of the Court Meeting is to seek the approval of Scheme Shareholders for the Scheme. In order for the Scheme to be approved, a majority in number representing 75 per cent. in value of the shares held by Scheme Shareholders present and voting (in person or by proxy) will need to support the Scheme.

The subsequent Extraordinary General Meeting, which will be held immediately after the Court Meeting, is being called to enable Assura Shareholders to approve elements of the Scheme and various matters in connection with the Scheme, as described more fully in Part II of this document, and amending the Assura Articles as set out in the notice for the Extraordinary General Meeting.

If you hold Assura Shares you are entitled and encouraged to attend the Meetings. If you do not attend, you are still entitled to vote at the Meetings by appointing a proxy – see question 8 below.

8. Do I need to vote?

It is important that as many Assura Shareholders as possible cast their votes (whether in person or by proxy). This applies to both the Court Meeting and the Extraordinary General Meeting. In particular, it is important that a considerable number of votes are cast at the Court Meeting so as to demonstrate to the Court that there is a fair representation of Assura Shareholder opinion.

The resolutions at both the Court Meeting and the Extraordinary General Meeting will be decided by way of a poll. On a poll, each Assura Shareholder present in person or by proxy will have one vote for each Assura Share held.

If you do not wish, or are unable, to attend the Court Meeting and/or the Extraordinary General Meeting you may appoint someone (known as a proxy) to act on your behalf and vote at the Court Meeting and/or the Extraordinary General Meeting. You may appoint your proxy by completing the blue Form of Proxy (for the Court Meeting) and the purple Form of Proxy (for the Extraordinary General Meeting) and returning them in accordance with the instructions set out in paragraph 8 of Part I (Letter from the Chairman) of this document and on the relevant Form of Proxy.

You are therefore strongly encouraged to complete, sign and return your Forms of Proxy as soon as possible. You have been sent a blue Form of Proxy for the Court Meeting and a purple Form of Proxy for the Extraordinary General Meeting.

If you hold Assura Shares in uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual ensuring that it is received by the Registrars (under CREST Participant ID 3RA50) by no later than 48 hours before the time appointed for the relevant Meeting.

Should you later change your mind and decide to attend the Meetings in person, returning the Forms of Proxy will not preclude you from doing so.

9. Do I have to pay anything under the Scheme?

No. All New Assura Shares arising as a result of the Scheme are being issued to Assura Shareholders in return for their existing Assura Shares. No additional payment is required.

10. What about future dividends? Do I need to change my existing instructions so far as the payment of dividends is concerned?

The Company's interim dividend of 0.5 pence per Assura Share relating to the quarter ended 31 December 2014 will be paid on 21 January 2015 to Assura Shareholders on the register as at 9 January 2015 and will be unaffected by the Scheme. The ex-dividend date will be 8 January 2015.

The New Assura Shares issued pursuant to the Scheme shall rank in full for all dividends or distributions made, paid or declared after the Scheme Record Time on the ordinary share capital of New Assura.

Your present dividend instructions will be continued in relation to New Assura after the Scheme becomes effective, unless and until you amend or revoke them. If you wish to change your instructions, you should contact the Shareholder Helpline on telephone number (0870 707 4040 (+ 44 870 707 4040 if you are calling from outside the UK), further details of which are included on page 6 of this document.

11. What do I do with my old share certificates?

When the Scheme becomes effective, if you currently hold Assura Shares in certificated form, your certificates for Assura Shares will cease to be valid and you will be sent share certificates in respect of your holding of New Assura Shares. Upon receipt of your share certificates for New Assura Shares, your share certificates for Assura Shares should be destroyed.

12. When will I receive share certificates for my New Assura Shares?

It is currently proposed that share certificates for New Assura Shares held in certificated form will be despatched to you within seven days of Admission. If you hold your Assura Shares in a CREST account, the New Assura Shares will be credited to your account on 28 January 2015.

13. Will I have to pay any tax as a result of the Scheme?

While the tax consequences of the Scheme will depend on your individual circumstances, there should generally be no tax liabilities for UK-resident Assura Shareholders arising from the Scheme.

Details of the UK tax treatment of Assura Shareholders arising under the Scheme are set out in paragraph 10 of Part V (Additional Information) of this document.

While dealings in Assura Shares are currently exempt from UK stamp duty or SDRT and there are no UK stamp duty or SDRT implications expected as a result of the Scheme, following completion of the Scheme any dealings in New Assura Shares will be subject to UK SDRT or stamp duty as further described in paragraph 10 of Part V.

If you are in any doubt about your tax position, you should consult a professional adviser immediately.

14. What if I hold my Assura Shares in an ISA?

If you hold your Assura Shares in an ISA, you should be able to hold your replacement New Assura Shares in the ISA, depending on the ISA terms and conditions. If you require further details, you should contact your ISA manager.

If you do not currently hold Assura Shares in an ISA, the New Assura Shares should qualify for inclusion in a stocks and shares ISA, should you subsequently wish to hold your New Assura Shares in an ISA.

15. Do I need to take further action?

It is important that you vote at the Court Meeting and the Extraordinary General Meeting. You are strongly encouraged to complete, sign and return your Forms of Proxy as soon as possible. See question 8 above and the instructions set out in paragraph 8 of Part I of this document and on the relevant Form of Proxy.

16. What if I still have questions?

If you have read this document and still have questions, please call the Shareholder Helpline (0870 707 4040 (+44 870 707 4040 if you are calling from outside the UK)), further details of which are included at the beginning of this summary.

Note: For legal reasons this helpline will only be able to provide practical information and will not provide advice on the merits of any of the Proposals or give any financial, legal or taxation advice. For financial, legal or taxation advice, you will need to consult an independent financial or legal adviser.

PART I

LETTER FROM THE CHAIRMAN

(TOGETHER WITH PART II OF THIS DOCUMENT, FORMING THE EXPLANATORY
STATEMENT IN COMPLIANCE WITH SECTION 108 OF THE COMPANIES
(GUERNSEY) LAW, 2008, AS AMENDED)

ASSURA GROUP LIMITED

(a limited company incorporated in Guernsey with registered number 41230)

Directors:

Simon Timothy Laffin, *Non-executive Chairman*
Graham Charles Roberts, *Chief Executive Officer*
Jonathan Stewart Murphy, *Finance Director*
Jenefer Dawn Greenwood, *Non-executive Director*
David Hedley Richardson, *Non-executive Director*

Registered Office:

Old Bank Chambers
La Grande Rue
St Martin's
Guernsey
GY4 6RT

17 December 2014

To Assura Shareholders and, for information only, holders of awards under the Assura Employee Share Plans

Dear Shareholder,

1. Introduction

On 16 December 2014, Assura Group Limited (“**Assura**”) – the current parent company of the Assura Group – announced details of proposals to change the Assura Group’s corporate structure by inserting a new English-incorporated parent company at the head of the Assura Group. It is intended that this new corporate structure will be implemented by way of a scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008, as amended (“**Scheme of Arrangement**” or “**Scheme**”).

For this purpose, Assura plc (“**New Assura**”) was incorporated under the Companies Act on 10 December 2014 as a public limited company with the name Assura Kingston plc, and subsequently changed its name to Assura plc pursuant to a special resolution passed on 16 December 2014.

If the Scheme – which will be subject to various conditions as set out in Part II of this document – becomes effective, New Assura will become the parent company of the Assura Group.

The purpose of this letter is to explain why the Assura Board considers the Scheme to be on fair and reasonable terms and all of the Proposals to be in the best interests of Assura and its shareholders, and hence why the Assura Board is encouraging Assura Shareholders to vote in favour of the Proposals.

2. Reasons for the Proposals

The Group’s management and tax domicile was originally established in Guernsey in 2003. Subsequently, the management of the Group, and hence its tax domicile, was transferred to the UK. In 2013, the Group successfully entered the UK REIT regime, which requires it to retain its tax domicile in the UK, but conferred certain tax advantages on profits and gains from its UK property investments. Further details of the UK REIT regime are set out in Part IV of this document.

The Group’s operations are exclusively focused in the UK and in excess of 87 per cent. of the Group’s income is underpinned by the NHS. The location of the Group’s existing ultimate holding company in Guernsey no longer corresponds with the Group’s tax status and could potentially provide a misleading impression to the NHS that Assura’s primary focus is not the UK. In particular in contract negotiations and bidding for new projects with NHS bodies this introduces additional complexity as it is necessary to explain the reason why the Group is not UK incorporated and that its tax domicile is not offshore.

The Board believes that moving to a UK domicile will align the Group with its UK tax jurisdiction and enable it to develop even better commercial relationships with the NHS and GPs which are the Group's principal customers. In addition, the Board expects that the move to UK registration will reduce some Group administration costs, as it will no longer be necessary to operate across legal jurisdictions in both England and Guernsey.

The Board, after detailed consideration, therefore believes the proposed new corporate structure is the most appropriate structure for the Assura Group and would best support its long term strategy and growth prospects.

The Proposals have certain other implications, including:

- the Company incurring certain costs in relation to the documentation and Court process required to move to a UK domicile; and
- while dealings in Assura Shares are currently exempt from UK stamp duty or SDRT and there are no UK stamp duty or SDRT implications expected as a result of the Scheme, following completion of the Scheme any dealings in New Assura Shares will be subject to UK SDRT or stamp duty as further described in paragraph 10 of Part V.

3. Key features of the Scheme

The introduction of New Assura as the new parent company of the Assura Group will be carried out by way of the Scheme.

In summary, the following will occur under the Scheme:

- all Assura Shares will be transferred to New Assura; and
- Assura Shareholders at the Scheme Record Time will receive one New Assura Share for each Assura Share transferred under the Scheme.

The Scheme is subject to the Conditions set out at paragraph 4 of Part II and, in particular, requires the approval of Assura Shareholders at the Court Meeting and at the Extraordinary General Meeting. If the Scheme is approved by the requisite majority at the Court Meeting and the Resolutions are passed at the Extraordinary General Meeting, an application will be made to the Court to sanction the Scheme at the Court Hearing. If the Scheme is sanctioned at the Court Hearing, it is expected that the Court Order will be conditional upon:

- the formal processes having been put in place to delist the Assura Shares and to approve the application to admit (subject to the allotment of the New Assura Shares and the satisfaction of the other conditions to the Scheme, save to the extent such conditions are already satisfied) the New Assura Shares to be issued in connection with the Scheme to the Official List (including a listing hearing having been held); and
- the London Stock Exchange having agreed to admit the New Assura Shares to be issued in connection with the Scheme to trading on its main market for listed securities, and its agreement not being withdrawn prior to the Effective Date.

If the Scheme is sanctioned by the Court, and the other conditions to the Scheme are satisfied or waived, the Scheme is expected to become effective, and dealings in the New Assura Shares to be issued pursuant to the Scheme are expected to commence, at 8.00 a.m. on 28 January 2015, the anticipated Effective Date.

If the Scheme has not become effective by 31 March 2015 (or such later date as Assura and New Assura may agree and the Court may allow), it will lapse, in which event there will not be a new parent company of Assura, Assura Shareholders will remain shareholders of Assura and the existing Assura Shares will continue to be listed on the Official List and traded on the London Stock Exchange's main market for listed securities.

Upon the Scheme becoming effective, certificates for Assura Shares held in certificated form will cease to be valid. Upon receipt of share certificates for the New Assura Shares, shareholders should destroy all existing certificates for their Assura Shares.

Listing

Application will be made to the UK Listing Authority for the delisting of the Assura Shares and for the New Assura Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that the Assura Shares will be delisted and the New Assura Shares will be listed and that dealings in them will commence at 8.00 a.m. on 28 January 2015.

New Assura Board

The current Assura Directors, namely Simon Laffin, Graham Roberts, Jonathan Murphy, Jenefer Greenwood and David Richardson were appointed directors of New Assura on 16 December 2014. Conditional upon the Scheme becoming effective, Graham Roberts and Jonathan Murphy will enter into amended service agreements and each of the Non-executive Directors and the Non-executive Chairman, will enter into new letters of appointment with New Assura in order that they reflect the structure of the New Assura Group and any revised duties once the Scheme becomes effective.

Details of Graham Roberts' and Jonathan Murphy's service agreements and the terms of the Non-executive Directors' and Non-executive Chairman's letters of appointment are set out in paragraph 6 of Part V (Additional Information) of this document. The overall level of remuneration of the Executive Directors will remain unchanged. The fees payable to the Non-executive Directors and the Non-executive Chairman will also remain unchanged.

The interests of the Assura Directors in the existing share capital of Assura as at 16 December 2014 (being the latest practicable date prior to the publication of this document) and in New Assura immediately after the Scheme becomes effective are set out in paragraph 5 of Part V (Additional Information) of this document.

New Assura will have the same management team as Assura.

Any rights held by the Assura Directors under the Assura Employee Share Plans will, where permitted under the rules of the relevant Assura Employee Share Plan, be preserved so that New Assura Shares will ultimately be delivered in satisfaction of any of those rights under their terms, in the manner described in paragraph 11 of Part V (Additional Information) of this document. The effect of the Scheme on the interests of Assura Directors is set out in paragraph 5 of Part V (Additional Information) of this document.

Save as described above, the effect of the Scheme on the interests of Assura Directors does not differ from its effect on the same interests of other Assura Shareholders.

Corporate governance

Similar shareholder safeguards will apply to New Assura as currently apply to Assura. As New Assura is incorporated in England and Wales, the City Code will continue to apply to it. New Assura will also continue to be required to comply with the Listing Rules and will comply with the UK Corporate Governance Code and relevant institutional shareholder guidelines in the same way that Assura currently complies with the UK Corporate Governance Code and those institutional shareholder guidelines. As a company incorporated in England and Wales, New Assura will be subject to English law. English law contains certain statutory safeguards (such as pre-emption rights) that are not contained in Guernsey law and as such these safeguards had been enshrined in the Assura Articles. It will not be necessary to enshrine these matters in the New Assura Articles. A summary of the New Assura Articles is set out in paragraph 8 of Part V (Additional Information) of this document. A summary of the principal differences between the Assura Articles and the New Assura Articles is set out in paragraph 9 of Part V (Additional Information) of this document.

Amendments to the Assura Articles

In order to facilitate the Scheme, an amendment is proposed to the Assura Articles. This amendment is set out in full in the notice of the Extraordinary General Meeting.

This amendment is intended to ensure that: (i) any Assura Shares that are issued to any person other than New Assura (or its nominee(s)) before the Scheme Record Time (but after the Extraordinary General Meeting) are allotted and issued subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Assura Shares that are allotted and issued after the Scheme Record Time will be immediately transferred to New Assura in exchange for the issue or transfer to the relevant allottees of one New Assura Share for each Assura Share transferred. These changes are necessary because, in some cases, Assura Shares may need to be allotted before the Scheme Record Time (for example, because of the exercise of rights granted by Assura under the Assura Employee Share Plans) but the timing of their allotment and issue could mean that they are not classified as Scheme Shares and are therefore outside the scope of the Scheme. In addition, Assura Shares may be issued (again, for example, under the Assura Employee Share Plans) after the Scheme Record Time, which would also put them outside the scope of the Scheme.

4. Dividends

Payment of the quarterly interim dividend due in January 2015 for Assura Shareholders on the register at 9 January 2015 of 0.5 pence per Assura Share will be unaffected by the Scheme, subject always to applicable law. Similarly, the Scheme will not affect the declaration of future dividends and the New Assura Shares will rank equally for dividends after Admission. Your present dividend instructions will be continued in relation to New Assura after the Scheme becomes effective, unless and until you amend or revoke such instructions.

5. Debt facilities

The Directors have considered the effect of the Scheme on the Group's external financing arrangements.

Under the Group's Bond, the insertion of New Assura at the head of the Group grants the right (but not the obligation) to each Bondholder to require Assura Properties plc to redeem all of the principal amount outstanding together with any interest accrued up to the date of redemption on any outstanding Bonds they hold. The Bondholders have formally confirmed that they have waived this right to redemption in this case.

There are no implications on the Group's financing arrangements with Barclays and NatWest in respect of the £30 million revolving credit facility entered into in May 2014, as a result of the insertion of New Assura at the head of the Group.

There are no implications on the Group's financing arrangements with Aviva Commercial Finance Limited as a result of the insertion of New Assura at the head of the Group.

6. Assura Employee Share Plans

It is intended that subsisting awards under the ERP and VCP will be exchanged for new awards which subsist over New Assura Shares but which are otherwise equivalent in all other respects with the existing awards under the ERP and VCP.

No new awards will be granted under the Assura Employee Share Plans after the Scheme.

7. Overseas Assura Shareholders

The implications of the Scheme for, and the distribution of this document to, Overseas Shareholders may be affected by the laws of relevant jurisdictions. Overseas Shareholders should therefore inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Scheme, the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed, the allotment and issue of New Assura Shares following the Scheme becoming effective and the payment of any issue, transfer or other taxes due in such jurisdiction.

If, in respect of any Overseas Shareholder, New Assura is advised that the allotment and issue of New Assura Shares would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New Assura to obtain any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Assura, it would be unable to comply or which it regards as unduly onerous, the Scheme provides that New Assura may determine either: (a) that the shareholder's entitlement to New Assura Shares pursuant to the Scheme shall be issued to such shareholder and then sold on his behalf as soon as reasonably practicable at the best price which can be reasonably obtained at the time of sale, with the net proceeds of sale being remitted to the shareholder; or (b) that the shareholder's entitlement to New Assura Shares shall be issued to a nominee for such shareholder appointed by New Assura and then sold, with the net proceeds being remitted to the shareholder concerned. Any remittance of the net proceeds of sale referred to in this paragraph shall be at the risk of the relevant shareholder.

This document has been prepared for the purposes of complying with English and Guernsey law and the information disclosed in it may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom and Guernsey.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal, financial and tax consequences of the Scheme in their particular circumstances.

This document does not constitute an invitation or offer to sell or the solicitation of an invitation or offer to buy any security, nor shall there be any sale, issuance, subscription, purchase, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law.

8. Action to be taken

On 14 January 2015, the Court Meeting will be held to seek approval for the Scheme and the Extraordinary General Meeting will be held to seek approval for the Proposals. The notice of the Court Meeting is set out at the end of this document. The notice of the Extraordinary General Meeting is also set out at the end of this document.

In order that the Court can be satisfied that the votes cast fairly represent the views of Assura Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Assura Shareholders are therefore encouraged to attend the Court Meeting and Extraordinary General Meeting in person or by proxy.

Whether or not you propose to attend the Meetings, you are requested to complete, sign and return to the Registrars the enclosed blue Form of Proxy for use at the Court Meeting and purple Form of Proxy for use at the Extraordinary General Meeting. The Forms of Proxy should be sent to the Registrars, Computershare Investor Services (Jersey) Limited at The Pavilions, Bridgewater Road, Bristol BS99 6ZY. If you hold Assura Shares in uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST manual ensuring that it is received by the Registrars by no later than 48 hours before the time appointed for the relevant meeting.

9. Recommendation

The Directors, who have received financial advice from Liberum Capital Limited (“**Liberum**”) and Oriel Securities Limited (“**Oriel**”) in relation to the Company's re-domiciliation, consider the Proposals to be fair and reasonable. In providing their advice, Liberum and Oriel have relied on the Directors' commercial assessments.

The Directors believe the Proposals to be in the best interests of Assura Shareholders as a whole and, accordingly, unanimously recommend that Assura Shareholders vote in favour of the Scheme at the Court Meeting and in favour of all of the Proposals at the Extraordinary General Meeting, as the Directors intend to do in respect of their own beneficial holdings and those of their connected persons, which amount in aggregate to 7,149,512 Assura Shares (representing in aggregate approximately 0.71 per cent. of the issued ordinary share capital of Assura).

The Directors also urge you to complete, sign and return the enclosed Forms of Proxy as soon as possible and, in any event, by no later than 10.45 a.m. (in respect of the blue Form of Proxy for use at the Court Meeting) and 11.00 a.m. (in respect of the purple Form of Proxy for use at the Extraordinary General Meeting) on 12 January 2015.

Yours sincerely,

Simon Laffin

Non-executive Chairman

PART II

EXPLANATION OF THE SCHEME AND ITS EFFECTS

(TOGETHER WITH PART I OF THIS DOCUMENT, FORMING THE EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 108 OF THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED)

17 December 2014

To Assura Shareholders and, for information only, holders of awards under the Assura Employee Share Plans

Dear Shareholder,

1. Introduction

On 16 December 2014 Assura – the current parent company of the Assura Group – announced details of proposals to change the Assura Group’s corporate structure by inserting a new English-incorporated parent company at the head of the Assura Group, New Assura, being a company that will be tax resident in the UK. It is intended that this new corporate structure will be implemented by means of a Scheme of Arrangement under Part VIII of the Guernsey Companies Law.

The Scheme will require the approval of Assura Shareholders at the Court Meeting and the passing of the Resolutions at a separate Extraordinary General Meeting.

Your attention is drawn to the letter from the Non-executive Chairman of Assura set out in Part I (Letter from the Chairman) of this document, which forms part of this Explanatory Statement. That letter contains, *inter alia*, the unanimous recommendation by the Directors to Assura Shareholders to vote in favour of the Scheme at the Court Meeting and to vote in favour of all of the Resolutions to be proposed at the Extraordinary General Meeting.

That letter also states that the Directors believe the Proposals to be fair and reasonable and in the best interests of Assura and Assura Shareholders as a whole. We have been authorised by the Directors to write to you to set out the terms of the Proposals and to provide you with other relevant information.

This explanatory statement only relates to the Scheme and not the other Proposals. Please see the Letter from the Chairman in respect of the other Proposals.

Statements made in this letter which refer to the background to the recommendation of the Directors reflect the views of the Directors.

A description of the action to be taken by Assura Shareholders in relation to the Court Meeting and the Extraordinary General Meeting is set out in paragraph 12 of this Part II. The full text of the Scheme is set out in Part III (The Scheme of Arrangement) of this document. The full text of each of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting is set out in the notices of the Court Meeting and Extraordinary General Meeting at the end of this document.

It is expected that, if the Conditions to the Scheme have been satisfied (including the approval of the application to delist the Assura Shares, admit the New Assura Shares to the Official List and to trading to the London Stock Exchange’s main market for listed securities), the Scheme will become effective on 28 January 2015 and trading in the New Assura Shares will commence at 8.00 a.m. on 28 January 2015.

2. Reasons for the Proposals

The background to and reasons for the Scheme are described in Part I (Letter from the Chairman) of this document.

3. Summary of the Scheme

The principal steps involved in the Scheme are as follows:

Transfer of Scheme Shares

Under the Scheme, all the Scheme Shares will be transferred to New Assura on the Scheme Effective Date (which is expected to be 28 January 2015). In consideration for the transfer of the Scheme Shares, the Scheme Shareholders will receive, in respect of any Scheme Shares held as at the Scheme Record Time:

for each Scheme Share held one New Assura Share

With effect from the Scheme Effective Time, the rights attaching to the New Assura Shares will be, for all practical purposes, the same as those attaching to the existing Assura Shares. Upon the Scheme becoming effective, a New Assura Shareholder will have the same proportionate interest in the profits, net assets and dividends of New Assura as they have in Assura immediately prior to the Scheme Effective Time.

The Assura Group will have the same business and operations immediately after the Scheme Effective Date as it had immediately before the Scheme Effective Time. The assets and liabilities of the Assura Group immediately after the Scheme Effective Time will not differ from the assets and liabilities Assura had before the Scheme Effective Time, save that New Assura will hold all of the Assura Shares then in issue.

A summary of the rights attaching to the New Assura Shares and other provisions in the New Assura Articles is set out in paragraph 8 of Part V (Additional Information) of this document. A summary of the principal differences between the Assura Articles and the New Assura Articles is set out in paragraph 9 of Part V (Additional Information) of this document.

Establishing New Assura as the new parent company of the Assura Group

Following the transfer of the Scheme Shares to New Assura, New Assura will, as a result, hold all of the Assura Shares then in issue. New Assura will in turn issue New Assura Shares to former Assura Shareholders on a one-for-one basis.

The New Assura Shares to be issued pursuant to the Scheme will have a nominal value of 10 pence each but will be recorded in New Assura's books of accounts at cost (being equal to the company-only net asset value of Assura on the day prior to their delisting). This will give rise to the creation of a substantial merger reserve account in New Assura.

4. Conditions to implementation of the Scheme

The implementation of the Scheme is conditional upon:

- 4.1 the approval of the Scheme by a majority in number, representing at least 75 per cent. in value, of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (with or without modification or at any adjournment of such meeting); and
- 4.2 the passing at the Extraordinary General Meeting (or at any adjournment of such meeting) of the Resolutions set out in the notice of the Extraordinary General Meeting to approve various matters in connection with the Scheme including (i) changes to the Assura Articles; and (ii) approving that a general meeting of New Assura other than an annual general meeting, may be called on not less than 14 clear days' notice; and
- 4.3 the sanction of the Scheme (with or without modification) by the Court at the Court Hearing.

The Court Hearing (at which it is proposed that the Court sanction the Scheme) is expected to be held on or around 27 January 2015, assuming that the Court Meeting approves the Scheme in accordance with the Guernsey Companies Law and the Resolutions are passed at the Extraordinary General Meeting.

It is expected that the Court Order will be conditional upon:

- 4.4 the formal processes having been put in place to delist the Assura Shares and to approve the application to admit (subject to the allotment of the New Assura Shares and the satisfaction of conditions 4.1 to 4.3 above, save to the extent such conditions are already satisfied) the New Assura Shares to be issued in connection with the Scheme to the Official List (including a listing hearing having been held); and
- 4.5 the London Stock Exchange having agreed to admit the New Assura Shares to be issued in connection with the Scheme to trading on its main market for listed securities and its agreement not being withdrawn prior to the Scheme Effective Date.

If the Scheme is sanctioned by the Court and the other conditions to the Scheme are satisfied or waived, the Scheme is expected to become effective on 28 January 2015 and dealings in the New Assura Shares to be issued pursuant to the Scheme are expected to commence, at 8.00 a.m. on 28 January 2015, the anticipated Scheme Effective Date.

If the Scheme has not become effective by 31 March 2015 (or such later date as Assura and New Assura may agree and the Court may allow), it will lapse, in which event the Scheme will not proceed, Assura Shareholders will remain shareholders of Assura and the Assura Shares will continue to be listed on the Official List and to be traded on the London Stock Exchange's main market for listed securities.

The Scheme contains a provision for Assura and New Assura jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme, or to any condition that the Court may think fit to approve or impose. Assura has been advised by its legal advisers that the Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Assura Shareholders unless Assura Shareholders were informed of any such modification, addition or condition. It will be a matter for the Court to decide, in its discretion, whether or not further meetings of Assura Shareholders should be held. If the Court does approve or impose a modification of, or addition or condition to, the Scheme which, in the opinion of the Directors, is such as to require the consent of the Assura Shareholders, the Scheme will not be able to become effective unless and until such consent is obtained.

5. Effect of the Proposals

Under the Scheme, Scheme Shareholders will have their Assura Shares replaced by the same number of New Assura Shares, which will be denominated in sterling. Scheme Shareholders' proportionate entitlement to participate in Assura's capital and income will not be affected by reason of the implementation of the Scheme. Scheme Shareholders will not receive any amount in cash pursuant to the terms of the Scheme (save as specifically set out in Clause 3(b) of the Scheme).

Immediately following the Scheme becoming effective, the New Assura Redeemable Shares will be redeemed and the holder(s) of any New Assura Shares in issue prior to the Scheme becoming effective will gift such shares to a nominee of New Assura, following which such shares will be cancelled. This is to ensure that the number of New Assura Shares in issue following the Scheme is exactly the same as the number of Assura Shares in issue immediately prior to the Scheme becoming effective.

Immediately following the Scheme becoming effective, New Assura will own no assets other than:

- (a) the Assura Shares; and
- (b) nominal cash balances.

Assura will make announcements to Assura Shareholders from time to time in relation to the progress of the Scheme, including upon the Scheme becoming effective.

6. Listings, dealings, share certificates and settlement

Application will be made to the UK Listing Authority for the delisting of the Assura Shares and the admission of the New Assura Shares to the Official List and for the New Assura Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. The last day of dealings in the Assura Shares is expected to be 27 January 2015. The last time for registration of transfers of Scheme Shares is expected to be 5.00 p.m. on 27 January 2015. It is expected that Admission will become effective and that dealings in New Assura Shares will commence at 8.00 a.m. on 28 January 2015, the Effective Date. The listing of the Assura Shares will be cancelled on that date.

These dates may be deferred if it is necessary to adjourn either or both of the Court Meeting and/or the Extraordinary General Meeting, or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for the Assura Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme becomes effective.

With effect from (and including) the Effective Date, all share certificates representing the Scheme Shares will cease to be valid and binding in respect of such holdings and should be destroyed.

All documents, certificates or other communications sent by, to, from or on behalf of Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post.

Application will be made for the New Assura Shares to be admitted to CREST for settlement and transfer purposes. Euroclear requires Assura to confirm to it that certain conditions imposed by the CREST Regulations are satisfied before Euroclear will admit any security to CREST. It is expected that these conditions will be satisfied in respect of the New Assura Shares on admission of the New Assura Shares to the Official List. As soon as practicable after satisfaction of the conditions, Assura will confirm this to Euroclear. Share certificates for New Assura Shares in certificated form are expected to be dispatched within 7 days of Admission.

Subject to the satisfaction of the Conditions referred to in paragraph 4 of this Part II, to which the Scheme is subject, the New Assura Shares to which Scheme Shareholders are entitled under the Scheme (as the case may be) will:

- (a) to the extent the entitlement arises as a result of a holding of Assura Shares in certificated form at the Scheme Record Time, be delivered in certificated form in the name of the relevant Scheme Shareholder with the relevant share certificate expected to be despatched by post, at the relevant Scheme Shareholder's risk, as soon as practicable but in any event by no later than seven days after Admission; and
- (b) to the extent the entitlement arises as a result of a holding of Assura Shares in uncertificated form at the Scheme Record Time, be credited to the appropriate CREST accounts (under the same participant and account ID that applied to the Assura Shares), with corresponding entitlements to New Assura Shares with effect from 28 January 2015.

Notwithstanding anything above or any other provision of this document or any other document relating to the New Assura Shares, Assura and New Assura reserve the right to deliver any New Assura Shares applied for through CREST in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Registrars in connection with CREST. This right may also be exercised if the correct details in respect of *bona fide* market claims (such as the CREST member account ID and CREST participation ID details) are not provided as requested on any application form relating to the New Assura Shares.

Assura Shareholders who are CREST-sponsored members should refer to their CREST sponsor regarding the action to be taken in connection with this document.

7. Directors' interests

On the Effective Date, the boards of Assura and New Assura will be the same. Each of the Executive Directors will be employed by New Assura and the overall level of remuneration of Executive Directors will remain unchanged.

The current Assura Directors, namely Simon Laffin, Graham Roberts, Jonathan Murphy, Jenefer Greenwood and David Richardson were appointed directors of New Assura on 16 December 2014. Conditional upon the Scheme becoming effective, Graham Roberts and Jonathan Murphy will enter into amended service agreements and each of the Non-executive Directors and the Non-executive Chairman will enter into new letters of appointment with New Assura in order that these letters reflect the structure of the New Assura Group and any revised duties once the Scheme becomes effective.

Details of Graham Roberts' and Jonathan Murphy's service agreements and the terms of the Non-executive Directors' and Non-executive Chairman's letters of appointment are set out in paragraph 6 of Part V (Additional Information) of this document. The overall level of remuneration of the Executive Directors will remain unchanged. The fees payable to the Non-executive Directors and the Non-executive Chairman will also remain unchanged.

The interests of Directors in the existing share capital of Assura as at 16 December 2014 (being the last practicable date prior to the publication of this document) are set out in paragraph 5 of Part V (Additional Information) of this document.

Save as described above, the effect of the Scheme on the interests of the Directors (details of which are set out in paragraph 5 of Part V (Additional Information) of this document) does not differ from its effect on the like interests of other Assura Shareholders.

8. Taxation

It is intended that the Scheme should be generally neutral in tax terms for Assura Shareholders. Your attention is drawn to paragraph 10 of Part V (Additional Information) of this document for further information about the taxation consequences of the Scheme.

The summary information on taxation in this document is intended as a guide only and holders of Assura Shares who are in any doubt about their tax position, or who are resident for tax purposes outside the UK are strongly advised to contact an appropriate independent professional adviser immediately.

9. Overseas Shareholders

The implications of the Scheme for, and the distribution of this document to, Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection with the Scheme and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

If, in respect of any Overseas Shareholder, New Assura is advised that the allotment and issue of New Assura Shares would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New Assura to obtain any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Assura, it would be unable to comply or which it regards as unduly onerous, the Scheme provides that New Assura may determine either: (i) that such shareholder's entitlement to New Assura Shares pursuant to the Scheme will be issued to such shareholder and then sold on his behalf as soon as reasonably practical at the best price which can be reasonably obtained at the time of sale, with the net proceeds of sale being remitted to such shareholder; or (ii) that the shareholder's entitlement to New Assura Shares shall be issued to a nominee for such shareholder appointed by New

Assura and then sold, with the net proceeds being remitted to the shareholder concerned. Any remittance of the net proceeds of sale referred to in this paragraph shall be at the risk of the relevant shareholder.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OR AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

10. The Meetings

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting, convened pursuant to an order of the Court, and the passing by the Assura Shareholders of the Resolutions set out in the notice of the Extraordinary General Meeting. Both of the Meetings have been convened for 14 January 2015. The Scheme also requires a separate sanction from the Court, assuming approval at the Meetings.

It is expected that New Assura will agree to appear by Guernsey counsel on the hearing of the application to sanction the Scheme and to undertake to be bound by the Scheme.

Notices of the Court Meeting and the Extraordinary General Meeting are contained at the end of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast at such meetings will be determined by reference to the register of members of Assura at the relevant Scheme Voting Record Time.

The Scheme Voting Record Time for the Court Meeting is 5.00 p.m. on 12 January 2015. The Scheme Voting Record Time for the Extraordinary General Meeting for holders of Assura Shares in uncertificated form is 5.00 p.m. on 12 January 2015. The Assura Articles do not permit a Scheme Voting Record Time to be set in advance of the vote at the Extraordinary General Meeting for holders of Assura Shares in certificated form. Consequently, the Scheme Voting Record Time for the Extraordinary General Meeting for holders of Assura Shares in certificated form is the time of the vote at the Extraordinary General Meeting.

All Assura Shareholders whose names appear on the register of members of Assura at the relevant Scheme Voting Record Time, shall be entitled to attend and speak and vote at the relevant Meeting in respect of the number of Assura Shares registered in their name at the applicable time.

Court Meeting

The Court Meeting has been convened for 10.45 a.m. on 14 January 2015 pursuant to an order of the Court. At the Court Meeting, or at any adjournment thereof, the Assura Shareholders will consider and, if thought fit, approve the Scheme.

Voting at the Court Meeting will be by poll and not on a show of hands and each Scheme Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Scheme Share held. The statutory majority required to approve the Scheme at the Court Meeting is a majority in number of the Scheme Shareholders present and voting (either in person or by proxy) at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares voted (either in person or by proxy) by such Scheme Shareholders.

In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of the Scheme Shareholders, it is important that as many votes as possible are cast at the Court Meeting.

It is also particularly important for you to be aware that if the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether they attended the Court Meeting and irrespective of the manner in which they voted.

Extraordinary General Meeting

The Extraordinary General Meeting has been convened for 11.00 a.m. on 14 January 2015 (or as soon thereafter as the Court Meeting has been concluded). At the Extraordinary General Meeting or at any adjournment thereof, Assura Shareholders will consider and, if thought fit, pass the Resolutions set out in the notice of the Extraordinary General Meeting to approve the following matters in connection with the implementation of the Scheme.

The Resolutions set out in the notice of the Extraordinary General Meeting are proposed as special resolutions in order to approve:

- (i) amendments to the Assura Articles to deal with transitional matters arising from the Scheme; and
- (ii) authority for the directors of New Assura to convene a general meeting of New Assura, other than an annual general meeting, on not less than 14 clear days' notice.

The majority required for the passing of the Resolutions is not less than 75 per cent. of the votes cast (in person or by proxy) at the Extraordinary General Meeting.

11. Prospectus

A Prospectus relating to New Assura, the Assura Group and Admission, which will contain prescribed information relating to New Assura, is expected to be made available on or around 23 January 2015 and in electronic form on the Assura Group's website (www.assuragroup.co.uk) on or around 23 January 2015 after it has been filed with the FCA in accordance with the Prospectus Rules.

A copy of the Prospectus may also be obtained from the date it is filed until Admission, free of charge, by writing to the registered office of New Assura (The Brew House, Greenalls Avenue, Warrington, Cheshire, WA4 6HL) or the registered office of Addleshaw Goddard LLP (Milton Gate, 60 Chiswell Street, London EC1Y 4AG), the legal advisors to Assura and New Assura.

A copy of the Prospectus may also be inspected from such date until Admission at the registered offices of both New Assura and Addleshaw Goddard LLP.

The information in the Prospectus will include financial information and an operating and financial review in relation to the Assura Group, a business overview of the Assura Group and a section of additional information, including details of the remuneration and interests of the Directors, material contracts and capital resources of the Assura Group and details of any litigation concerning the Assura Group, all of which is relevant to New Assura as the new parent company of the Assura Group. Certain of this information is incorporated into the Prospectus by reference from other sources, including Assura's recent prospectus dated 24 September 2014.

12. Action to be taken

Forms of Proxy are enclosed as follows:

- (a) for the Court Meeting, a blue Form of Proxy; and
- (b) for the Extraordinary General Meeting, a purple Form of Proxy.

Whether or not you propose to attend the Meetings in person you are requested, if you hold Assura Shares, to complete and return both the blue and purple Forms of Proxy. If you hold your Assura Shares in uncertificated form and wish to appoint a proxy through the CREST electronic proxy appointment service, please read the notes to the notices of the Court Meeting and the Extraordinary General Meeting for further details.

Completed Forms of Proxy should be returned to the Registrars, Computershare Investor Services (Jersey) Limited, at The Pavilions, Bridgewater Road, Bristol BS99 6ZY as soon as possible and in any event so as to be received by the Registrars not later than 48 hours before the time appointed for the relevant meeting.

The return of the Forms of Proxy will not prevent you from attending either of the meetings and voting in person if you so wish and are so entitled.

In each case, the Forms of Proxy should be completed in accordance with the instructions printed on them.

The blue Form of Proxy in respect of the Court Meeting may also be handed to the Registrars or the Chairman at the Court Meeting before the start of the meeting. However, in the case of the Extraordinary General Meeting, the purple Form of Proxy will be invalid unless it is lodged so as to be received by 11.00 a.m. on 12 January 2015, being at least 48 hours before the time appointed for the Extraordinary General Meeting.

If you hold your Assura Shares in uncertificated form (i.e. in CREST), you can appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual. Your CREST Proxy Instruction must be received by the Registrars by 10.45 a.m. on 12 January 2015 for the Court Meeting and 11.00 a.m. on 12 January 2015 for the Extraordinary General Meeting or if either of the Meetings is adjourned, 48 hours before the time appointed for the adjourned meetings.

13. Further information

The terms of the Scheme are set out in full in Part III (The Scheme of Arrangement) of this document. Your attention is also drawn to the further information contained in this document and, in particular, the Additional Information set out in Part V of this document.

Yours faithfully,

Liberum Capital Limited

Oriel Securities Limited

PART III

THE SCHEME OF ARRANGEMENT

IN THE ROYAL COURT OF GUERNSEY

IN THE MATTER OF ASSURA GROUP LIMITED

– and –

IN THE MATTER OF THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED

SCHEME OF ARRANGEMENT

(under Part VIII of The Companies (Guernsey) Law, 2008, as amended)

between

ASSURA GROUP LIMITED

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“**£**”, “**pence**” or “**sterling**” means the lawful currency of the United Kingdom;

“**Assura**” or the “**Company**” means Assura Group Limited, a limited company incorporated in Guernsey with registered number 41230;

“**Assura Shareholders**” means holders of Assura Shares from time to time;

“**Assura Shares**” means ordinary shares of 10 pence each in the capital of Assura;

“**Business Day**” means a day (excluding Saturdays and Sundays and public holidays in England and Wales) on which banks are generally open for business in the City of London and Guernsey for the transaction of normal banking business;

“**certificated**” or “**in certificated form**” means in relation to a share or other security, a share or other security which is not in uncertificated form (that is, not in CREST);

“**Clause**” means a clause of this Scheme;

“**Court**” means the Royal Court of Guernsey;

“**Court Hearing**” means the hearing by the Court of the application to sanction the Scheme under Part VIII of the Guernsey Companies Law;

“**Court Meeting**” means the meeting of Scheme Shareholders convened by order of the Court pursuant to Part VIII of the Guernsey Companies Law to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 10.45 a.m. on 14 January 2015, to consider and, if thought fit, approve the Scheme, and any adjournment thereof;

“**Court Order**” means the order of the Court sanctioning the Scheme under Part VIII of the Guernsey Companies Law;

“**CREST**” means the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of securities in uncertificated form operated by Euroclear in accordance with the CREST Regulations;

“**CREST Regulations**” means the Uncertificated Securities (Guernsey) Regulations, 2009;

“**Effective Date**” means the date on which this Scheme becomes effective, expected to be 28 January 2015;

“**Euroclear**” means Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738, the operator of CREST;

“**Extraordinary General Meeting**” means the general meeting of Assura Shareholders to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 11.00 a.m. on 14 January 2015 (or as soon as possible after the conclusion or adjournment of the Court Meeting) and any adjournment of that meeting;

“**Guernsey Companies Law**” means the Companies (Guernsey) Law, 2008, as amended;

“**holder**” means a registered holder, including any person entitled by transmission;

“**member**” means a member of Assura, on the register of members at any relevant date;

“**New Assura**” means Assura plc, a public limited company incorporated in England and Wales under the UK Companies Act 2006 with registered number 9349441;

“**New Assura Redeemable Shares**” means shares in New Assura which are issued for the purpose of satisfying the UK Companies Act 2006 minimum share capital requirements for public companies, which:

- (a) carry no right to receive notice of or to attend, speak or vote at any general meeting of New Assura or (subject to the UK Companies Act 2006) at any meeting of the holders of any class of shares in the capital of New Assura or for the purposes of a written resolution of New Assura;
- (b) do not entitle their holders to receive any dividend or distribution; and
- (c) carry only the right to receive, after all share capital (including premium) on the ordinary shares in issue has been repaid, £1 for every £100,000,000,000 of capital returned to the ordinary shareholders;

“**New Assura Shares**” means ordinary shares of 10 pence each in the capital of New Assura to be issued credited as fully paid in accordance with the terms of the Scheme;

“**New Assura Subscriber Shares**” means two ordinary shares of 10 pence each in the capital of New Assura issued on incorporation of New Assura;

“**Scheme**” or “**Scheme of Arrangement**” means the scheme of arrangement proposed to be made under Part VIII of the Guernsey Companies Law between Assura and the holders of the Scheme Shares as set out in this Part III, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Assura and New Assura;

“**Scheme Circular**” means this document;

“**Scheme Effective Time**” means the time at which the Scheme becomes effective on the Effective Date;

“**Scheme Record Time**” means 6.00 p.m. (London time) on the Business Day immediately preceding the Effective Date;

“**Scheme Shareholders**” means holders of Scheme Shares;

“**Scheme Shares**” means all Assura Shares which are:

- (a) in issue at the date of this Scheme;
- (b) (if any) issued after the date of this Scheme but prior to the Scheme Voting Record Time for the Court Meeting; and

- (c) (if any) issued on or after the Scheme Voting Record Time for the Court Meeting, either on terms that the original and any subsequent holders of such Assura Shares are to be bound by the Scheme and/or in respect of which their holders are, or have agreed in writing to be, bound by the Scheme, save for any Assura Shares held, legally or beneficially, by New Assura;

“Scheme Voting Record Time” means:

- (a) in relation to the Court Meeting, 5.00 p.m. (London time) on 12 January 2015, or, if the Court Meeting is adjourned, 5.00 p.m. London time on the day which is two days before the date of such adjourned meeting;
- (b) in relation to the Extraordinary General Meeting for holders of Assura Shares in uncertificated form, 5.00 p.m. (London time) on 12 January 2015 or, if the Extraordinary General Meeting is adjourned, 5.00 p.m. London time on the day which is two days before the date of such adjourned meeting; and
- (c) in relation to the Extraordinary General Meeting for holders of Assura Shares in certificated form, the time of the vote at the Extraordinary General Meeting, or, if the Extraordinary General Meeting is adjourned, the time of the vote at such adjourned meeting; and

“uncertificated” or **“in uncertificated form”** means in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.

- (B) The authorised share capital of Assura at the date of this Scheme is £100,690,014.10 divided into 1,006,900,141 ordinary shares of 10 pence each.
- (C) New Assura was incorporated in England and Wales on 10 December 2014, with registered number 9349441.
- (D) The issued share capital of New Assura at the date of this Scheme is £50,000, comprising 2 New Assura Subscriber Shares and 499,998 New Assura Redeemable Shares, all paid up to one-quarter of the nominal value of each share.
- (E) New Assura has agreed to appear by Guernsey Counsel at the Court Hearing, to consent to the Scheme and to undertake to be bound thereby and execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. Transfer of Scheme Shares

On or as soon as practicable after the Effective Date, all of the issued Scheme Shares shall be transferred to New Assura, fully paid, free from all liens, equities, rights, charges, encumbrances and other interests and together with all rights subsisting at the date of their transfer and thereafter attached to each share in Assura, including the right to receive and retain all dividends and other distributions declared, made or paid thereon, on or after the Effective Date.

2. Consideration for the transfer of the Scheme Shares

New Assura Shares shall be issued to the Scheme Shareholders on the basis of one New Assura Share for each Scheme Share held at the Scheme Record Time.

3. Allotment and issue of New Assura Shares

- (a) The New Assura Shares to be issued pursuant to Clause 2 shall rank in full for all dividends or distributions made, paid or declared after the Effective Date on the ordinary share capital of New Assura.

- (b) The provisions of Clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is a citizen, resident or national of any jurisdiction outside the United Kingdom, New Assura is advised that the allotment and issue of New Assura Shares pursuant to Clause 2 would infringe the laws of any jurisdiction outside the United Kingdom or would require New Assura to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Assura, it would be unable to comply or which it regards as unduly onerous, then New Assura may in its sole discretion either:
- (i) determine that such New Assura Shares shall be sold, in which event the New Assura Shares shall be issued to such Scheme Shareholder and New Assura shall appoint a person to act pursuant to this Clause 3(b)(i) and such person shall be authorised on behalf of such Scheme Shareholder to procure that any shares in respect of which New Assura has made such a determination shall, as soon as practicable following the Scheme Record Time, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) shall be paid to such Scheme Shareholder by sending a cheque to such Scheme Shareholder in accordance with the provisions of Clause 4. To give effect to any such sale, the person so appointed shall be authorised on behalf of such Scheme Shareholder to execute and deliver a form of transfer and to give such instructions and do all such things which he may consider necessary or expedient in connection with such sale. In the absence of fraud, none of Assura, New Assura or the person so appointed shall have any liability for any loss or damage arising as result of the timing or terms of any such sale; or
 - (ii) determine that no such New Assura Shares shall be allotted and issued to such Scheme Shareholder under Clause 2 but instead such shares shall be allotted and issued to a nominee appointed by New Assura as trustee for such Scheme Shareholder, on terms that they shall, as soon as practicable following the Scheme Record Time, be sold on behalf of such Scheme Shareholder at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) shall be paid to such Scheme Shareholder by sending a cheque to such Scheme Shareholder in accordance with the provisions of Clause 4. In the absence of fraud, none of Assura, New Assura or any broker or agent of either of them shall have any liability for any loss arising as a result of the timing or terms of any such sale.

4. Certificates and payments

- (a) On the Effective Date, New Assura shall allot and issue all New Assura Shares which it is required to allot and issue to give effect to this Scheme pursuant to Clause 2.
- (b) As soon as reasonably practicable after the Effective Date, and not later than 7 days after the Effective Date, New Assura shall send by post to the allottees of the New Assura Shares, certificates in respect of such shares save that, where Scheme Shares are held in uncertificated form, New Assura will procure that Euroclear is instructed to cancel the entitlement to Scheme Shares of the Scheme Shareholders concerned and to credit the appropriate stock accounts in CREST of each such Scheme Shareholder the due entitlement to New Assura Shares.
- (c) Not later than 15 Business Days following the sale of any relevant New Assura Shares pursuant to Clause 3(b), New Assura shall procure that such person appointed to act under Clause 3(b)(i) or the nominee referred to in Clause 3(b)(ii) shall account for the cash payable by despatching to the persons respectively entitled thereto cheques by post.
- (d) All certificates required to be sent by New Assura pursuant to Clause 4(b) and all cheques required to be sent pursuant to Clause 4(c) shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Assura at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the

joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Assura before the Scheme Record Time. All documents, certificates or other communications sent by, to, from or on behalf of Scheme Shareholders, or as such persons shall direct, will be sent at their own risk and may be sent by post.

- (e) None of Assura, New Assura or such person appointed to act under Clause 3(b)(i) or any nominee referred to in Clause 3(b)(ii) or any agent of any of them shall be responsible for any loss or delay in transmission of certificates or cheques sent in accordance with this Clause 4.
- (f) All cheques shall be made payable to the Scheme Shareholder or, in the case of joint holders to all such Scheme Shareholders, in respect of the Scheme Shares concerned in sterling drawn on a UK clearing bank and the encashment of any such cheque shall be a complete discharge to New Assura for the monies represented thereby.
- (g) This Clause 4 shall be subject to any prohibition or condition imposed by law.

5. Certificates representing Scheme Shares

With effect from and including the Effective Date, all certificates representing holdings of Scheme Shares shall cease to have effect as documents of title to such Scheme Shares.

6. Record of Transfer of Scheme Shares

With effect from and including the Effective Date:

- (a) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- (b) as regards certificated Scheme Shares, appropriate entries will be made in Assura's register of members to reflect their transfer pursuant to this Scheme.

7. Mandated payments and other instructions

Each mandate in force at the Scheme Record Time relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications from Assura shall, unless and until varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to New Assura in relation to the corresponding New Assura Shares to be allotted and issued pursuant to the Scheme.

8. Effective Date

- (a) This Scheme shall become effective as soon as the Court Order has been granted but subject to its terms.
- (b) Unless this Scheme shall have become effective on or before 5.00 p.m. on 31 March 2015 or such later date, if any, as Assura and New Assura may agree and the Court may allow, it shall lapse.

9. Modification

Assura and New Assura may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

10. Costs

Assura is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

Dated: 17 December 2014

PART IV

REIT REGIME

1. The UK REIT Regime

- (a) The summary of the REIT Regime applicable in the UK (the “**REIT Regime**”) below is intended to be a general guide only and constitute a high-level summary of Assura’s understanding of certain aspects of current UK law and HMRC practice relating to the UK REIT Regime, each of which is subject to change, possibly with retrospective effect. It is not an exhaustive summary of all applicable legislation in relation to the REIT Regime. The UK REIT Regime was introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of CTA 2010.
- (b) Investing in property through a UK taxable corporate investment vehicle has the disadvantage that, in comparison to a direct investment in property assets, some categories of shareholder may effectively bear tax twice on the same income: first, indirectly, when the corporate investment vehicle pays direct tax on its profits, and secondly, directly (subject to any available exemption or with the benefit of a tax credit) when the shareholder receives a dividend. UK non-tax paying entities, such as UK pension funds, bear tax indirectly when investing through a taxable closed-ended corporate vehicle, that is not a REIT which they would not suffer if they were to invest directly in the property assets.
- (c) As part of a group UK REIT, UK resident REIT Group members would no longer pay UK direct taxes on income and capital gains from their “**Qualifying Property Rental Businesses**” (being businesses within the meaning of section 205 of CTA 2009 or an overseas property business within the meaning of section 206 of CTA 2009, but in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010) in the UK and elsewhere and non-UK resident REIT Group members with a UK Qualifying Property Rental Business would no longer pay UK direct taxes on income from their UK Qualifying Property Rental Businesses, provided that certain conditions are satisfied. Instead, distributions in respect of the tax-exempt Qualifying Property Rental Businesses will be treated for UK tax purposes as UK property income in the hands of shareholders. Part V contains further detail on the UK tax treatment of shareholders in a REIT.
- (d) Gains arising in UK resident companies on the disposal of shares in property owning companies may, however, be subject to UK corporation tax. In addition, REIT Group members will remain subject to overseas direct taxes in respect of any property rental business carried on outside the UK, and UK and overseas direct taxes are still payable in respect of any income and gains from the REIT Group’s businesses (generally including any property trading business) not included in the Qualifying Property Rental Business (the “**Residual Business**”).
- (e) Whilst within the REIT Regime, the Qualifying Property Rental Business will be treated as a separate business for corporation tax purposes from the Residual Business and a loss incurred by the Qualifying Property Rental Business cannot be set off against profits of the Residual Business (and vice versa).
- (f) A dividend paid by New Assura relating to profits or gains of the Qualifying Property Rental Business of the members of the Group (other than gains arising to non-UK resident members of the Group) is referred to as a “**PID**” or a “**Property Income Distribution**”. Other normal dividends paid by New Assura (including dividends relating to the Residual Business) are referred to as “**Non-PID Dividends**”. Under the REIT Regime, both PIDs and Non-PID Dividends are capable of being satisfied by stock dividends. Part V contains further detail on the UK tax treatment of shareholders in a REIT.
- (g) In this Part IV, references to a company’s accounting period are to its accounting period for UK corporation tax purposes. This period can differ from a company’s accounting period for other purposes.

2. Qualification as a REIT

A group becomes a group UK REIT by the principal company serving notice on HMRC before the beginning of the first accounting period for which it wishes the group members to become a REIT. In order to qualify as a REIT, the REIT Group must satisfy certain conditions set out in CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company must satisfy the conditions set out in paragraphs 2(a) to 2(d) and 2(f) below and the REIT Group as a whole must satisfy the conditions set out in paragraph 2(e).

(a) *Company conditions*

The principal company must be solely UK resident for tax purposes, admitted to trading on a recognised stock exchange and it must not be an open-ended investment company. The principal company's shares must either be listed on a recognised stock exchange throughout each accounting period or traded on a recognised stock exchange in each accounting period. This listing/traded requirement is relaxed in the REIT Group's first three accounting periods but the REIT Group can benefit from this relaxation only once. The principal company must also not (apart from in circumstances where it is only a close company because it has as a participator an institutional investor as defined in section 528(4A) of CTA 2010) be a "close company" (as defined in section 439 of CTA 2010 as amended by section 528(5) of CTA 2010) (the "close company condition"). In summary, the close company condition amounts to a requirement that the company cannot be under the control of 5 or fewer participators, or of participators who are directors (and participators for these purposes is defined in section 454 of CTA 2010), subject to certain exceptions. The close company condition is relaxed for the REIT Group's first three years.

(b) *Share capital restrictions*

The principal company must have only one class of ordinary share in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be restricted preference shares but for the fact that they carry a right of conversion into shares or securities in New Assura.

(c) *Borrowing restrictions*

The principal company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets (subject to exceptions). In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

(d) *Financial Statements*

The principal company must prepare financial statements (the "Financial Statements") in accordance with statutory requirements set out in Sections 532 and 533 of CTA 2010 and submit these to HMRC. In particular, the Financial Statements must contain the information about the Qualifying Property Rental Business and the Residual Business separately.

(e) *Qualifying Property Rental Business Conditions (including the Balance of Business conditions)*

The REIT Group must satisfy, amongst other things, the following conditions in respect of each accounting period during which the REIT Group is to be treated as a REIT:

- (i) the Qualifying Property Rental Business must throughout the accounting period involve at least three properties (and for these purposes, the relevant REIT legislation defines a single property as one that is designed, fitted or equipped for the purposes of being rented, and which is rented or available for rent as a separate commercial or residential unit separate from any other unit);
- (ii) throughout the accounting period no one property (applying the definition of single property above) may represent more than 40 per cent. of the total value of the properties involved in the

Qualifying Property Rental Business. Assets must be valued in accordance with international accounting standards and at fair value when international accounting standards offers a choice between a cost basis and a fair value basis;

- (iii) the income profits arising from the Qualifying Property Rental Business must represent at least 75 per cent. of the REIT Group's total income profits for the accounting period (the "**75 per cent. profits condition**"). Profits for this purpose means profits calculated in accordance with IAS, before deduction of tax and excluding, broadly, gains and losses on the disposal of property and gains and losses on the revaluation of properties, and certain exceptional items;
- (iv) at the beginning of the accounting period the value of the assets in the Qualifying Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group (the "**75 per cent. assets condition**"). Cash held on deposit and gilts or relevant UK REIT Shares are included in the value of the assets relating to the Qualifying Property Rental Business for the purpose of meeting this condition.

In addition, the Qualifying Property Rental Business does not include any property which is classified as owner-occupied in accordance with generally accepted accounting practice (subject to certain exceptions).

(f) ***Distribution condition***

The principal company of the REIT (which, for the purposes of this Part, will be New Assura) will be required (to the extent permitted by law) to distribute to shareholders (by way of cash or stock dividend), on or before the filing date for the principal company's tax return for the accounting period in question, at least 90 per cent. of the Group's property rental business profits as calculated for tax purposes (broadly, calculated using normal UK corporation tax rules) of the UK resident members of the REIT Group in respect of their Qualifying Property Rental Business and of the non-UK resident members of the REIT Group insofar as they are derived from their UK Qualifying Property Rental Business arising in each accounting period (the "**90 per cent. distribution condition**"). Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstances where the profits of the period are increased from the amount originally shown in the Financial Statements delivered to HMRC, this charge can be mitigated if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level. For the purpose of satisfying the distribution condition, any dividend withheld in order to comply with the 10 per cent. rule (as described below) will be treated as having been paid.

3. Investment in other REITs

Finance Act 2013 enacted changes to Part 12 of CTA 2010 in order to facilitate investments by REITs in other REITs. The legislation exempts a distribution of profits or gains of the Qualifying Property Rental Business of one REIT to another REIT. The investing REIT is required to distribute 100 per cent. of the distributions to its shareholders. The investment by one REIT in another REIT will effectively be treated as a Qualifying Property Rental Business asset for the purposes of the 75 per cent. assets condition.

4. Effect of becoming a REIT

(a) ***Tax exemption***

- (i) As a REIT, the REIT Group will not pay UK corporation tax on profits and gains from the Qualifying Property Rental Business. Corporation tax will still apply in the normal way in respect of the Residual Business.
- (ii) Corporation tax could also be payable were the shares in a member of the REIT Group to be sold (as opposed to property involved in the Qualifying Property Rental Business). The REIT Group will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates and national insurance contributions in the normal way.

(b) ***Dividends***

- (i) When the principal company of a REIT pays a dividend, that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution condition (and where it relates to profits or gains of the Qualifying Property Rental Business of the members of the Group, other than gains arising to non-UK resident members of the Group). If the dividend exceeds the amount required to satisfy that test, the REIT may determine that all or part of the balance is a Non-PID Dividend to the extent there are any profits of the current or previous years which derive from activities of a kind in respect of which corporation tax is chargeable in relation to income (e.g. profits of the Residual Business). Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID, firstly in respect of the remaining income profits of the Qualifying Property Rental Business for the current year or previous years and secondly, in respect of capital gains which are exempt from tax by virtue of the REIT Regime (in either case distributed as a PID). Any remaining balance will be attributed to other Non-PID Dividends.
- (ii) Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent.). Further details of the United Kingdom tax treatment of certain categories of shareholder while the Group is in the REIT Regime are contained in Part V.
- (iii) If the REIT Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs to the extent they are paid in respect of profits and gains of the Qualifying Property Rental Business that arose whilst the REIT Group was within the REIT Regime.

(c) ***Interest cover ratio***

A tax charge will arise if, in respect of any accounting period, the REIT Group's ratio of income profits (before capital allowances) to financing costs (in both cases in respect of its Qualifying Property Rental Business) is less than 1.25:1. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 (subject to a cap of 20 per cent. of the income profits) is chargeable to corporation tax.

(d) ***The "10 per cent. rule"***

- (i) The principal company of a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies where a dividend is paid to persons that are companies or are treated as bodies corporate in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement, or in accordance with such a double taxation agreement. It does not apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meets the test in their own right.
- (ii) This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying dividends to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such "reasonable steps". One of these actions is to include restrictive provisions in the principal company's articles of association to address this requirement. The Articles (as summarised in paragraph 8 of Part V of this document) are consistent with the provisions described in the HMRC guidance.

(e) ***Property development and property trading by a REIT***

- (i) A property development undertaken by a member of the REIT Group can be within the Qualifying Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a REIT, and (b) the date of the

acquisition of the development property, and the REIT sells the development property within the three years beginning with the completion of the development, the property will be treated as never having been part of the Qualifying Property Rental Business for the purposes of calculating any gain arising on disposal of the property (and any tax exempt market value deemed disposal of the property or entry to the UK REIT Regime will be ignored). Any gain will be chargeable to corporation tax.

- (ii) If a member of the REIT Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Qualifying Property Rental Business for the purposes of calculating any profit arising on disposal of the property (and any tax exempt market value deemed disposal of the property or entry to the REIT Regime will be ignored). Any profit will be chargeable to corporation tax.

(f) ***Movement of assets in and out of Qualifying Property Rental Business***

In general, where an asset owned by a UK resident member of the REIT Group and used for the Qualifying Property Rental Business begins to be used for the Residual Business, there will be a tax exempt market value disposal of the asset. Where an asset owned by a UK resident member of the REIT Group and used for the Residual Business begins to be used for the Qualifying Property Rental Business, this will generally constitute a taxable market value disposal of the asset for UK corporation tax purposes, except for capital allowances purposes.

(g) ***Joint ventures***

- (i) The REIT Regime also makes certain provisions for corporate joint ventures. If one or more members of the REIT Group are beneficially entitled, in aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a Qualifying Property Rental Business which satisfies the 75 per cent. profits condition and the 75 per cent. assets condition (the “**JV company**”) and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Qualifying Property Rental Business for tax purposes (on a proportionate basis). In such circumstances, the income of the JV company will count towards the 90 per cent. distribution condition and the 75 per cent. profits condition, and its assets will count towards the 75 per cent. assets condition (on a proportionate basis).
- (ii) The REIT Group’s share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a Qualifying Property Rental Business, including offshore unit trusts or partnerships, should automatically fall within the REIT tax exemption, and will count towards the 75 per cent. profits and assets conditions, provided the REIT Group is entitled to more than 20 per cent. of the profits and assets of the relevant tax transparent vehicle. The REIT Group’s share of the Qualifying Property Rental Business profits arising will also count towards the 90 per cent. distribution condition.

(h) ***Acquisitions and takeovers***

- (i) If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the conditions are met, continue to enjoy tax exemptions in respect of the profits of its Qualifying Property Rental Business and capital gains on disposal of properties in the Qualifying Property Rental Business.
- (ii) The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT (unless the acquirer qualifies as an Institutional Investor and the REIT’s shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) and will therefore be treated as leaving the REIT Regime at the end of its accounting period preceding the takeover and ceasing from the end of that accounting period to benefit

from tax exemptions on the profits of its Qualifying Property Rental Business and capital gains on disposal of property forming part of its Qualifying Property Rental Business. The properties in the Qualifying Property Rental Business are treated as having been sold and reacquired at market value for the purposes of corporation tax on chargeable gains immediately before the end of the preceding accounting period. These disposals should be tax exempt as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future capital gains on the relevant assets will therefore be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be recharacterised retrospectively as normal dividends.

(i) ***Certain tax avoidance arrangements***

If HMRC thinks that a member of the REIT Group has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Qualifying Property Rental Business. In addition, if HMRC consider that the circumstances are sufficiently serious or if two or more notices in relation to the obtaining of a tax advantage are issued by HMRC in a ten year period, they may require the REIT Group to exit the REIT Regime.

5. Exit from the REIT Regime

- (a) The principal company of the REIT Group can give notice to HMRC that it wants to leave the REIT Regime at any time. The Board retains the right to decide that the REIT Group should exit the REIT Regime at any time in the future without shareholder consent if it considers this to be in the best interests of the REIT Group.
- (b) If the REIT Group (or a member of the REIT Group) voluntarily leaves the REIT Regime within ten years of joining and disposes of any property that was involved in its Qualifying Property Rental Business within two years of leaving, any uplift in the base cost of the property as a result of the deemed disposals on entry into and exit from the REIT Regime (or as a movement from the Qualifying Property Rental Business to the Residual Business) is disregarded in calculating the gain or loss on the disposal.
- (c) It is important to note that it cannot be guaranteed that New Assura or the REIT Group will comply with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances. HMRC may require the REIT Group to exit the REIT Regime if:
- (i) it regards a breach of the conditions relating to the REIT Regime, or an attempt to obtain a tax advantage, as sufficiently serious; or
 - (ii) the REIT Group or New Assura have committed a certain number of breaches of the conditions in a specified period; or
 - (iii) HMRC has given members of the REIT Group two or more notices in relation to the obtaining of a tax advantage within a ten year period of the first notice having been given.
- (d) In addition, if the conditions for REIT status relating to the share capital of the principal company and the prohibition on entering into loans with abnormal returns are breached or the principal company ceases to be UK resident, becomes dual resident or an open-ended company, it will automatically lose REIT status. Where the REIT Group automatically loses REIT status or is required by HMRC to leave the REIT Regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the REIT Group is treated as exiting the REIT Regime.
- (e) Shareholders should note that it is possible that the REIT Group could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT, unless the acquirer qualifies as an Institutional Investor and the REIT's shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) or other circumstances outside the REIT Group's control.

PART V

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names and functions are set out on page 10 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Information on Assura

Assura is a limited company incorporated in Guernsey and operating under the Companies (Guernsey) Law, 2008, as amended. Assura's registered office is Old Bank Chambers, La Grande Rue, St Martin's, Guernsey GY4 6RT.

3. Information on New Assura

3.1 *Incorporation and registered office*

New Assura was incorporated under the name Assura Kingston plc on 10 December 2014 under the Companies Act as a public limited company and with registered number 9349441. New Assura changed its name to Assura plc pursuant to a special resolution passed on 16 December 2014.

The registered office of New Assura is at The Brew House, Greenalls Avenue, Warrington, Cheshire WA4 6HL and the telephone number is +44 (0)1925 420 660.

The Companies Act comprises the principal legislation under which New Assura operates and under which the New Assura Shares were created.

3.2 *Share capital*

New Assura was incorporated with an issued share capital of £50,000, comprising 2 New Assura Shares and 499,998 New Assura Redeemable Shares, all paid up to one-quarter of the nominal value of each share.

The New Assura Redeemable Shares were created for the purpose of satisfying the Companies Act minimum share capital requirements for public companies. They will carry no right to receive notice of or to attend, speak or vote at any general meeting of New Assura or (subject to the Companies Act) at any meeting of the holders of any class of shares in the capital of New Assura or for the purposes of a written resolution of New Assura. They will not entitle their holders to receive any dividend or distribution and they will only carry the right to receive, after all share capital (including premium) on the ordinary shares in issue has been repaid, £1 for every £100,000,000,000 of capital returned to the ordinary shareholders. Subject to the Companies Act, the New Assura Redeemable Shares will be redeemable at their paid-up value at the option of New Assura or the holder. The New Assura Directors have informed the Assura Directors that they intend that following the Scheme becoming effective, any New Assura Redeemable Shares in issue will be redeemed by New Assura at their paid-up value and automatically cancelled.

Following the Scheme becoming effective, the holder(s) of any New Assura Shares in issue prior to the Scheme becoming effective will gift such shares to a nominee of New Assura, following which such shares will be cancelled. This is to ensure that the number of New Assura Shares in issue following the Scheme is exactly the same as the number of Assura Shares in issue immediately prior to the Scheme becoming effective. New Assura Shares issued pursuant to the Scheme will rank equally with any New Assura Shares in issue prior to the Scheme becoming effective, pending such cancellation.

The issued share capital of New Assura immediately prior to the Court Meeting will be:

<i>Issued Share Capital</i>	<i>Number</i>
New Assura Shares of 10 pence each	2
New Assura Redeemable Shares of 10 pence each	499,998

3.3 **Authorities**

The New Assura Shareholders and/or directors of New Assura are expected to pass prior to the Court Meeting, certain resolutions in order to, among other matters, authorise New Assura to carry out the actions required of it in relation to the Proposals, including:

- (a) the authority for the directors of New Assura to allot New Assura Shares pursuant to the Scheme;
- (b) the authority for the directors of New Assura to allot New Assura Shares generally;
- (c) the authority to make allotments otherwise than in accordance with pre-emption rights;
- (d) the authority for New Assura, following the Scheme becoming effective, to cancel any New Assura Shares in issue prior to the Scheme becoming effective;
- (e) the approval of the remuneration policy of New Assura;
- (f) the approval of the appointment of the auditors of New Assura;
- (g) the authority for the directors of New Assura to determine the auditors' remuneration; and
- (h) the authority for the directors of New Assura to convene a general meeting on 14 clear days' notice.

The authorities to be granted in relation to allotment of shares referred to in (b) and (c) above are equivalent to corresponding authorities that were granted to the Directors at the Assura annual general meeting held on 22 July 2014. The remuneration policy to be approved is equivalent to the remuneration policy in relation to which approval was sought from Assura Shareholders at the same Assura annual general meeting.

4. **Directors and New Assura Directors**

4.1 The Directors of Assura and their functions are as follows:

Simon Timothy Laffin	<i>(Non-executive Chairman)</i>
Graham Charles Roberts	<i>(Chief Executive Officer)</i>
Jonathan Stewart Murphy	<i>(Finance Director)</i>
Jenefer Dawn Greenwood	<i>(Non-executive Director)</i>
David Hedley Richardson	<i>(Non-executive Director)</i>

4.2 The Directors of Assura were appointed as Directors of New Assura on 16 December 2014.

4.3 The business address of each of the Assura Directors and New Assura Directors is The Brew House, Greenalls Avenue, Warrington, Cheshire WA4 6HL.

4.4 The appointment of all the Non-executive Directors of Assura will terminate with effect from the Scheme Effective Date because, as a non-listed company from the Scheme Effective Date, Assura will not require a large board of executive and non-executive directors.

5. **Directors' interests**

5.1 On the Scheme becoming effective, assuming that no further Assura Shares have been purchased by them or issued after 16 December 2014 (being the latest practicable date prior to the publication of this document), the Directors and persons connected with them will have the following beneficial

interests in New Assura Shares by virtue of the effect of the Scheme on their Assura Shares. These figures do not include any interests the Directors may have as a result of their participation in the Assura Employee Share Plans.

	<i>Number of Assura Shares before the Scheme becomes effective</i>	<i>Number of New Assura Shares on the Effective Date</i>	<i>Percentage of New Assura Shares on the Effective Date</i>
Simon Timothy Laffin*	3,138,578	3,138,578	0.31
Graham Charles Roberts	3,100,000	3,100,000	0.31
Jonathan Stewart Murphy	453,680	453,680	0.05
Jenefer Dawn Greenwood	97,256	97,256	0.01
David Hedley Richardson	359,998	359,998	0.04

* The interests of Simon Laffin above include 114,942 Assura Shares which he holds on behalf of a family member who holds such shares beneficially.

- 5.2 The Directors are interested in an aggregate of 7,149,512 Assura Shares, representing approximately 0.71 per cent. of the issued share capital of Assura. Upon the Scheme becoming effective, the Directors are expected to be interested in 0.71 per cent. of the issued share capital of New Assura.
- 5.3 Details of options and awards over Assura Shares granted pursuant to the Assura Group Limited Executive Recruitment Plan (“**ERP**”), and the Assura Group Limited Value Creation Plan (“**VCP**”) which are held by the Directors as at 16 December 2014 (being the latest practicable date prior to the publication of this document) are as follows:

ERP

	<i>Date of grant of option</i>	<i>Number of Assura Shares under option</i>	<i>Normal vesting date for option</i>
Jonathan Murphy	29 January 2013	460,002	One third on 29 January 2014 One third on 29 January 2015 One third on 29 January 2016

All options under the ERP are nil cost options. One third of the options were exercised on 29 January 2014 and therefore 306,668 options remain outstanding.

Under the rules of the ERP, the Assura remuneration committee (“**Committee**”) may, with the consent of New Assura, determine that any options granted under the ERP will not vest and be exercisable as part of the Scheme but that they will be surrendered and a new option granted which is equivalent to any existing option but which subsists over New Assura Shares (“**ERP Exchange**”). New Assura has consented to the ERP Exchange and it is intended that such ERP Exchange will take place in respect of the outstanding nil cost option following the Scheme.

VCP

	<i>Date of grant of award</i>	<i>Number of performance units</i>	<i>Normal vesting date for award</i>
Graham Roberts	15 February 2013	400,000	See below
Jonathan Murphy	15 February 2013	175,000	See below
Andrew Darke	15 February 2013	200,000	See below
Paul Carroll	21 March 2013	3,000	
	30 April 2014	4,000	
	3 December 2014	3,500	See below
Spencer Kenyon	21 March 2013	3,000	
	30 April 2014	3,200	
	3 December 2014	3,400	See below
Carolyn Jones	21 March 2013	2,000	
	30 April 2014	3,200	
	3 December 2014	2,600	See below

Units convert into nil cost options subject to the satisfaction of performance conditions set by the Committee at the time of grant and measured at three measurement dates in a five year measurement period. Subject to the achievement of the relevant performance conditions, ten per cent. of any value created above a threshold price is converted into nil cost options over Assura Shares and a proportion of these may vest at each measurement date.

Dividends and dividend equivalents are not paid on accrued or vested nil cost options under the VCP.

Under the rules of the VCP, the Board may, with the consent of New Assura, determine that any subsisting units or nil cost options under the VCP will not convert or vest (as the case may be) and be exercisable as part of the Scheme but that they will be automatically exchanged for a new award which is equivalent to any existing award but which subsists over New Assura Shares (“**VCP Exchange**”). New Assura has consented to the VCP Exchange and it is intended that such VCP Exchange will take place in respect of any outstanding awards under the VCP following the Scheme.

Sharesave Plan

The Sharesave Plan has never been operated by Assura.

- 5.4 The interests disclosed in this paragraph 5 are based upon the interests of the Directors in Assura Shares which: (i) have been notified by each Director to the Company pursuant to Chapter 3 of the Disclosure and Transparency Rules before 16 December 2014 (being the latest practicable date prior to the publication of this document); or (ii) are interests of a connected person (within the meaning of the Disclosure and Transparency Rules) of a Director which have been notified to the Company by each connected person pursuant to Chapter 3 of the Disclosure and Transparency Rules.
- 5.5 Save as set out in this paragraph 5, none of the Directors or any connected person has any interest, whether beneficial or non-beneficial, in the share capital of any member of the Assura Group.
- 5.6 None of the Directors has any potential conflicts of interest between their duties to Assura and their private interests and/or their duties to third parties.
- 5.7 There are no outstanding loans or guarantees granted or provided by Assura to any of its subsidiaries for the benefit of any of the Directors.

6. Directors’ employment contracts

- 6.1 Conditional upon the Scheme becoming effective, the service agreement of the Executive Directors will be amended in order that the agreement reflects the structure of the New Assura Group and any revised duties once the Scheme becomes effective.

It is anticipated that each New Assura Non-executive Director will agree terms of appointment with New Assura which are the same as the terms of appointment that such person has with Assura, as set out in paragraph 6.4 below.

6.2 Particulars of the Executive Directors' current service agreements with Assura are set out below:

<i>Director</i>	<i>Date of Service Agreement</i>	<i>Notice period from either party</i>	<i>Salary (£) and Bonus</i>	<i>Benefits in kind</i>
Graham Roberts	29 March 2012	6 months	315,500 as per agreed bonus plan (maximum 100% of salary)	Car cash allowance, private medical, life assurance, pension
Jonathan Murphy	2 January 2013	6 months	180,000 as per agreed bonus plan (maximum 50% of salary)	Car cash allowance, private medical, life assurance, pension

The service agreement for each of the Executive Directors provide that six months' notice shall be given (by the Company or by the employee) to terminate the agreement. During such notice period, the employee may be placed on garden leave (at the Company's discretion) and will continue to receive salary and benefits. Alternatively, the Company may (at its discretion) terminate the employee's employment forthwith by making a payment in lieu of salary and contractual benefits in respect of the notice period, or any unexpired part of it.

6.3 There are no provisions in the Executive Directors' service agreements for compensation to be payable in the event of early termination of their respective service agreements, other than payment in lieu of notice.

6.4 Particulars of the current letters of appointment between the Non-executive Directors and the Company are set out below:

<i>Director</i>	<i>Date of Service Agreement</i>	<i>Notice period from either party</i>	<i>Annual fee (£)</i>
Simon Laffin	13 September 2011	6 months	126,000
David Richardson	21 December 2011	3 months	52,000
Jenefer Greenwood	8 May 2012	3 months	44,000

6.5 Each Non-executive Director is entitled to have the costs of independent legal advice required in connection with the performance of their duties met by the Company. The Non-executive Directors are also entitled to be reimbursed for all reasonable expenses incurred in the proper performance of their duties. There are no provisions in the Non-executive Directors' letters of appointments for compensation to be payable in the event of early termination of their letters of appointment.

6.6 During the financial year ended 31 March 2014, the amount of remuneration paid (including any contingent or deferred compensation) and benefits in kind granted by the Group to each Director for services to the Group were as follows:

<i>Director</i>	<i>Salary/fee (£)</i>	<i>Bonus (£)</i>	<i>Benefits in kind (£)</i>	<i>Pension contribution (£)</i>	<i>Long term incentives (£)</i>	<i>Total (£)</i>
Simon Laffin	126,000	0	0	0		126,000
Graham Roberts	309,000	294,000	15,000	62,000		680,000
Jonathan Murphy	153,000	73,000	11,000	19,000	61,000	317,000
David Richardson	52,000	0	0	0		52,000
Jenefer Greenwood	44,000	0	0	0		44,000

7. Major Shareholders

- 7.1 The Company has been notified that the following persons were, directly or indirectly, interested in three per cent. or more of the Company's issued ordinary share capital or voting rights as at 12 December 2014 (being the latest practicable date prior to the publication of this document) and the amount of such person's holding in respect of New Assura Shares following the Scheme becoming effective is expected to be as follows:

	<i>As at 12 December 2014</i>		<i>On the Effective Date</i>	
	<i>Number of Assura Shares</i>	<i>Percentage of issued Assura Shares</i>	<i>Number of New Assura Shares</i>	<i>Percentage of issued New Assura Shares</i>
Invesco Limited	266,111,749	26.43	266,111,749	26.43
Artemis Investment Management	159,336,776	15.82	159,336,776	15.82
Liontrust Asset Managers	59,112,876	5.87	59,112,876	5.87
Ameriprise Financial, Inc.	41,624,000	4.13	41,624,000	4.13
Legal & General Group Plc	38,363,797	3.81	38,363,797	3.81
Raymond Seymour	37,949,980	3.77	37,949,980	3.77
Investec Wealth & Investment Limited	35,063,460	3.48	35,063,460	3.48
Alistair Campbell Blacklaws	32,615,065	3.24	32,615,065	3.24

- 7.2 So far as Assura is aware, immediately following implementation of the Scheme, no person, directly or indirectly, jointly or severally, exercises or could exercise control over New Assura.
- 7.3 Except in respect of the Scheme, neither Assura nor the Directors are aware of any arrangements, the operation of which may at a later date result in a change of control of Assura or New Assura.
- 7.4 None of the persons referred to in paragraph 7.1 above (or their nominees) has or will have different voting rights in relation to their shareholdings in the Company and those expected to be enjoyed by New Assura Shareholders.

8. Summary of New Assura Articles

Copies of the Assura Articles and the New Assura Articles are available for inspection as described in paragraph 13 of this Part V.

The New Assura Articles include provisions to the following effect:

8.1 *Objects*

The New Assura Articles do not provide for: (i) any objects of New Assura and accordingly New Assura's objects are unrestricted; or (ii) any purposes for which New Assura was established.

8.2 *Share rights*

Subject to applicable laws, the New Assura Articles and to any rights for the time being attached to any existing share, any shares may be issued with such rights or restrictions as New Assura may from time to time by ordinary resolution determine, or, if New Assura has not so determined, as the New Assura Board may determine.

Subject to applicable laws, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of New Assura or the holder, on such terms, conditions and in such manner as the New Assura Board may determine.

The rights attaching to the New Assura Redeemable Preference Shares are set out in paragraph 3.2 of this Part V.

8.3 *Share class rights*

If New Assura's share capital is divided into shares of different classes, any rights attached to any class of shares may (subject to the rights attached to the shares of the class) be varied or abrogated in any manner, either with the written consent of the holders of not less than three-quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such class of shares.

8.4 *Share transfers*

- (a) A member may transfer certificated shares to another person by a written instrument of transfer in any usual form (or any other form approved by the New Assura Board) executed by or on behalf of the member and, in the case of a share which is not fully paid, by or on behalf of that person. The New Assura Board may refuse to register the transfer of a certificated share which is in respect of a partly paid share or in respect of more than one class of share or in favour of more than four joint transferees or not duly stamped or not delivered for registration with appropriate evidence of the transferor's title to New Assura's registered office or its share registrars.
- (b) A member may transfer uncertificated shares without a written instrument if such shares are a participating security held in uncertificated form in accordance with the CREST Regulations. The New Assura Board is required to register a transfer of any uncertificated share in accordance with those regulations. The New Assura Board may refuse to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by those regulations.

8.5 *Dividends*

All dividends on shares are to be paid according to the amounts paid up on their nominal value, or otherwise in accordance with the terms concerning entitlement to dividends on which shares were issued. All unclaimed dividends may be made use of by the New Assura Board for New Assura's benefit until claimed. Any dividend unclaimed for 12 years shall revert to New Assura.

8.6 *General meetings*

- (a) Every member who is present at a general meeting in person or by proxy is entitled to one vote on a resolution put to the meeting on a show of hands and to one vote for every share of which he is the holder on a resolution put to the meeting on a poll. The vote of the senior of joint holders who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names of the holders appear in New Assura's register of members in respect of the joint holding.
- (b) The New Assura Board is required to convene annual general meetings in accordance with the Act. The New Assura Board may convene a general meeting which is not an annual general meeting whenever it thinks fit. New Assura is required to give notice of a general meeting to each member (other than a person who, under the New Assura Articles or pursuant to any restrictions imposed on any shares, is not entitled to receive such a notice or to whom New Assura, in accordance with applicable law, has not sent and is not required to send its latest annual accounts and reports), to the New Assura Directors and to the auditors. For these purposes "members" are the persons registered in New Assura's register of members as being holders of shares at any particular time on any particular record date fixed by the New Assura Board that (in accordance with the CREST Regulations) is not more than 21 days before the sending out of the notices. The notice of a general meeting may specify a time by which a person must be entered on New Assura's register of members in order to have the right to attend or vote at the meeting.
- (c) A member who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting.

- (d) A corporation which is a member may, by resolution of its New Assura Directors or other governing body, authorise one or more persons as it thinks fit to act as a representative for it at any general meeting of New Assura. New Assura may require such a representative to produce a certified copy of the authorising resolution or such other reasonable evidence of his authority before permitting him to exercise any powers on the corporation's behalf at the meeting.

8.7 *Interests in shares not disclosed to New Assura*

If New Assura gives notice under section 793 of the Act in relation to any shares to a member or another person appearing to be interested in such shares and the recipient fails to give New Assura the information required within 14 days afterwards, the holder of such shares is not entitled to attend or vote at a general meeting or exercise any other rights in respect of them in relation to a general meeting or a poll. Where such shares represent at least 0.25 per cent. of the issued shares of their class (i) New Assura may withhold payment of any dividend or other distribution or amount payable in respect of them, (ii) the member is not entitled to elect to receive shares instead of a dividend, and (iii) the New Assura Board may refuse to register the transfer of any such shares unless (1) the member is not himself in default in supplying the information required and proves to the satisfaction of the New Assura Board that no person in default of supplying the information required is interested in any shares which are the subject of the transfer or (2) the transfer is made pursuant to acceptance of a takeover offer or in consequence of a sale made through the London Stock Exchange or any other recognised investment exchange or is shown to the New Assura Board's satisfaction to be made in consequence of a sale in good faith of the whole of the beneficial interest in the shares to a person who is not connected with the member or with any other person appearing to be interested in the shares.

8.8 *Alteration of share capital*

New Assura may alter its share capital in any way permitted by the Act and applicable law and confer any preference or other advantage on one or more of the shares resulting from any division or sub-division of its share capital as compared with the others and make any such share subject to any restriction as compared with the others.

8.9 *Return of capital*

On a winding up of New Assura, New Assura's assets available for distribution will be divided among the members in proportion to the nominal amount paid up in respect of the shares held by them, subject to any rights attached to any shares. The liquidator may divide among the members in kind the whole or any part of New Assura's assets. The liquidator may set the value he deems fair on any property of New Assura and determine how the division is to be carried out between members or classes of members. The liquidator may not distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

8.10 *Lien and forfeiture*

- (a) New Assura has a first and paramount lien on every share which is not fully paid for all amounts payable to New Assura (whether actually or contingently and whether presently or not) in respect of that share. The New Assura Board may sell any share on which New Assura has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.
- (b) Subject to the terms on which shares are allotted, the New Assura Board may make calls on members in respect of any money unpaid on their shares. Each member shall (subject to receiving at least 14 days' notice) pay to New Assura the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the New Assura Board may give the person from whom it is due not less than 14 days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by New Assura by reason of such

non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

8.11 *New Assura Board powers*

- (a) New Assura's business is to be managed by the New Assura Board. The New Assura Board may exercise all New Assura's powers and may do on its behalf anything that can be done by New Assura or on its behalf which is not required by law or the New Assura Articles to be exercised or done by New Assura in general meeting, subject to applicable laws, the New Assura Articles and such directions as may be prescribed by New Assura by special resolution.
- (b) The New Assura Board may delegate to a New Assura Director holding executive office any of its powers, authorities and discretions on such terms as it thinks fit. The New Assura Board may grant to a New Assura Director the power to sub-delegate, and may retain or exclude the right of the New Assura Board to exercise the delegated powers, authorities or discretions collaterally with the New Assura Director.
- (c) The New Assura Board may delegate any of its powers, authorities and discretions on such terms as it thinks fit to a committee consisting of one or more New Assura Directors and, if thought fit, one or more other persons. The New Assura Board may grant to the committee the power to sub-delegate, and may retain or exclude the right of the New Assura Board to exercise the delegated powers, authorities or discretions collaterally with the committee.

8.12 *New Assura Directors – appointment, retirement and removal*

- (a) At any one time the total number of New Assura Directors may not be less than two. This limit may be changed by ordinary resolution of New Assura. New Assura may by ordinary resolution appoint as a New Assura Director a person who is willing to act as such, either to fill a vacancy or as an addition to the existing New Assura Directors. The New Assura Board may appoint as a New Assura Director any person who is willing to act as such, either to fill a vacancy or as an addition to the existing New Assura Board. Any New Assura Director so appointed by the New Assura Board is required to retire at the next annual general meeting. He will be eligible to stand for election as a New Assura Director at that meeting and will not be taken into account in determining the number or identity of New Assura Directors who are to retire by rotation at it.
- (b) At each annual general meeting one-third of the New Assura Directors who are subject to retirement by rotation in accordance with the New Assura Articles or, if their number is not three nor a multiple of three, the number nearest to but not exceeding one-third, are required to retire from office. If the New Assura Board so decides, one or more other New Assura Directors selected by the New Assura Board may also retire at the annual general meeting as if any such other New Assura Director was also retiring by rotation at that meeting. A New Assura Director who retires at an annual general meeting may, if willing to act, be reappointed at it.
- (c) New Assura may remove any New Assura Director from office and appoint as a New Assura Director another person who is willing to act as such in his place, in each case by ordinary resolution.

8.13 *New Assura Directors – fees and remuneration*

- (a) The maximum aggregate amount of fees (which for the purpose of this article excludes salary or other remuneration) that New Assura may pay to all the New Assura Directors (but not alternate New Assura Directors) for their services as such is £700,000 per annum, or such larger amount as New Assura may by ordinary resolution decide. These fees are to be divided among the New Assura Directors as the New Assura Board decides or, if no decision is made, equally. The executive New Assura Directors receive from New Assura, salary or other remuneration instead of any such fees.

- (b) The New Assura Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties as New Assura Directors, including any professional fees incurred by him.
- (c) The New Assura Board may provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors of New Assura and their relatives and dependants.

8.14 *New Assura Directors' interests*

- (a) A New Assura Director is not required (provided he has disclosed his interest in the matter) to account to New Assura for any profit, remuneration or other benefit which he derives from or in connection with (i) being interested in any contract, arrangement, transaction or proposal with New Assura or in which New Assura is otherwise interested, (ii) holding any other office or place of profit under New Assura, except that of auditor, in conjunction with the office of New Assura Director and acting by himself or through his firm in a professional capacity for New Assura (and being entitled to remuneration as the New Assura Board may arrange, either in addition to or in lieu of any remuneration provided for by any other New Assura Article), or (iii) being a director or other officer of, or employed by, or a party to any contract, arrangement, transaction or proposal with or otherwise interested in, any body corporate promoted by New Assura or in which New Assura is otherwise interested or as regards which New Assura has any powers of appointment.
- (b) A New Assura Director may not vote on, or be counted in the quorum in relation to, any resolution of the New Assura Board concerning any contract or arrangement or any other proposal to which New Assura is or is to be a party and in which he has an interest which is to his knowledge a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, New Assura), nor can he be counted in the quorum in relation to it, other than a resolution:
 - (i) relating to the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of any member of the Group (a “**Group Undertaking**”);
 - (ii) relating to the giving of any security, guarantee or indemnity in respect of a debt or obligation of a Group Undertaking for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) relating to, or in the context of, an offer of securities by a Group Undertaking in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) relating to another company in which he does not have to his knowledge an interest (as that term is used in Part 22 of the Act) in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights in, such company;
 - (v) relating to an arrangement for the benefit of employees of any Group Undertaking which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (vi) concerning insurance which New Assura proposes to maintain or purchase for the benefit of New Assura Directors or for the benefit of persons including any New Assura Director; or
 - (vii) concerning any proposal for New Assura (1) to provide him with an indemnity permitted by the Act, (2) to provide him with funds in circumstances permitted by that Act to meet his defence expenditure in respect of any civil or criminal proceedings or regulatory investigation or other regulatory action or in connection with any application for any

category of relief permitted by that Act, or (3) to do anything to enable him to avoid incurring any such expenditure.

- (c) The New Assura Board may authorise any situation or matter relating to a particular New Assura Director to which section 175 of the Act (on “Duty to avoid conflicts of interest”) applies (each a “**Conflict Matter**”) on such terms as they think fit. For the New Assura Board to do so, a New Assura Director must propose to the New Assura Board that the Conflict Matter concerned be so authorised. The New Assura Board may terminate or withdraw any such authorisation by giving notice to the New Assura Director concerned. Any terms to which such an authorisation is made subject may include that the New Assura Director concerned (i) is not obliged to disclose to New Assura confidential information obtained by him (other than in his capacity as its New Assura Director or as its employee or agent or, if the New Assura Directors so decide, in any other capacity that would otherwise oblige him to disclose it to New Assura) in any situation to which such authorisation applies, nor to use any such information directly or indirectly for New Assura’s benefit, where to do so would amount to a breach of a duty of confidence to a third party that he has previously disclosed to the New Assura Board, and (ii) may absent himself from any New Assura Board discussions, and make arrangements not to receive documents and information, relating to the Conflict Matter concerned for so long as he reasonably believes that he has or may have a conflict of interest in respect of it.

8.15 *New Assura Directors’ indemnity and insurance*

Subject to the Act and applicable law, New Assura may:

- (a) indemnify any New Assura Director or any director of any associated company against any liability pursuant to any qualifying third party indemnity provision or any qualifying pension scheme indemnity provision, or on any other basis as is then lawful, in each case on such terms as the New Assura Board may decide; and
- (b) purchase and maintain for any New Assura Director or any director of any associated company insurance against any liability.

8.16 *Borrowing powers*

- (a) Subject to the limitations referred to in paragraph 8.16(b) below, the New Assura Board may exercise all the company’s powers to borrow money and to mortgage or charge all or part of New Assura’s undertaking, property and assets (present or future) and uncalled capital of New Assura and subject to applicable laws) to create and issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of New Assura or of a third Party.
- (b) The New Assura Board must restrict New Assura’s borrowings and exercise all voting and other rights or powers of control exercisable by New Assura in relation to its subsidiary undertakings so as to ensure that the aggregate principal amount outstanding in respect of ‘monies borrowed’ (as defined in the New Assura Articles) by Group undertakings does not at any time (without the prior sanction of an ordinary resolution) exceed a sum equal to three times the Group’s nominal amount of issued and paid up capital and consolidated reserves.

8.17 *Untraced shareholders*

Subject to the New Assura Articles, New Assura may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with New Assura following advertisement of an intention to make such a disposal. Until New Assura can account to the member, the net proceeds of sale will be available for use in the business of New Assura or for investment, in either case at the discretion of the New Assura Board. The proceeds will not carry interest.

8.18 *Real Estate Investment Trust*

The New Assura Articles:

- (a) provide directors with powers to identify New Assura's Excessive Shareholders (including giving notice to a shareholder requiring him to provide such information as the New Assura Directors may require to establish whether or not he is an Excessive Shareholder);
- (b) provide directors with powers to prohibit the payment of dividends on New Assura Shares that form part of an Excessive Shareholding, unless certain conditions are met;
- (c) allow dividends to be paid on New Assura that form part of an Excessive Shareholding where the New Assura Shareholder has disposed of its rights to dividends on its New Assura Shares;
- (d) seek to ensure that if a dividend is paid on New Assura Shares that form part of an Excessive Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Excessive Shareholder concerned does not become beneficially entitled to that dividend; and
- (e) provide the directors with powers if certain conditions are met, to require (i) an Excessive Shareholder; or (ii) a New Assura Shareholder who has not complied with a notice served in accordance with the power referred to in (a); or (iii) a New Assura Shareholder who has provided materially inaccurate or misleading information in relation to the Excessive Shareholder provisions of the New Assura Articles, to dispose of such number of their shares as the directors may specify, or to take such other steps as will cause the directors to believe the New Assura Shareholder is no longer an Excessive Shareholder.

The above is a summary only of certain provisions of the New Assura Articles, the full provisions of which are available for inspection as described in paragraph 13 of this Part V.

9. **Summary of the principal differences between the New Assura Articles and the Assura Articles**

9.1 The principal differences between the Assura Articles and the New Assura Articles are:

- (a) removal of the provisions relating to the unissued preference shares in the capital of Assura;
- (b) addition of provisions relating to warrants on shares;
- (c) removal of specific provisions relating to the appointment of the secretary, accounts, special business and general meeting convened by requisition;
- (d) amendments to some of the provisions dealing with shares, including removal of concept of authorised share capital, removal of provision that no member shall be entitled to receive any dividend unless and until he has paid all calls and of restriction on voting rights for unpaid calls, different provisions relating to untraced shares;
- (e) replacement of 'extraordinary' resolutions with 'special' resolutions;
- (f) certain provisions in relation to proceedings of directors including in relation to board committees, alternate directors, electronic circulation/passing of directors' written resolutions, indemnity/insurance for directors, wider powers of delegation of the board and less detailed provisions on pensions of directors;
- (g) removal of specified notice periods for general meetings and provisions detailing the contents of the notice;
- (h) removal of specific provisions in relation to directors' interests, connected persons and corporate representatives;

- (i) procedural amendments to provisions relating to shareholder meetings including removal of the chairsmn’s casting vote at general meetings, various other provisions relating to the chairman, polls, and amendments to resolutions;
- (j) deletion of provisions regarding power of the board to require member to disclose interests and amendment to provisions relating to default in disclosing share interests;
- (k) amended procedural provisions relating to appointment of directors, deletion of provisions relating to directors retiring by rotation and not retiring on account of age, slightly different provisions relating to directors vacating office, change in type resolution required to remove a director (special resolution now required);
- (l) slightly different provisions relating to payments of dividends;
- (m) deletion of provision allowing the Company to give financial assistance.

9.2 There are also a number of differences that arise by reason of New Assura being a company incorporated in England and not in Guernsey. Certain provisions were incorporated into the Assura Articles to enshrine rights that were not covered by the Guernsey Companies Law but which shareholders in a company listed on the London Stock Exchange would normally expect. Given the New Assura Articles will have the benefit of protection (statutory and otherwise) on these matters under the Companies Act, FSMA, Listing Rules, Prospectus Rules, UK Corporate Governance Code and relevant institutional shareholder guidelines as well as other applicable English law, these provisions have not been included in the New Assura Articles.

10. Taxation

Introduction

- 10.1 The statements set out below are intended only as a general guide to certain aspects of current UK tax law and HM Revenue & Customs (“**HMRC**”) published practice as at the date of this document and apply only to certain New Assura Shareholders resident for tax purposes in the UK (save where express reference is made to non-UK resident persons). The summary does not purport to be a complete analysis or listing of all the potential tax consequences of holding New Assura Shares. Prospective purchasers of New Assura Shares are advised to consult their own independent tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposition of New Assura Shares.
- 10.2 The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by New Assura, and to disposals of shares in New Assura, in each case after New Assura becomes a REIT. The statements are not applicable to all categories of New Assura Shareholders, and in particular are not addressed to (i) New Assura Shareholders who do not hold their New Assura Shares as capital assets or investments or who are not the absolute beneficial owners of those shares or dividends in respect of those shares, (ii) some New Assura Shareholders who own (or are deemed to own) ten per cent. or more of the share capital or of the voting power of New Assura or are entitled to ten per cent. or more of New Assura’s distributions, (iii) special classes of New Assura Shareholders such as dealers in securities, broker-dealers, insurance companies, trustees of certain trusts and investment companies, (iv) New Assura Shareholders who hold New Assura Shares as part of hedging or commercial transactions, (v) New Assura Shareholders who hold New Assura Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise), (vi) New Assura Shareholders who hold New Assura Shares acquired by reason of their employment, (vii) New Assura Shareholders who hold New Assura Shares in a personal equity plan or an individual savings account or (viii) New Assura Shareholders who are subject to UK taxation on a remittance basis, or (ix) New Assura Shareholders who are not resident in the UK for tax purposes (save where express reference is made to non-UK resident shareholders).

UK Taxation of PIDs

10.3 UK taxation of New Assura Shareholders who are individuals

Subject to certain exceptions, a PID will generally be treated in the hands of New Assura Shareholders who are individuals as the profit of a single UK property business (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business. Income from any other UK property business (a “**different UK property business**”) carried on by the relevant shareholder must be accounted for separately. This means that any surplus expenses from a shareholder’s different UK property business cannot be offset against a PID as part of a single calculation of the profits of the shareholder’s UK property business. A New Assura Shareholder who is subject to income tax at the basic rate will be liable to pay income tax at 20 per cent. on the PID. Higher rate taxpayers will be subject to tax at 40 per cent. and additional rate taxpayers at 45 per cent. No dividend tax credit will be available in respect of PIDs. However, credit will be available in respect of the basic rate tax withheld by New Assura (where required) on the PID.

Please see also the section below relating to withholding tax and PIDs at paragraphs 10.6 to 10.9.

10.4 UK taxation of UK tax resident corporate Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of New Assura Shareholders who are within the charge to corporation tax as profit of a property business (as defined in Part 4 of CTA 2009) (“**Part 4 property business**”). A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate Part 4 property business. Income from any other Part 4 property business (a “different Part 4 property business”) carried on by the relevant New Assura Shareholder must be accounted for separately. This means that any surplus expenses from a New Assura Shareholder’s different Part 4 property business cannot be offset against a PID as part of a single calculation of the shareholder’s property business profits.

The main rate of UK corporation tax on such profit is currently 21 per cent. (due to reduce to 20 per cent. from 1 April 2015).

Please see also the section below relating to withholding tax and PIDs at paragraphs 10.6 to 10.9.

10.5 UK taxation of New Assura Shareholders who are not resident for tax purposes in the UK

Where a New Assura Shareholder who is not resident for tax purposes in the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding tax. Under Section 548(7) of CTA 2010, this income is expressly not non-resident landlord income for the purposes of regulations under section 971 of the Income Tax Act 2007.

Prospective non-UK tax resident New Assura Shareholders should consult their own professional advisers on the implications in the relevant jurisdictions of any non-UK implications of receiving PIDs.

Please see also the section below relating to withholding tax and PIDs at paragraphs 10.6 to 10.9.

Withholding tax and PIDs

10.6 General

Subject to certain exceptions summarised below, New Assura is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a stock dividend). New Assura will provide shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

10.7 *New Assura Shareholders solely resident in the UK*

Where tax has been withheld at source, New Assura Shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their PID at their applicable marginal rate, incur no further liability on their PID, or be entitled to claim repayment of some or all of the tax withheld on their PID. New Assura Shareholders who are corporate entities will generally be liable to pay corporation tax on their PID and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax, or income tax which they are required to withhold, in the accounting period in which the PID is received.

10.8 *New Assura Shareholders who are not resident for tax purposes in the UK*

It is not possible for a New Assura Shareholder to make a claim under a double taxation convention for a PID to be paid by New Assura gross or at a reduced rate. The right of a New Assura Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation convention between the UK and the country in which the New Assura Shareholder is resident. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on PIDs received from New Assura.

10.9 *Exceptions to requirement to withhold income tax*

Shareholders should note that in certain circumstances New Assura is not required to withhold income tax at source from a PID. These include where New Assura reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or a company resident for tax purposes outside the UK with a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits or certain charities. They also include where New Assura reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an individual savings account, the plan manager of a personal equity plan, or the account provider for a child trust fund, in each case, provided New Assura reasonably believes that the PID will be applied for the purposes of the relevant scheme, account, plan or fund. In order to pay a PID without withholding tax, New Assura will need to be satisfied that the New Assura Shareholder concerned is entitled to that treatment. For that purpose New Assura will require such New Assura Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrar). Shareholders should note that New Assura may seek recovery from New Assura Shareholders if the statements made in their claim form are incorrect and New Assura suffers tax as a result. New Assura will, in some circumstances, suffer tax if its reasonable belief as to the status of the New Assura Shareholder turns out to have been mistaken.

UK taxation of Non-PID Dividends

Non-PID Dividends are treated in exactly the same way as dividends received from UK companies that are not REITs. New Assura is not required to withhold tax when paying a Non-PID Dividend (whether in cash or in the form of a stock dividend).

10.10 *UK taxation of New Assura Shareholders who are individuals*

An individual New Assura Shareholder who is resident in the UK (for tax purposes) and who receives a Non-PID Dividend from New Assura will generally be entitled to a tax credit which such shareholder may set off against his total income tax liability on the dividend. The tax credit will be equal to ten per cent. of the aggregate of the Non-PID Dividend and the tax credit (the “**gross dividend**”), which is also equal to one-ninth of the cash dividend received. A UK resident individual New Assura Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of ten per cent. of the gross dividend, so that the tax credit will satisfy in full such New Assura Shareholder’s liability to income tax on the Non- PID Dividend.

A UK resident individual New Assura Shareholder who is liable to income tax at the higher rate will be liable to tax on the gross dividend at the current rate of 32.5 per cent. A UK resident individual New Assura Shareholder who is liable to tax at the “additional” rate will be liable to tax on the gross

dividend at the rate of 37.5 per cent. The gross dividend will generally be regarded as the top slice of the shareholder's income. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the cash dividend received). An individual paying "additional" rate income tax will have to account, after taking into account the 10 per cent. tax credit, for additional tax equal to 27.5 per cent. of the gross dividend (which is also equal to approximately 30.56 per cent. of the cash dividend received). It will not be possible for UK resident New Assura Shareholders to claim repayment of the tax credit in respect of Non-PID Dividends.

10.11 UK taxation of UK resident corporate New Assura Shareholders

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on Non-PID Dividends paid by New Assura, unless the Non-PID Dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular New Assura Shareholder, although it is expected that the Non-PID Dividends paid by New Assura would normally be exempt. New Assura Shareholders within the charge to UK corporation tax will not be able to claim repayment of tax credits attaching to Non-PID Dividends.

10.12 UK taxation of other UK tax resident New Assura Shareholders

Other UK resident New Assura Shareholders who are not liable to UK tax on Non-PID Dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

10.13 Taxation of New Assura Shareholders who are not resident in the UK for tax purposes

New Assura Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment from HMRC of any part of the tax credit attaching to Non-PID Dividends received from New Assura, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such shareholder is resident. A New Assura Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning their tax position on Non-PID Dividends received from New Assura.

UK taxation of chargeable gains in respect of Shares in New Assura

For the purpose of UK tax on chargeable gains, the amount paid by a New Assura Shareholder for New Assura Shares will constitute the base cost of his holding. If a New Assura Shareholder disposes of all or some of his New Assura Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost and incidental costs of acquisition and disposal, which can be allocated against the proceeds, and also, the New Assura Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate New Assura Shareholders, indexation allowance will apply to the amount paid for the New Assura Shares.

10.14 UK taxation of New Assura Shareholders who are UK tax resident individuals

Subject to the availability of any exemptions, reliefs and/or allowable losses, a gain on disposal of Shares by individuals, trustees and personal representatives will generally be subject to capital gains tax at the rate of up to 28 per cent.

10.15 UK taxation of UK tax resident corporate New Assura Shareholders

Subject to the availability of any exemptions, reliefs and/or allowable losses, a gain on disposal of Shares by a New Assura Shareholder within the charge to UK corporation tax will generally be subject to corporation tax at the current rate of 21 per cent. (due to reduce to 20 per cent. from 1 April 2015).

10.16 *UK taxation of New Assura Shareholders who are not resident in the UK for tax purposes*

New Assura Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their New Assura Shares (unless they carry on a trade, profession or vocation in the UK through a branch or agency with which their New Assura Shares are connected or, in the case of a corporate shareholder, through a permanent establishment in connection with which the New Assura Shares are held).

Individual New Assura Shareholders who are temporarily not UK resident and who dispose of all or part of their New Assura Shares during that period may be liable to UK capital gains tax on chargeable gains realised on their return to the UK, subject to any available exemptions or reliefs.

New Assura Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their circumstances.

10.17 *Stamp Duty and Stamp Duty Reserve Tax on transfers of New Assura Shares*

UK stamp duty and UK stamp duty reserve tax (“SDRT”)

10.18 No UK stamp duty or stamp duty reserve tax will generally be payable on the issue, allotment and registration of the New Assura Shares. UK legislation provides for a 1.5 per cent. stamp duty or SDRT charge where shares are transferred (in the case of stamp duty) or issued or transferred (in the case of SDRT) (i) to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depositary receipts. However, following litigation, HMRC have confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares or securities into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. The 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares or securities into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. Accordingly, it may be appropriate to seek specific professional advice before incurring a 1.5 per cent. stamp duty or SDRT charge.

10.19 Clearance services may opt, under certain conditions, for the normal rates of stamp duty or SDRT (being 0.5 per cent. of the amount or value of the consideration for the transfer rounded up in the case of stamp duty to the nearest £5.00) to apply to a transfer of shares into, and to transactions within, the service instead of the higher rate of 1.5 per cent. referred to above.

10.20 Transfers on sale of New Assura Shares will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer rounded up to the next £5.00. The purchaser is liable for the stamp duty. An exemption from stamp duty will be available on an instrument transferring the New Assura Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. An agreement to transfer New Assura Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

10.21 Agreements to transfer New Assura Shares within the CREST system will generally be liable to SDRT (rather than stamp duty) at the rate of 0.5 per cent, of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Deposits of New Assura Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in money or money’s worth.

Prospective purchasers of New Assura Shares should consult their own tax advisers with respect to the tax consequences to them of acquiring, holding and disposing of New Assura Shares.

11. Assura Employee Share Plans

Key terms of the Assura Employee Share Plans are summarised below.

11.1 *ERP*

(a) *Operation*

The Committee supervises the operation of the ERP. The ERP operated in respect of Jonathan Murphy only (“**Participant**”) and was implemented to facilitate his recruitment and incentivisation. No new awards will be granted under the ERP after the Scheme, save for the ERP Exchange referred to in paragraph 5.3.

(b) *Eligibility*

The ERP is a one-off plan in relation to the Participant.

(c) *Grant of award*

The Participant was granted a nil-cost option over 460,002 Assura Shares on 29 January 2013. Awards granted under the ERP may not be transferred (other than on death). No consideration was required for the grant of an award.

(d) *Performance conditions*

Awards granted under the ERP are not subject to performance conditions.

(e) *Vesting of units*

Awards under the ERP vest as to one third on each of the first, second and third anniversaries of the date of grant. The first third vested and was exercised on 29 January 2014.

(f) *Leaving employment*

If the Participant ceases to be a Director or employee before the vesting date for any reason other than due to resignation or in circumstances set out in the Participant’s contract of employment, then his award shall vest in full. If the Participant ceases to be a Director or employee for any other reason, then the award will lapse immediately on such cessation.

(g) *Corporate events*

In the event of a takeover, reconstruction or winding up of the Company, awards will vest in full on the date of the corporate event, unless awards are surrendered and new awards granted which are equivalent to the old awards but which subsist over the acquiring Company’s Shares.

(h) *Dividend equivalents*

The Participant is entitled to cash of a value determined by reference to the dividends that would have been paid on his vested award in respect of dividend record dates occurring between the date of grant of an award and the date of transfer of any vested shares.

(i) *Rights attaching to Assura Shares*

All Assura Shares transferred under the ERP will rank pari passu with all other Assura Shares for the time being in issue.

(j) *Variation in share capital*

In the event of any variation of the Assura share capital, the Committee may make such adjustments to the award which, in its reasonable opinion, justifies such an adjustment.

(k) *Alterations to the ERP*

The Committee may at any time amend the ERP, save that it may not be amended to allow for the satisfaction of an award by either the issue of additional Assura Shares or the transfer of treasury shares without the prior approval of the Assura Shareholders in general meeting. No amendment to the material disadvantage of a Participant can be made without the approval of the Participant to such amendment.

(l) *Non-pensionable benefits*

Benefits under the ERP are non-pensionable.

11.2 **VCP**

(a) *Operation*

The VCP was approved and adopted by Assura Shareholders on 15 February 2013. The Committee supervises the operation of the VCP.

(b) *Eligibility*

Any employee (including an executive Director) of the Group, will be eligible to participate in the VCP at the discretion of the Committee (“**VCP Participant**”). No new awards will be granted under the VCP after the Scheme save for the VCP Exchange referred to in paragraph 5.3

(c) *Grant of units or nil cost options*

The Committee may grant performance units (“**Units**”) under the VCP. Units have no value on grant, but give VCP Participants the opportunity to receive 10 per cent. of the total value created for Assura Shareholders above a threshold price.

Units may only be granted under the VCP within the period of 42 days following:

- the announcement by Assura of its results;
- any day on which the Committee determines that exceptional circumstances exist which justify the grant of Units; or
- the lifting of any dealing restrictions which prevent the grant of Units or nil cost options during any of the times described above.

Units may not be granted after the fifth anniversary of Assura Shareholder approval of the VCP. Units granted under the VCP may not be transferred (other than on death).

No consideration will be required for the grant of an award.

(d) *Individual limits and dilution*

In any ten calendar year period, not more than ten per cent. of the issued share capital of Assura for the time being may be issued or issuable pursuant to rights acquired under the VCP and any other employee share plan adopted by Assura. The maximum number of Assura Shares that can be earned under the VCP is capped at 25 million Assura Shares (subject to adjustments for changes in the Assura’s share capital)

(e) *Performance conditions*

The conversion of Units into nil-cost options will be subject to performance conditions set by the Committee at the time of grant and measured at three measurement dates in a five year measurement period. Subject to the achievement of the relevant performance conditions, ten per. cent of any value created above a threshold price is converted into nil-cost options over Assura Shares, and a proportion of these may vest at each measurement date.

(f) *Vesting of Units*

Units will only normally vest to the extent that the applicable performance conditions have been satisfied and the VCP Participant remains employed within the Group at the time of vesting.

(g) *Leaving employment*

As a general rule, Units lapse upon the VCP Participant ceasing to hold employment with, or be a Director of, the Group. However, in the event of a VCP Participant's death or involuntary cessation of employment such as injury, disability, redundancy or in other circumstances, then the Committee shall, in its absolute discretion, determine the number of Units that shall vest by deeming there to be a new measurement date at the date of cessation and the number of nil-cost options accrued will be calculated as at any other measurement date or the nearest normal measurement date to the date of cessation of employment can be used. All accrued nil-cost options will then vest and be exercisable for a period of six months.

(h) *Corporate events*

On a change of control, the measurement date will be deemed to be the date of the change of control. In determining the value created, the offer price for the Assura's Shares will be the price used in such determination. All accrued nil-cost options will vest on a change of control and be exercisable together with any other vested nil-cost options immediately for a set period of up to six months, unless nil-cost options are automatically exchanged for new nil-cost options which are equivalent to the old nil-cost options but which subsist over the acquiring company's shares.

(i) *Dividend equivalents*

Dividends and dividend equivalents will not be paid on accrued or vested nil-cost options. Once nil-cost options have been exercised, VCP Participants will receive dividends in line with other Assura Shareholders.

(j) *Cash settling and transfers to registered pension scheme*

On the exercise of a nil-cost option:

- Assura may make a cash payment to a VCP Participant equal to the value of the Assura Shares, subject to the exercise of the nil-cost option on the date of exercise; or
- Assura may procure that the Group company which employs the VCP Participant makes a cash payment to the scheme administrator of a registered pension scheme equal to the value of the Assura Shares, subject to the exercise of the nil-cost option on the date of exercise.

(k) *Variation in Share capital*

On a variation of the share capital of Assura, the number of shares subject to VCP awards and their terms and conditions may be adjusted in such manner as the Committee determines and the advisors of Assura confirm to be fair and reasonable.

(l) *Alterations to the VCP*

The Committee may amend the provisions of the VCP in any respect provided that the prior approval of Assura Shareholders is obtained in a general meeting for amendments or additions which are to the advantage of VCP Participants, to provisions relating to eligibility, equity dilution and share utilisation.

The requirement to obtain the prior approval of Assura Shareholders will not, however, apply in relation to any minor amendment made to benefit the administration of the VCP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable

tax, exchange control or regulatory treatment for Assura, any of its subsidiaries or for VCP Participants.

(m) *Termination*

The VCP will operate for a period of five years from the date of approval by Assura Shareholders. In the event of termination, no further Units may be granted.

(n) *Non-pensionable benefits*

Benefits under the VCP are non-pensionable.

12. Consent

12.1 Liberum Capital Limited, of Ropemaker Place, Level 12, 25 Ropemaker Street London EC2Y 9LY, has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.

12.2 Oriel Securities Limited, of 150 Cheapside, London EC2V 6ET, has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which they are included.

13. Documents available for inspection

13.1 Copies of the following documents will be available for inspection at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG during normal business hours on any weekday (public holidays excepted) up to and including 5.00 p.m. on the date of the Extraordinary General Meeting:

(i) the Assura Articles;

(ii) the New Assura Articles;

(iii) the consolidated audited accounts of the Assura Group for the three financial years ended 31 March 2012, 2013 and 2014 and the unaudited interim accounts for the 6 months ended 30 September 2014;

(iv) the consent letters referred to in paragraph 12 of this Part V; and

(v) this document.

13.2 The Prospectus and any supplementary prospectus will be available for inspection alongside the above documents after such documents have been filed with the FCA in accordance with the Prospectus Rules (expected to be on or about 23 January 2015).

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires.

Admission	admission of the New Assura Shares (i) to the premium segment of the Official List and (ii) to trading on the main market of the London Stock Exchange, and “ Admission becoming effective ” means it becoming effective in accordance with paragraph 3.2.7 of the Listing Rules and the Admission and Disclosure Standards published by the London Stock Exchange
Admission and Disclosure Standards	the “Admission and Disclosure Standards” of the London Stock Exchange containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s main market for listed securities
Assura or the Company	Assura Group Limited, a limited company incorporated in Guernsey and registered with number 41230
Assura Articles	the articles of incorporation of Assura
Assura Board or the Board	the Board of Directors of Assura, whose names are on page 10 of this document
Assura Employee Share Plans	means the Sharesave Plan, the ERP and the VCP, each as defined below
Assura Executive Directors	the Executive Directors of Assura
Assura Group or Group	before the Scheme Effective Time, Assura and its subsidiaries and subsidiary undertakings and, where the context requires, its associated undertakings and, after the Scheme Effective Time, New Assura and its subsidiaries and subsidiary undertakings and, where the context requires, its associated undertakings
Assura Non-executive Directors	the Non-executive Directors of Assura
Assura Shareholder	holders of Assura Shares from time to time
Assura Shares	ordinary shares of 10 pence each in the capital of Assura Group Limited
Board	see Assura Board
Bond	a 10 year senior secured bond for £110 million, which matures December 2021, issued by Assura Properties plc
Bondholders	holders of the Bond
Business Day	a day (excluding Saturdays and Sundays and public holidays in England and Wales) on which banks are generally open for business in the City of London and Guernsey for the transaction of normal banking business
certificated or in certificated form	in relation to a share or a security, a share or security which is not in uncertificated form (that is, not in CREST)
Circular or Scheme Circular	this document
City Code or Code	the City Code on Takeovers and Mergers

Committee	the Assura remuneration committee
Companies Act or the Act	the UK's Companies Act 2006, as amended from time to time
Company	see Assura
Conditions	the conditions to the implementation of the Scheme which are set out in Part II of this document
Court	the Royal Court of Guernsey
Court Hearing	the hearing by the Court of the application to sanction the Scheme under Part VIII of the Guernsey Companies Law
Court Meeting	the meeting of Scheme Shareholders convened by Order of the Court pursuant to Part VIII of the Guernsey Companies Law to consider, and if thought fit, approve the Scheme with or without modification (including any adjournment thereof), notice of which is set out at the end of this document
Court Order	the Order of the Court sanctioning the Scheme under Part VIII of the Guernsey Companies Law
CREST	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of securities in uncertificated form operated by Euroclear in accordance with the CREST Regulations
CREST Regulations	the Uncertificated Securities (Guernsey) Regulations, 2009
CTA 2009	the UK Corporation Tax Act 2009
CTA 2010	the UK Corporation Tax Act 2010
Directors	the directors of Assura from time to time, and Director shall be construed accordingly
Disclosure and Transparency Rules	the Disclosure Rules and the Transparency Rules made by the FCA under Part VI of FSMA
Distribution	any dividend or other distribution by New Assura ("distribution" being construed in accordance with Part 23 of CTA 2010)
EEA	the European Economic Area
Effective Date or Scheme Effective Date	the date on which the Scheme becomes effective, expected to be 28 January 2015
ERP	the Assura Group Limited Executive Recruitment Plan
Euroclear	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738, the operator of CREST
European Union or EU	the economic and political union of European nations created on 1 November 1993 by the Treaty of the European Union
Excessive Shareholder	any person whose interest in New Assura, whether legal or beneficial, direct or indirect, may cause any member of the Group to be liable to pay tax under section 551 of CTA 2010 (as such section may be modified, supplemented or replaced from time to time) on or in connection with the making of a distribution to or in respect of such person including, at the date of adoption of the

	articles of association of New Assura, any holder of excessive rights as defined in section 553 of CTA 2010.
Excessive Shareholding	an Excessive Shareholder's shareholding
Excluded Territories	the USA, Canada, Japan, New Zealand, Hong Kong Special Administrative Region of the People's Republic of China and the Republic of South Africa or territories for which the distribution of this document and any accompanying documents pursuant to the Scheme may constitute a violation of relevant securities laws
Executive Director	an Executive Director of New Assura
Extraordinary General Meeting	the general meeting of Assura Shareholders to be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG at 11.00 a.m. on 14 January 2015 (or as soon as possible after the conclusion or adjournment of the Court Meeting) and any adjournment of that meeting
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom
Forms of Proxy	the forms of proxy enclosed with this document for use in connection with (i) the Court Meeting and (ii) the Extraordinary General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended
Group	see Assura Group
Guernsey Companies Law	the Companies (Guernsey) Law, 2008, as amended
HMRC	Her Majesty's Revenue & Customs
IFRS	International Financial Reporting Standards as adopted by the European Union and therefore comply with Article 4 of the EU IAS regulation
Institutional Investor	a person who qualifies as an institutional investor under Section 528(4A) of CTA 2010
Liberum	Liberum Capital Limited, joint sponsor and financial adviser for the Company
Listing Rules	the listing rules made by the FCA under section 73A of FSMA
London Stock Exchange	London Stock Exchange Plc
Meetings	the Court Meeting and the Extraordinary General Meeting, and Meeting means either of them
New Assura	Assura plc, a public limited company incorporated in England and Wales under the Companies Act with registered number 9349441
New Assura Articles	the articles of association of New Assura
New Assura Board	the Directors of New Assura, whose names appear on page 36 of this document
New Assura Directors	the board of directors of New Assura

New Assura Group	before the Scheme Effective Time, New Assura and, after the Scheme Effective Time, New Assura and its subsidiaries and subsidiary undertakings (including Assura) and where the context requires, its associated undertakings
New Assura Redeemable Shares	<p>shares in New Assura which are issued for the purpose of satisfying the Companies Act minimum share capital requirements for public companies, which:</p> <ul style="list-style-type: none"> (a) carry no right to receive notice of or to attend, speak or vote at any general meeting of New Assura or (subject to the Companies Act) at any meeting of the holders of any class of shares in the capital of New Assura or for the purposes of a written resolution of New Assura; (b) do not entitle their holders to receive any dividend or distribution; and (c) carry only the right to receive, after all share capital (including premium) on the ordinary shares in issue has been repaid, £1 for every £100,000,000,000 of capital returned to the ordinary shareholders. <p>Subject to the Companies Act, the New Assura Redeemable Shares will be redeemable at their paid-up value at the option of New Assura or the holder</p>
New Assura Shareholder	a holder of New Assura Shares
New Assura Shares	ordinary shares of 10 pence each in the capital of New Assura to be issued credited as fully paid in accordance with the terms of the Scheme
New Assura Subscriber Shares	two ordinary shares of 10 pence each in the capital of New Assura issued on incorporation of New Assura
Non-PID Dividends	a dividend paid by New Assura that is not a PID
Official List	the official list maintained by the UK Listing Authority pursuant to Part VI of FSMA
Oriel	Oriel Securities Limited, joint sponsor and financial adviser for the Company
Overseas Shareholders	Assura Shareholders who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the UK
PID or Property Income Distribution	a distribution referred to in section 548(1) or 548(3) of CTA 2010, being a dividend or distribution paid by New Assura in respect of profits or gains of the Qualifying Property Rental Business of the Group (other than gains arising to non-UK resident Group companies) arising at a time when the Group is a REIT insofar as they derive from the Group's Qualifying Property Rental Business
Proposals	the Scheme, the associated changes to the Assura Articles and the approval that a general meeting of New Assura other than an annual general meeting, may be called on not less than 14 clear days' notice

Prospectus	means the prospectus relating to New Assura and the New Assura Shares prepared in accordance with the Prospectus Rules
Prospectus Directive	Regulation 809/2004 of the European Commission Regulation
Prospectus Rules	the Prospectus Rules of the FCA made under Part VI of FSMA
Qualifying Property Rental Business	a business within the meaning of section 205 of CTA 2009 or an overseas property business within the meaning of section 206 CTA 2009, but, in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010)
Registrars	Computershare Investor Services (Jersey) Limited
Regulatory Information Service	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange's website
REIT	a company or group to which Part 12 of the CTA 2010 applies
REIT Group	a group UK REIT within the meaning of Part 12 of the CTA 2010
REIT Regime	the regime as set out in Part 12 of the CTA 2010
Representatives	in relation to any person, its directors, officers, partners or employees
Residual Business	the business of the Group which is not Qualifying Property Rental Business
Resolutions	the special resolutions which are set out in the notice of Extraordinary General Meeting to be proposed and, if thought fit, passed at the Extraordinary General Meeting in connection with, <i>inter alia</i> , the implementation of the Scheme, described in paragraph 10 of Part II this document
Scheme or Scheme of Arrangement	means the scheme of arrangement proposed to be made under Part VIII of the Guernsey Companies Law between Assura and the holders of Scheme Shares as set out in Part III of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Assura and New Assura
Scheme Circular	see Circular
Scheme Effective Time	the time at which the Scheme becomes effective on the Effective Date
Scheme Record Time	6.00 p.m. (London time) on the Business Day immediately preceding the Scheme Effective Date
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	all Assura Shares which are: <ul style="list-style-type: none"> (a) in issue at the date of the Scheme; (b) (if any) issued after the date of the Scheme but prior to the Scheme Voting Record Time for the Court Meeting; and (c) (if any) issued on or after the Scheme Voting Record Time for the Court Meeting and before the Scheme Record Time, either on terms that the original and any subsequent holders

of such Assura Shares are to be bound by this Scheme and/or in respect of which their holders are, or have agreed in writing to be, bound by the Scheme, save for any Assura Shares held, legally or beneficially, by New Assura,

but not including any Assura Shares held as treasury shares

Scheme Voting Record Time	<p>(a) in relation to the Court Meeting, 5.00 p.m. (London time) on 12 January 2015, or, if the Court Meeting is adjourned, 5.00 p.m. (London time) on the day which is two days before the date of such adjourned meeting;</p> <p>(b) in relation to the Extraordinary General Meeting for holders of Assura Shares in uncertificated form, 5.00 p.m. (London time) on 12 January 2015 or, if the Extraordinary General Meeting is adjourned, 5.00 p.m. (London time) on the day which is two days before the date of such adjourned meeting;</p> <p>(c) in relation to the Extraordinary General Meeting for holders of Assura Shares in certificated form, the time of the vote at the Extraordinary General Meeting, or, if the Extraordinary General Meeting is adjourned, the time of the vote at such adjourned meeting</p>
SDRT	UK stamp duty reserve tax
Sharesave Plan	the Assura Group Limited Sharesave Plan 2008
UK Listing Authority or UKLA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the UK Money Laundering Regulations 2007 (SI 2007/2157) and any other applicable anti-money laundering guidance, regulations or legislation
uncertificated or in uncertificated form	in relation to a share or other security, a share or other security title to which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or USA	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and any other area subject to its jurisdiction
US Securities Act	the US Securities Act of 1933, as amended from time to time, and the rules and regulations thereunder
VAT	(i) within the European Union, any tax imposed by any member state in conforming with the directive of the council of the European Union on the common system of value added tax (2006/112/EC) and (ii) outside the European Union, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition
VCP	the Assura Group Limited Value Creation Plan

All references to legislation in this document are to the legislation of Guernsey unless the contrary is indicated. Any reference to any legislation or any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

NOTICE OF COURT MEETING

IN THE ROYAL COURT OF GUERNSEY

IN THE MATTER OF ASSURA GROUP LIMITED

– and –

IN THE MATTER OF THE COMPANIES (GUERNSEY) LAW, 2008, AS AMENDED

NOTICE IS HEREBY GIVEN that by an Order dated 16 December 2014 made under section 107 of the Companies (Guernsey) Law, 2008, as amended, in the above matters, the Royal Court of Guernsey (the “**Court**”) has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the document of which this notice forms part (“**Scheme Circular**”)) in the capital of Assura Group Limited (“**Company**”) (registered in Guernsey with registered number 41230) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between the Company and the holders of Scheme Shares and that such meeting shall be held at the offices of Addleshaw Goddard LLP at Milton Gate, 60 Chiswell Street, London EC1Y 4AG on 14 January 2015 at 10.45 a.m. at which place and time all holders of the Scheme Shares are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 108 of the Companies (Guernsey) Law, 2008, as amended (“**Explanatory Statement**”) are incorporated in the Scheme Circular.

Holders of Scheme Shares entitled to attend and vote at the Court Meeting may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A blue Form of Proxy for use at the Court Meeting is enclosed with this notice. Completion of the blue Form of Proxy will not prevent a holder of Scheme Shares from attending and voting at the Court Meeting, or any adjournment thereof.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their shares. Scheme Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the blue Form of Proxy to allow Scheme Shareholders to specify the number of Scheme Shares in respect of which that proxy is appointed. Scheme Shareholders who return the blue Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares. Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact Computershare Investor Services (Jersey) Limited on 0870 707 4040 (or on +44 870 707 4040 if calling from outside the UK) for further blue Forms of Proxy or photocopy the Form of Proxy as required.

It is requested that the blue Form of Proxy (together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney or in some other way approved by the board of directors of the Company) be lodged with the Registrars of the Company, Computershare Investor Services (Jersey) Limited, at The Pavilions, Bridgewater Road, Bristol BS99 6ZY by no later than 10.45 a.m. on 12 January 2015, or, if the Court Meeting is adjourned, by not later than 48 hours before the time of the adjourned meeting. In the event that blue Forms of Proxy and any supporting documents are not so lodged they may be handed to the Registrars of the Company or the Chairman of the Court Meeting before the start of the Court Meeting.

In the case of joint holders of a Scheme Share, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

To be entitled to attend and vote at the Court Meeting or any adjournment thereof (and for the purpose of the determination by the Company of the number of votes which may be cast at such meeting), Scheme Shareholders must be registered in the register of members at the Scheme Voting Record Time (as defined

in the Scheme Circular). Changes to entries on the Company's register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting. Changes to entries in the Company's register of members after 5.00 p.m. (London time) on 12 January 2015 or, in the event that the Court Meeting is adjourned, 5.00 p.m. (London time) on the day which is two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting (or any adjournment, as the case may be). Voting will be on a poll.

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.

NOTE FOR CREST MEMBERS

Scheme Shareholders who hold their shares in the Company through CREST ("**CREST Member**") and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Court Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it related to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the agent of the Company's registrars, Computershare Investor Services (Jersey) Limited, by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34 of the Uncertificated Securities (Guernsey) Regulations, 2009.

If you have any further questions about this document, the Court Meeting, the Extraordinary General Meeting or the proposals in relation to the Scheme of Arrangement and related actions referred to in the Explanatory Statement or are in any doubt as to how to complete the blue Form of Proxy, please call Computershare Investor Services (Jersey) Limited between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 0870 707 4040 from within the UK or +44 870 707 4040 if calling from outside the UK. Calls to the 0870 707 4040 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals (as defined in the Scheme Circular) nor give any financial, legal or tax advice.

By the said Order, the Court has appointed Simon Laffin or, failing him, any other director of the Company to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 17 December 2014

Jonathan Murphy

Company Secretary

Registered Office:
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

NOTICE OF EXTRAORDINARY GENERAL MEETING

Assura Group Limited

(a limited company incorporated in Guernsey with registered number 41230)

Notice is hereby given that an Extraordinary General Meeting (“**Extraordinary General Meeting**”) of the shareholders of Assura Group Limited (the “**Company**”) will be held at the offices of Addleshaw Goddard LLP, Milton Gate, 60 Chiswell Street, London EC1Y 4AG on 14 January 2015 at 11.00 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions as special resolutions.

For the purposes of this Notice, the terms “**the statutes**” and “**equity securities**” shall have the meaning given to them in the Company’s articles of incorporation (the “**Articles**”).

SPECIAL RESOLUTIONS

1. THAT:

For the purpose of giving effect to the scheme of arrangement dated 17 December 2014 between the Company and the holders of the Scheme Shares (as such term is defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman, in its original form or subject to any modification, addition or condition approved or imposed by the Royal Court of Guernsey and agreed to by the Company and New Assura (as defined in the said scheme) (the “**Scheme**”):

- (a) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (b) with effect from the passing of this resolution, the Company’s articles or incorporation (the “**Articles**”) be amended as follows:

the adoption and inclusion of the following new article 170:

170 Scheme of Arrangement

- (1) For the purpose of this article 170, references to the “**Scheme**” are to the scheme of arrangement between the Company and the holders of the Scheme Shares dated 17 December 2014 under Part VIII of the Companies (Guernsey) Law, 2008, as amended, in its original form or with or subject to any modification, addition or condition approved or imposed by the Royal Court of Guernsey and agreed to by the Company and New Assura and (save as defined in this article) expressions defined in the Scheme shall have the same meaning in this article.
- (2) Notwithstanding any other provisions of these articles, if any ordinary shares in the capital of the Company are issued to any person other than New Assura and/or its nominee or nominees (a “**New Member**”) after the time at which this article becomes effective and before the Scheme Record Time, such ordinary shares in the capital of the Company shall be issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the New Member, and any subsequent holder (other than New Assura and/or its nominee or nominees), shall be bound by the terms of the Scheme accordingly.
- (3) Subject to the Scheme becoming effective, if any ordinary shares in the capital of the Company are allotted and issued to a New Member at or after the Scheme Record Time (the “**Post-Scheme Shares**”), they will (after the Scheme becomes effective), on receipt by the Company of an election in writing from New Assura, be immediately transferred to New Assura (or as it may direct) in consideration of and conditional upon the issue or transfer to the New Member of one New Assura Share for each Post-Scheme Share, so transferred. Any New Assura Shares issued pursuant to this article 170 to the New Member will be credited as fully paid and will rank equally in all respect with all other New Assura Shares in issue at that time

(other than as regards any dividend or other distribution payable, or return of capital made, by reference to a record time preceding the date of exchange) and will be subject to the memorandum and articles of association of New Assura.

- (4) The number of New Assura Shares to be issued or transferred to the New Member under this article 170 may be adjusted by the directors of the Company in such manner as the Company's auditors may determine to take account of any reorganisation of or material alteration to the share capital of either the Company or of New Assura or any other return of value to holders of New Assura Shares, provided always that no fractions of New Assura Shares shall be issued or transferred and shall be aggregated and sold for the benefit of New Assura.
 - (5) Without prejudice to the generality of the foregoing, if, in respect of any New Member who is a citizen, resident or national of any jurisdiction outside the United Kingdom, New Assura is advised that the allotment and issue of New Assura Shares pursuant to article 170(3) would infringe the laws of any jurisdiction outside the United Kingdom or would require New Assura to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of New Assura, it would be unable to comply or which it regards as unduly onerous, then New Assura may in its sole discretion elect that the provisions of clause 3(b) of the Scheme shall apply to the issue of the relevant New Assura Shares, *mutatis mutandis*.
 - (6) In order to give effect to any such transfer of Post-Scheme Shares required by this article 170 the Company may appoint any person to act as agent on behalf of the New Member to execute and deliver a form of transfer and to do all such other things and execute and deliver all such documents as the agent deems necessary or desirable in favour of New Assura and/or its nominee or nominees and to agree for and on behalf of the New Member to become a member of New Assura. Pending the registration of New Assura as a holder of any Post-Scheme Shares to be transferred pursuant to this article 170 New Assura shall be empowered to appoint a person nominated by the directors of the Company to act as agent on behalf of the holder of the Post-Scheme Shares in accordance with such directions as New Assura may give in relation to any dealings with or disposal of the relevant Post-Scheme Shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of Post-Scheme Shares shall exercise all rights attached thereto in accordance with the directions of New Assura but not otherwise. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Company may give a good receipt for the consideration for the Post-Scheme Shares and may register New Assura and/or its nominee(s) as holders of such Post-Scheme Shares.
 - (7) If the Scheme shall not have become effective by the applicable date referred to in Clause 8(b) of the Scheme, this article 170 shall cease to be of any effect.
2. **THAT**, subject to and conditional upon the passing of Special Resolution 1 set out in this Notice, a general meeting of New Assura other than an annual general meeting, may be called on not less than 14 clear days' notice.

BY ORDER OF THE BOARD

Jonathan Murphy
Company Secretary

Registered Office:
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Dated 17 December 2014

Notes:

1. A shareholder of the Company who is entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead. A shareholder may appoint more than one proxy in relation to the Extraordinary General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. Appointment of a proxy will not prevent you from attending the meeting and voting in person at the meeting or any adjourned meeting.
2. A purple Form of Proxy is enclosed with this document. To be valid, the purple Form of Proxy (together with any power of attorney or authority under which it is signed, or a notarially certified copy of such power or authority or as the board of directors of the Company approves) must be received by the Company's Registrars, Computershare Investor Services (Jersey) Limited, not less than 48 hours before the time appointed for the meeting or, as the case may be, the adjourned meeting. Completion and return of the purple Form of Proxy will not prevent you from attending and voting at the meeting instead of the proxy should you so wish.
3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes cast), shareholders who hold their shares (i) in uncertificated form must be entered on the Company's register of members at 5.00 p.m. on 12 January 2015 or, in the event that the meeting is adjourned, on the Company's register of members at 5.00 p.m. on the date two days before the date of any adjourned meeting, and (ii) in certificated form, must be entered on the Company's register of members at the time of the vote at the meeting or, in the event that the meeting is adjourned, on the Company's register of members the time of the vote at the adjourned meeting.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
5. To be valid and effective, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at Assura's Registrars, Computershare Investor Services (Jersey) Limited at The Pavilions, Bridgewater Road, Bristol BS99 6ZY not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote 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, and in default the instrument of proxy shall not be treated as valid, save as permitted under the Articles.
6. Any corporation which is a shareholder of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers (other than a power to appoint a proxy) as that corporation could exercise if it were an individual shareholder of the Company.
7. In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
8. A copy of this notice and other relevant information can be found at <http://www.assuragroup.co.uk>

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