

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred your registered holding of Ordinary Shares in Regus plc (*société anonyme*), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so they can pass these documents to the person who now holds the shares.



Regus plc (*société anonyme*)
(the "Company")

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered in Luxembourg as a *société anonyme* under number R.C.S. Luxembourg B 141159)

NOTICE OF ANNUAL GENERAL MEETING

Notice of the annual general meeting of the Company, to be held at 11.00 a.m. (Luxembourg time) on 20 May 2014 at 26 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, is set out in Part II of this document.

Whether or not you propose to attend the annual general meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. The Form of Proxy must be received by 11.00 a.m. (Luxembourg time) on 18 May 2014.

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DEFINITIONS

“2009 CIP Options”	means the nil cost options over 1,995,225 Ordinary Shares conditionally granted to Mr. Dixon on 23 March 2009 pursuant to the Regus CIP, which options are subject to performance conditions and were approved by Shareholders at the Company’s 2009 annual general meeting;
“2009 CIP Options Waiver”	has the meaning set out on page 20 of this document;
“2009 Waivers”	has the meaning set out on page 20 of this document;
“2010 LTIP Options”	means the nil cost options over 520,149 Ordinary Shares conditionally granted to Mr. Dixon on 23 March 2010 pursuant to the LTIP, which options were subject to performance conditions and were approved by Shareholders at the Company’s 2010 annual general meeting (as at the Latest Practicable Date, all options granted under this plan had either been exercised or lapsed);
“2010 Waivers”	has the meaning set out on page 20 of this document;
“2011 AGM”	has the meaning set out on page 20 of this document;
“2012 AGM”	has the meaning set out on page 21 of this document;
“2012 Waiver”	has the meaning set out on page 21 of this document;
“2013 CIP Options”	means the nil cost options over 942,925 Ordinary Shares conditionally granted to Mr. Dixon on 6 March 2013 pursuant to the Regus CIP, some of which are subject to performance conditions and all of which were approved by Shareholders at the Company’s 2013 annual general meeting;
“2013 CIP Options Waiver”	has the meaning set out on page 21 of this document;
“2013 Repurchase Waiver”	has the meaning set out on page 21 of this document;
“2013 Waivers”	has the meaning set out on page 21 of this document;
“2014 CIP Options”	means the nil cost options over 515,255 Ordinary Shares conditionally granted to Mr. Dixon on 5 March 2014 pursuant to the Regus CIP, some of which are subject to performance conditions and all of which are conditional upon either Shareholder approval of the Second Waiver Resolution at the AGM or an undertaking from Mr. Dixon that, upon exercise of the options, he will immediately sell the resulting Ordinary Shares;
“ABI”	has the meaning set out on page 17 of this document;
“Act”	means the UK Companies Act 2006, as amended from time to time;
“acting in concert”	has the meaning set out in the Code;

“AGM”	means the annual general meeting of the Company to be held at 11.00 a.m. (Luxembourg time) on 20 May 2014 at 26 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg;
“Capita”	means Capita Registrars (Jersey) Limited, a company incorporated in Jersey, whose registered office is at 12 Castle Street, St Helier, Jersey JE2 3RT or Capita Registrars Limited, a company incorporated in England and Wales, whose registered office is at The Registry, 34 Beckenham Road, Beckenham BR3 4TU (as the context dictates);
“Code”	means the UK City Code on Takeovers and Mergers;
“Company”	means Regus plc (<i>société anonyme</i>), a company incorporated in Jersey with registered number 101523 and whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands and having its place of central administration (head office) in Luxembourg at 26 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and accordingly being registered in Luxembourg as a <i>société anonyme</i> under number R.C.S. Luxembourg B 141159;
“Directors” or “Board”	means the Executive Directors and the Non-Executive Directors;
“Estorn”	means Estorn Limited, a company incorporated in Cyprus with registered number 188003 and whose registered office is at Elenion Building, 2nd Floor, 5 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus, of which Mr. Dixon owns 100 per cent of the issued share capital and which currently beneficially owns Mr. Dixon’s entire holding of Ordinary Shares;
“Executive Directors”	means Mark Dixon and Dominique Yates;
“Existing Waivers”	means the Old Regus Waivers, the 2009 CIP Options Waiver and the 2013 CIP Options Waiver;
“First Waiver”	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the Code requiring Mr. Dixon (or any entity through which Mr. Dixon may hold shares in the Company) to make an offer for the issued share capital of the Company not held by him as a result of the repurchase of up to 15,000,000 Ordinary Shares by the Company pursuant to resolution 22 that could, taking into account all Existing Waivers, increase Mr. Dixon’s shareholding from approximately 34.14 per cent of the total voting rights in the Company to a maximum of approximately 34.83 per cent of the total voting rights in the Company (and, taking into account all Existing Waivers and the Second Waiver, up to a maximum potential holding of approximately 34.86 per cent of total voting rights in the Company);
“First Waiver Resolution”	means resolution 19 set out on page 11 of this document;
“Form of Proxy”	means the enclosed proxy form for completion by those Shareholders who wish to vote on the resolutions set out in the notice of AGM in Part II of this document, but who are unable to attend the AGM in person;

“Group” or “Regus Group”	means the Company together with its subsidiaries and subsidiary undertakings;
“Independent Directors”	means the Directors other than Mr. Dixon;
“Independent Shareholders”	means the Shareholders other than Mr. Dixon (or any persons acting in concert with Mr. Dixon);
“Investec”	means Investec Bank plc, a company registered in England and Wales with registered number 00489604, whose registered office is at 2 Gresham Street, London EC2V 7QP;
“issued share capital”	means, except where stated to the contrary, the issued share capital of the Company, including treasury shares;
“Latest Practicable Date”	means 15 April 2014, being the latest practicable date prior to the publication of this document;
“LTIP”	means the Regus Long Term Incentive Plan which is an element of the Regus CIP under which standalone nil cost options over, or whole awards of, Ordinary Shares can be made to Directors without reference to their annual bonus, up to 100 per cent of salary per annum (as at the Latest Practicable Date, all options under this plan had either been exercised or lapsed);
“Non-Executive Directors”	means Lance Browne, Elmar Heggen, Florence Pierre, Alex Sulkowski and Douglas Sutherland;
“Old Regus”	means Regus Group Limited (formerly Regus Group plc), a company incorporated in England and Wales with registered number 04868977 and whose registered office is at 268 Bath Road, Slough, Berkshire SL1 4DX;
“Old Regus Waivers”	has the meaning set out on page 20 of this document;
“Ordinary Shares”	means the ordinary shares of 1 pence each in the capital of the Company;
“Panel”	means The UK Panel on Takeovers and Mergers;
“Previous Waivers”	means the Old Regus Waivers, the 2009 Waivers, the 2010 Waivers, the 2012 Waiver and the 2013 Waivers;
“RCF”	has the meaning set out on page 31 of this document;
“Regus CIP”	means the Regus Co-Investment Plan under which any employee of a Group company with a minimum period of six months’ continuous service with that company will be eligible to receive awards of conditional shares or nil cost options at the discretion of the Remuneration Committee;
“Regus Value Creation Plan”	means the share option plan for certain senior executives of the Group selected by the Remuneration Committee under which one-off entitlements convertible into options over Ordinary Shares are granted to such senior executives, provided that certain share price targets are met (as at the Latest Practicable Date, all options granted under this plan had expired without having vested);

“Relevant Securities”	has the meaning given in Article 11(H)(viii) of the Company’s Memorandum and Articles of Association;
“Remuneration Committee”	means the remuneration committee of the Company;
“Second Waiver”	means a waiver by the Panel of the obligation which would otherwise arise under Rule 9 of the Code requiring Mr. Dixon (or any entity through which Mr. Dixon may hold shares in the Company) to make an offer for the issued share capital of the Company not held by him as a result of the exercise by Mr. Dixon of any of the 2014 CIP Options, pursuant to which Mr. Dixon’s interest in the shares of the Company could, taking into account all Existing Waivers, increase from approximately 34.14 per cent of the total voting rights in the Company to a maximum of approximately 34.31 per cent of the total voting rights in the Company (and, taking into account the First Waiver and all Existing Waivers, up to a maximum potential holding of approximately 34.86 per cent of the total voting rights in the Company);
“Second Waiver Resolution”	means resolution 20 set out on page 12 of this document;
“Shareholders”	means the holders of Ordinary Shares from time to time;
“Total Voting Rights”	means the issued share capital of the Company excluding treasury shares;
“Waivers”	means the First Waiver and the Second Waiver; and
“Waiver Resolutions”	means the First Waiver Resolution and the Second Waiver Resolution.

PART I

LETTER FROM THE CHAIRMAN

Regus plc (*société anonyme*)

(the “**Company**”)

(incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered in Luxembourg as a *société anonyme* under number R.C.S. Luxembourg B 141159)

Registered Office:

22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands

Central administration (head office):

26 Boulevard Royal, L-2449 Luxembourg,
Grand Duchy of Luxembourg

Directors

Douglas Sutherland (Chairman)
Mark Dixon (Chief Executive Officer)
Dominique Yates (Chief Financial Officer)
Lance Browne (Non-Executive Director)
Elmar Heggen (Non-Executive Director)
Florence Pierre (Non-Executive Director)
Alex Sulkowski (Non-Executive Director)

17 April 2014

Notice of annual general meeting of the Company to be held on 20 May 2014

Dear Shareholder,

I am pleased to be writing to you with details of our annual general meeting (“**AGM**”) which we are holding at 11.00 a.m. (Luxembourg time) on Tuesday, 20 May 2014 at 26 Boulevard Royal, L-2449 Luxembourg. The formal notice of AGM is set out on pages 10 to 15 of this document.

We remind you that Luxembourg law requires the Company to prepare both consolidated financial statements for the Group and financial statements for the Company on a standalone basis. The financial statements for both the Group and the Company on a standalone basis have been made available on the Company’s website (www.regus.com) and can also be inspected at the locations set out at the end of this letter. You are invited to approve both sets of financial statements in resolutions 1 and 2 of the agenda of the AGM.

If you would like to vote on the resolutions but cannot attend the AGM, please fill in the Form of Proxy sent to you with this notice and return it to our registrars, Capita, as soon as possible. They must receive it by 11.00 a.m. (Luxembourg time) on 18 May 2014. Address details for Capita are set out in paragraph 1 of the procedural notes on page 13 of this document, as well as in the notes to the Form of Proxy. You may also wish to appoint a proxy or proxies online through Capita’s website or through the CREST electronic appointment service. Please see the procedural notes on pages 13 to 15 of this document for further information. ***We urge Shareholders to vote on all resolutions being proposed at the AGM — please ensure that in completing your Form of Proxy you indicate how you wish your proxy to vote on all resolutions.***

I have set out below a brief explanation of some of the business to be dealt with at the AGM. Full explanatory notes on all business to be considered at the AGM appear in Part III on pages 16 to 19 of this document.

Final dividend

Shareholders are being asked to approve a final dividend of 2.5 pence per Ordinary Share for the year ended 31 December 2013. If you approve the recommended final dividend, this will be paid by the Company on 30 May 2014 to all Shareholders who were on the register of members at the close of

business on 2 May 2014. The final dividend is in addition to the interim dividend of 1.1 pence per Ordinary Share which was paid on 4 October 2013 to Shareholders who were on the register of members as at the close of business on 6 September 2013.

All Shareholders are paid dividends directly by the Company. All such dividends should be payable by the Company without deduction of Luxembourg withholding tax, regardless of the residence of the recipient. In general terms, UK resident Shareholders receiving dividends from the Company should be taxed in the same way as if they had received a dividend from a UK company. ***Tax outcomes do, however, depend on the specific circumstances of Shareholders, and any Shareholder in doubt about their tax position (in particular, UK resident but non-UK domiciled individuals who have elected to be taxed on a remittance basis) should consult their own professional adviser without delay.***

Proposed additional Non-Executive Director

As announced on 28 February 2014, Shareholders are being asked to approve the appointment of Mary R. "Nina" Henderson as a Non-Executive Director of the Company with effect from the date of the AGM. Further information regarding Nina Henderson's skills and experience is set out on page 17 of this document. We believe that Ms. Henderson's global expertise across a wide range of sectors and functions is very pertinent to the Company's business and complementary to the skills of our existing Non-Executive Directors. Her international perspective and experience of working with multinational corporations will enrich the work of the Board, and the Board is therefore recommending that you approve Ms. Henderson's appointment at the AGM.

Rule 9 waiver granted by the Panel in favour of Mark Dixon

Mark Dixon (Chief Executive Officer of the Company) held 323,447,296 Ordinary Shares (representing approximately 34.14 per cent of the total voting rights in the Company) as at the Latest Practicable Date. If Mr. Dixon's interests in Ordinary Shares increase beyond its current level, he would be required under Rule 9 of the Code to make a general offer for the issued share capital of the Company not held by him.

Independent Shareholders (and the independent shareholders of Old Regus prior to the migration in 2008) have previously approved various waivers granted by the Panel in favour of Mr. Dixon relating to the obligations he would otherwise have incurred pursuant to Rule 9 of the Code in connection with any increase in Mr. Dixon's shareholding as a result of either the repurchase by the Company of Ordinary Shares in which Mr. Dixon did not participate on a pro rata basis or as a result of his exercising share options in the Company.

We are now asking the Independent Shareholders to approve the terms of further waivers granted by the Panel to Mr. Dixon relating to any obligations Mr. Dixon might otherwise incur pursuant to Rule 9 of the Code in connection with (a) the repurchase of Ordinary Shares by the Company; and (b) the exercise by Mr. Dixon of any of the 2014 CIP Options. An explanation of the reasons for such a request, the background to the obligation arising from Rule 9 of the Code and details of the Previous Waivers approved by the independent shareholders of Old Regus and Independent Shareholders are set out in Part IV of this document.

General

The Board considers resolutions 1 to 18 (inclusive) and 21 to 23 (inclusive) in the notice of AGM to be in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of these resolutions and unanimously recommends that you do so as well. As at the Latest Practicable Date, the Board's shareholdings amounted to, in aggregate, 324,589,285 Ordinary Shares representing approximately 34.26 per cent of the total voting rights of the Company.

In addition, the Independent Directors, who have been so advised by Investec, consider resolutions 19 and 20 to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. The Independent Directors will be voting in favour of these resolutions and unanimously recommend that you do so as well. As at the Latest Practicable Date, the Independent Directors' shareholdings amounted to, in aggregate, 1,141,989 Ordinary Shares representing approximately 0.12 per cent of the total voting rights of the Company.

Yours faithfully,

Douglas Sutherland, Chairman

Inspection of documents

The following documents will be available for inspection at the Company's head office in Luxembourg at 26 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, at the Company's registered office in Jersey at 22 Grenville Street, St Helier, Jersey JE4 8PX, at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD and on the Company's website (www.regus.com) from the date of this Notice of AGM until the end of the AGM:

- *a copy of this document;*
- *copies of the Executive Directors' service contracts;*
- *copies of the letters of appointment of the Non-Executive Directors;*
- *a copy of the Memorandum and Articles of Association of the Company;*
- *a copy of the annual report and accounts of the Company for the year ended 31 December 2012;*
- *a copy of the annual report and accounts of the Company for the year ended 31 December 2013 which includes, inter alia:*
 - *the consolidated and standalone financial statements;*
 - *a list of the Directors and the independent auditor;*
 - *a list of sovereign debt, shares, bonds and other company securities making up the portfolio;*
 - *the reports of the Board; and*
 - *the reports of the approved independent auditor (réviseur d'entreprises agréé);*
- *the register of members of the Company, which includes a note of any Shareholders who have not paid up their shares, with an indication of the number of their shares and their domicile (note that this information will be available at the offices of Capita in Jersey at 12 Castle Street, St Helier, Jersey JE2 3RT and the Company's head office in Luxembourg only); and*
- *the letter of consent from Investec to the Company dated 17 April 2014 referred to in paragraph 10 of Section II of Part IV of this document.*

PART II

NOTICE OF THE 2014 ANNUAL GENERAL MEETING

Regus plc (*société anonyme*)

Notice is hereby given that this year's annual general meeting will be held at 11.00 a.m. (Luxembourg time) on Tuesday, 20 May 2014 at 26 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg.

You will be asked to consider and vote upon the resolutions set out below. Resolutions 1 to 18 (inclusive) will be proposed as ordinary resolutions. Resolutions 19 and 20 will be proposed as ordinary resolutions, in which only votes cast by Independent Shareholders will be counted. Mr. Dixon has confirmed to the Company that he and any persons acting in concert with him will abstain from voting on resolutions 19 and 20. Resolutions 21 to 23 (inclusive) will be proposed as special resolutions.

As required by the Company's Memorandum and Articles of Association, voting in respect of all resolutions to be put to the AGM will be conducted by means of a poll.

Agenda of Annual General Meeting and proposed resolutions

The consolidated financial statements for the Group and standalone financial statements of the Company for the financial year ended 31 December 2013, and the reports of the Board and the independent auditors thereon, will be laid before Shareholders for their consideration at the beginning of the AGM.

Ordinary resolutions

1. To approve the consolidated financial statements of the Group for the financial year ended 31 December 2013 having received the reports of the Board and the independent auditor (*réviseur d'entreprises agréé*) thereon.
2. To approve the standalone financial statements of the Company for the financial year ended 31 December 2013 having received the reports of the Board and the independent auditor (*réviseur d'entreprises agréé*) thereon.
3. To approve, on an advisory basis, the Directors' Remuneration Report for the financial year ended 31 December 2013, as set out on pages 41 to 53 of the Company's annual report for the financial year ended 31 December 2013 (excluding the Remuneration Policy set out on pages 42 to 46).
4. To approve, on an advisory basis, the Remuneration Policy, the full text of which is contained in the Directors' Remuneration Report for the financial year ended 31 December 2013, as set out on pages 42 to 46 of the Company's annual report for the financial year ended 31 December 2013.
5. To grant discharge to each person who has served as a director of the Company during the financial year ended 31 December 2013 in respect of certain duties owed to Shareholders under Luxembourg law during the financial year.
6. To approve the allocation of the net profit of the Company for the year ended 31 December 2013 in an aggregate amount of GBP 66.9 million on the following basis:
 - (A) an interim dividend of 1.1 pence per Ordinary Share, corresponding to an aggregate amount of GBP 10.4 million, which was paid on 4 October 2013 to Shareholders on the register of members at the close of business on 6 September 2013;
 - (B) a final dividend of 2.5 pence per Ordinary Share, corresponding to an aggregate amount of GBP 23.6 million, to be paid on 30 May 2014 to Shareholders on the register of members at the close of business on 2 May 2014; and
 - (C) the balance of the Company's net profit in an amount of GBP 32.9 million to be allocated to the Company's retained earnings account.
7. To approve the re-appointment of KPMG Luxembourg S.à r.l. as approved independent auditor (*réviseur d'entreprises agréé*) of the Company to hold office until the conclusion of next year's annual general meeting.
8. To authorise the Directors to determine the remuneration of KPMG Luxembourg S.à r.l. as approved independent auditor (*réviseur d'entreprises agréé*).

9. To re-elect Mark Dixon as a director of the Company for a term of up to three years.
10. To re-elect Dominique Yates as a director of the Company for a term of up to three years.
11. To re-elect Lance Browne as a director of the Company for a term of up to three years.
12. To re-elect Elmar Heggen as a director of the Company for a term of up to three years.
13. To re-elect Florence Pierre as a director of the Company for a term of up to three years.
14. To re-elect Alex Sulkowski as a director of the Company for a term of up to three years.
15. To re-elect Douglas Sutherland as a director of the Company for a term of up to three years.
16. To elect Mary R. "Nina" Henderson as a director of the Company for a term of up to three years.
17. To resolve that, in substitution for any like authority conferred on them at a previous general meeting, the Directors of the Company be generally and unconditionally authorised to exercise all or any of the powers of the Company pursuant to the Company's Memorandum and Articles of Association to allot and issue Relevant Securities (as defined in Article 11(H)(viii) of the Company's Memorandum and Articles of Association) and to allot and issue shares in pursuance of an employee share scheme (including any employee share scheme of any company that is a subsidiary of the Company):
 - (A) up to an aggregated nominal amount of GBP 3,157,673; and
 - (B) comprising equity securities (as defined in Article 11(H)(iv) of the Company's Memorandum and Articles of Association) up to a nominal amount of GBP 6,315,347 (after deducting from such limit any Relevant Securities allotted under paragraph (A) above) in connection with an offer by way of a rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,for a period expiring (unless this authority is previously renewed, varied or revoked by the Company in a general meeting) at the conclusion of next year's annual general meeting (or, if earlier, at the close of business on 19 August 2015), save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities (or shares in pursuance of an employee share scheme) to be allotted and issued after such expiry and the Directors may allot and issue Relevant Securities (or shares in pursuance of an employee share scheme) pursuant to such offer or agreement as if the authority conferred hereby had not expired.
18. To authorise the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company pursuant to the authority granted in resolution 22 prior to the conclusion of next year's annual general meeting (or, if earlier, at the close of business on 19 August 2015), if the Directors of the Company resolve to hold as treasury shares any shares so purchased or contracted to be purchased.
19. To approve the waiver granted by the Panel of the obligation which may otherwise arise, pursuant to Rule 9 of the Code, for Mr. Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the other Shareholders for all of their Ordinary Shares as a result of market purchases of up to 15,000,000 Ordinary Shares by the Company pursuant to the authority granted under resolution 22 that could, taking into account all Existing Waivers, potentially increase Mr. Dixon's shareholding from approximately 34.14 per cent of the total voting rights in the Company to a maximum of approximately 34.83 per cent of the total voting rights in the Company (and, taking into account the Second Waiver and all Existing Waivers, up to a maximum potential holding of approximately 34.86 per cent of the total voting rights in the Company).

20. To approve the waiver granted by the Panel of the obligation which may otherwise arise, pursuant to Rule 9 of the Code, for Mr. Dixon (or any entity through which Mr. Dixon holds shares in the Company) to make a general offer to the other Shareholders of the Company for all of their Ordinary Shares as a result of the exercise by Mr. Dixon of any of the 2014 CIP Options, pursuant to which Mr. Dixon's interest in the shares of the Company could, taking into account all Existing Waivers, potentially increase from approximately 34.14 per cent of the total voting rights in the Company to a maximum of approximately 34.31 per cent of the total voting rights in the Company (and, taking into account the First Waiver and all Existing Waivers, up to a maximum potential holding of approximately 34.86 per cent of the total voting rights in the Company).

In accordance with the requirements of the Code, Mr. Dixon will not be voting, in respect of resolutions 19 and 20, his interest in 323,447,296 Ordinary Shares, representing approximately 34.14 per cent of the total voting rights in the Company. The votes in respect of resolutions 19 and 20, as is the case for all resolutions to be put to the AGM, will be held by means of a poll.

Special resolutions

21. To resolve that:
- (A) any Director be authorised to make (or cause to be made) from time to time, all necessary amendments to the provisions of the Company's Memorandum and Articles of Association which state the Company's issued share capital to reflect changes in the Company's issued share capital; and
 - (B) the secretary (as defined in the Company's Memorandum and Articles of Association) or any Director be authorised to make (or cause to be made) all necessary:
 - (i) entries in the Company's records and accounts; and
 - (ii) all other formalities, actions, deeds and filings in Jersey or Luxembourg,in connection with each such amendment to the Company's Memorandum and Articles of Association.
22. To resolve that the Board be generally and unconditionally authorised pursuant to article 57 of the Companies (Jersey) Law 1991, article 49-2 of the Luxembourg Companies Laws (as defined in the Company's Memorandum and Articles of Association) and Article 8 of the Company's Memorandum and Articles of Association, to make market purchases of Ordinary Shares, provided that:
- (A) the maximum number of Ordinary Shares authorised to be purchased is 94,730,212 (representing approximately 10 per cent of issued share capital (excluding treasury shares) at the date hereof) further provided that no purchase shall be made from time to time if the nominal value of the Ordinary Shares so purchased together with all other Ordinary Shares held in treasury by the Company would exceed 10 per cent of the nominal value of the issued share capital of the Company at that time;
 - (B) the minimum price, exclusive of any expenses, which may be paid for an Ordinary Share is GBP 0.01;
 - (C) the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share shall be the higher of:
 - (i) an amount equal to five per cent above the average of the middle market quotations for Ordinary Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such shares are contracted to be purchased; and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Daily Official List at the time that the purchase is carried out; and
 - (D) the authority hereby conferred shall expire at the conclusion of next year's annual general meeting (or, if earlier, at the close of business on 19 August 2015) except that the Company may make a contract or contracts to purchase Ordinary Shares under this authority before the expiry of this authority, which will or may be executed wholly or partly after the expiry of this authority, and may make purchases of Ordinary Shares in pursuance of any such contract as if such authority had not expired.

23. To resolve that the Directors be empowered pursuant to the Company's Memorandum and Articles of Association to allot and issue equity securities (as defined in Article 11(H)(iv) of the Company's Memorandum and Articles of Association) wholly for cash pursuant to the authority conferred by resolution 17 above, and / or where such allotment and issue constitutes an allotment and issue of equity securities by virtue of Article 11(H)(i) of the Company's Memorandum and Articles of Association, as if the pre-emption rights referred to in Article 12 did not apply to such allotment and issue, provided that this power:
- (A) shall expire on the conclusion of next year's annual general meeting (or, if earlier, at the close of business on 19 August 2015), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the Directors may allot and issue equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired; and
 - (B) shall be limited to:
 - (i) the allotment and issue of equity securities in connection with a rights issue, open offer or pre-emptive offer in favour of holders of Ordinary Shares (excluding any shares held by the Company as treasury shares) where the equity securities respectively attributable to the interests of such holders of Ordinary Shares on a fixed record date are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares subject to any exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and / or to deal with legal or practical problems arising under the laws of, or requirements of, any recognised regulatory body or any stock exchange in any territory or any other matter whatsoever; and
 - (ii) the allotment and issue of equity securities wholly for cash otherwise than pursuant to paragraph (B)(i) above up to an aggregate nominal amount of GBP 475,484 (representing approximately five per cent of the Company's issued share capital as at the date hereof).

17 April 2014

By order of the Board

Tim Regan, Company Secretary

Registered Office:

22 Grenville Street, St Helier, Jersey JE4 8PX, Channel Islands

Registered in Jersey No. 101523

Central administration (head office):

26 Boulevard Royal, L-2449 Luxembourg

Registered in Luxembourg No. R.C.S. Luxembourg B 141159

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the AGM. A Shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder and further provided that either (i) each proxy is appointed in respect of a different shareholding account of that Shareholder, or (ii) the Shareholder appointing multiple proxies in respect of its shareholding is a professional that is acting on behalf of other individuals or bodies corporate in respect of its shareholding. A proxy need not be a Shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0871 664 0300. Calls to this number are charged at 10 pence per minute from a BT landline, plus any other network charges (as applicable). Other telephone provider costs may vary. Lines are open 9.00 a.m. (UK time) to 5.30 p.m. (UK time), Monday to Friday (with the exception of UK bank and public holidays). From overseas, please call +44 (0) 20 8639 3399. Calls will be charged at standard international rates. To be valid, any Form of Proxy or other instrument appointing a proxy must be received, by using the enclosed business reply envelope, by post or (during normal business hours only) by hand at Capita Registrars (Jersey) Limited, PXS, 34 Beckenham Road, Beckenham, BR3 4TU no later than 11.00 a.m. (Luxembourg time) on 18 May 2014. Shareholders wishing to appoint a proxy electronically should do so by 11.00 a.m. (Luxembourg time) on 18 May 2014 by visiting www.capitashareportal.com and following the instructions.

2. The return of a completed Form of Proxy or online proxy appointment or CREST Proxy Instruction (as defined in paragraph 10 below) will not prevent a Shareholder attending the AGM and voting in person if he / she wishes to do so.
3. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
4. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
5. Any person to whom this notice is sent who is a person nominated under Article 62 of the Company's Articles of Association to enjoy information rights (a "**Nominated Person**") may, under an agreement between him / her and the Shareholder by whom he / she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he / she may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
6. The statements of the rights of Shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by Shareholders. Nominated persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investment in the Company.
7. Pursuant to Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, to be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the register of members of the Company at 6.00 p.m. (Luxembourg time) on 18 May 2014 (or, in the event of any adjournment, 6.00 p.m. (Luxembourg time) on the date which is two days before the time of the adjourned meeting). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meetings. Any person who has sold or otherwise transferred his or her registered holding of Ordinary Shares in the Company (the "**Transferring Shareholder**") should pass all the documentation he or she has received in relation to the AGM to the purchaser or transferee or to the person who arranged for the sale or transfer so they can pass those documents to the person who now holds the shares. In selling or otherwise transferring such shares, the Transferring Shareholder will cede his/her/its rights to attend and vote at the AGM to the purchaser or transferee. All Shareholders, and only those Shareholders, who are registered in the register of members of the Company at 6.00 p.m. (Luxembourg time) on 18 May 2014 shall be entitled to attend and vote at the AGM.
8. As at the Latest Practicable Date, the Company's issued share capital consists of 950,969,822 Ordinary Shares, of which 3,667,701 are held in treasury. The total voting rights in the Company are therefore 947,302,121.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service 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 instruction, as described in the CREST Manual (available at www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11.00 a.m. (Luxembourg time) on 18 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer'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.
11. 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 message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. 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 CREST sponsor or voting service provider(s) take(s)) 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
13. A Shareholder which is a body corporate and which wishes to be represented at the AGM, other than by way of a proxy, by a person with authority to speak and vote (a "**corporate representative**") must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the body corporate he / she represents as that body corporate could exercise if it was an individual member of the Company. Under Jersey law it is not possible for a body corporate to appoint more than one corporate representative.
14. As provided in Article 82 of the Company's Memorandum and Articles of Association, voting on all resolutions set out in this notice (which are Substantive Resolutions under the Company's Memorandum and Articles of Association) will be conducted by way of a poll rather than on a show of hands.
15. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

16. If you submit more than one valid proxy appointment in respect of the same share, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. Members who have general queries about the AGM should contact the Company's registrar, Capita on its shareholder helpline 0871 664 0300. Calls to this number are charged at 10 pence per minute from a BT landline, plus any other network charges (as applicable). Other telephone provider costs may vary. Lines are open 9.00 a.m. (UK time) to 5.30 p.m. (UK time), Monday to Friday (with the exception of UK bank and public holidays). From overseas, please call +44 (0) 20 8639 3399. Calls will be charged at standard international rates. No other method of communication will be accepted. You may not use any electronic address provided either in this notice or any related documents (including the Letter from the Chairman and Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
18. Under Article 64 of the Company's Memorandum and Articles of Association, Shareholders meeting the threshold requirements set out in that Article have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office. The Company would not require the Shareholders requesting such a website publication to pay the Company's expenses in complying with Article 64 and, if required to place a statement on a website under that Article, it will forward the statement to the Company's auditor not later than the time it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Article 64 to publish on a website.
19. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
20. Shareholders have certain rights to request that the Company add an item to the agenda of the AGM or to provide a draft resolution to be proposed at the AGM. To be valid, such a request must be received by the Company at its head office (26 Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg or tim.regan@regus.com) not later than 28 April 2014 and must meet certain other requirements. Further information regarding the other requirements that must be met for Shareholders to exercise these rights can be found in Article 60 (Members' resolutions) and Article 63 (Addition of points to agenda) of the Company's Memorandum and Articles of Association, which are available on the Company's website at www.regus.com.
21. A copy of this notice (which contains the full unabridged text of the resolutions to be proposed at the AGM), a copy of the Company's Memorandum and Articles of Association and, where relevant, any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice, can be found at www.regus.com. The documents to be submitted to the AGM (being the consolidated and standalone financial statements of the Company for the financial year ended 31 December 2013, and the reports of the Board and the approved independent auditors thereon) form part of the annual report of the Company for the year ended 31 December 2013, which is also available at www.regus.com. Should you wish to request a further copy of this document or the annual report, please send your request to Capita Registrars (Jersey) Limited, 12 Castle Street, St Helier, Jersey JE2 3RT or shareholderenquiries@capita.co.uk.

PART III

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions at the AGM.

Resolutions 1 to 18 (inclusive) in the notice of AGM will be proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 19 and 20 will be proposed as ordinary resolutions where only votes cast by Independent Shareholders will be counted. This means that, for each of those resolutions to be passed, more than half of those votes cast by Independent Shareholders on the poll must be in favour of the resolution. Mr. Dixon has confirmed to the Company that he and any persons acting in concert with him will abstain from voting on resolutions 19 and 20. Resolutions 21 to 23 (inclusive) will be proposed as special resolutions. This means that, for each of those resolutions to be passed, at least two-thirds of the votes cast must be in favour of the resolution.

As provided in Article 82 of the Company's Memorandum and Articles of Association, voting on all resolutions set out in this notice will be conducted by way of a poll rather than on a show of hands. The quorum for the AGM is two members present in person or by proxy and entitled to vote (but no fewer than two individuals shall constitute a quorum).

Annual General Meeting

Resolutions 1 to 4: Directors' reports and financial statements

The Directors are required to present to the AGM the directors' and auditors' reports and the financial statements of both the Company and the Group for the year ended 31 December 2013. In resolutions 1 and 2, Shareholders are invited to approve the financial statements for the financial year ended 31 December 2013. In resolutions 3 and 4, Shareholders are further invited to approve both the Directors' Remuneration Report excluding the Remuneration Policy (resolution 3) and the Remuneration Policy (resolution 4). Shareholders will be aware that new remuneration reporting regulations have recently come into effect for UK-incorporated companies listed on the London Stock Exchange. As a company incorporated in Jersey and having its place of central administration (head office) in Luxembourg, we are not legally required to comply with the new regulations. However, in keeping with our long-standing commitment to good corporate governance, we continue to voluntarily prepare a Directors' remuneration report, and we will do so on the basis of the requirements of the new regulations. The Directors' Remuneration Report is set out on pages 41 to 53 of the Company's annual report for the financial year ended 31 December 2013. The Remuneration Policy, set out within the Directors' Remuneration Report, on pages 42 to 46 of the Company's annual report for the financial year ended 31 December 2013, details our executive remuneration framework and policies. Pages 47 to 53 of the annual report for the financial year ended 31 December 2013, detail the implementation of our policies. The votes on both the Directors' Remuneration Report and on the Remuneration Policy will be on an advisory basis.

Resolution 5: Discharge of directors of the Company for the financial year ended 31 December 2013

In resolution 5, Shareholders are invited to "grant discharge to" all persons who have served as a director of the Company during the financial year ended 31 December 2013 in respect of the performance of their duties owed to the Company under Luxembourg law during that financial year. The proposal of such a resolution to "grant discharge to" the directors of a company at each annual general meeting at which the directors' reports and financial statements are laid and approved is customary under Luxembourg law. By approving this resolution 5, Shareholders confirm that, based on the Directors' reports and other financial statements for the year ended 31 December 2013, the Directors have carried out their mandate to the Company successfully and can therefore be "granted discharge" in respect of the previous financial year. The Directors will then be deemed to have complied with the various duties imposed on them by Luxembourg company law, and which were owed to Shareholders during the financial year ended 31 December 2013, based on the Directors' reports and the financial statements for the financial year ended 31 December 2013.

Resolution 6: Declaration of final dividend

Final dividends of the Company must be approved, and interim dividends must be confirmed, by the Shareholders. The Board has recommended a final dividend of 2.5 pence per Ordinary Share which,

provided Shareholders approve this resolution 6, will be paid by the Company on 30 May 2014 to all Shareholders on the register of members at the close of business on 2 May 2014.

The final dividend is in addition to the interim dividend of 1.1 pence per Ordinary Share paid on 4 October 2013 to Shareholders on the register of members at the close of business on 6 September 2013.

Following the discontinuation of the Company's dividend access arrangements, all Shareholders are now paid dividends directly from the Company. All such dividends should be payable by the Company without deduction of Luxembourg withholding tax, regardless of the residence of the recipient. In general terms, UK resident Shareholders receiving dividends from the Company should be taxed in the same way as if they had received a dividend from a UK company. ***Tax outcomes do however depend on the specific circumstances of Shareholders and any Shareholder in doubt about his/her tax position (including, in particular, UK resident but non-UK domiciled individuals who have elected to be taxed on a remittance basis) should consult their own professional adviser without delay.***

Resolutions 7 and 8: Re-appointment and remuneration of auditors

The approved independent auditor (*réviseur d'entreprises agréé*) of the Company must be appointed or re-appointed at each annual general meeting. Resolution 7 proposes the re-appointment of the Company's existing approved independent auditor (*réviseur d'entreprises agréé*), KPMG Luxembourg S.à r.l., for a further year. Resolution 8 gives the Directors authority to determine the remuneration of the approved independent auditor (*réviseur d'entreprises agréé*).

Resolutions 9 to 16: Election and re-election of directors

The UK Corporate Governance Code (as amended), which applies to all companies with a premium listing of equity shares regardless of whether they were incorporated in the UK or elsewhere, states that all directors of FTSE 350 companies are required to retire and offer themselves for re-election annually. Accordingly, each Director will retire and offer him or herself for re-election this year.

The Board is proposing that Shareholders appoint Nina Henderson as an additional Non-Executive Director of the Company with effect from the conclusion of the AGM. Ms. Henderson is a highly experienced global manager and board director, having served on the boards of several international and multinational corporations. She is currently a director of Walter Energy Inc and of CNO Financial Corp, both listed on the New York Stock Exchange, and Managing Partner of Henderson Advisory. Previous directorships include Del Monte Foods Company, AXA Financial, Inc. and Royal Dutch Shell plc. During her 30 year career with Bestfoods, a consumer products and food company, Ms. Henderson held numerous general management positions. She was Corporate Vice President and Vice President Global Core Business Development and President, Bestfoods Grocery. Her expertise includes cross-border operational management, strategy development and execution, brand marketing, and M&A. Ms. Henderson is a frequent speaker on business strategy and corporate governance. The Board is recommending Ms. Henderson's election as it believes that her international perspective and experience of working with multinational corporations will enrich the work of the Board and support the Board's strategic planning. Shareholders are therefore invited to approve this appointment under resolution 16.

Biographical details of all of the current Directors can be found on page 32 of the Company's annual report for the financial year ended 31 December 2013. Each of these Directors has participated in an internal performance evaluation during the year and the Board is satisfied that each Director continues to be an effective member of the Board and demonstrates commitment to his or her role.

Resolution 17: Directors' authority to allot shares

Pursuant to Article 11 of the Company's Memorandum and Articles of Association, the Directors require the authority of the Shareholders in general meeting to allot unissued shares of the Company and this resolution seeks to renew that authority.

Paragraph (A) of this resolution would give the directors the authority to allot Ordinary Shares up to an aggregate nominal amount equal to GBP 3,157,673 (representing 315,767,300 Ordinary Shares of GBP 0.01 each). This amount represents approximately one-third (33.33 per cent) of the issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date.

In line with guidance issued by the Association of British Insurers (the "ABI"), paragraph (B) of this resolution would give the Directors authority to allot Ordinary Shares or grant rights to subscribe for or

convert any securities into Ordinary Shares in connection with a rights issue in favour of Shareholders up to an aggregate nominal amount equal to GBP 6,315,347 (representing 631,534,700 Ordinary Shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds (66.67 per cent) of the issued share capital (excluding treasury shares) of the Company as at the Latest Practicable Date.

The authorities sought under paragraphs (A) and (B) of this resolution will last until the conclusion of next year's annual general meeting (or, if earlier, at the close of business on 19 August 2015). The Directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph (A), to satisfy options under the Company's share option schemes. The Directors intend to follow ABI recommendations concerning the use of the authorities sought under paragraphs (A) and (B) of this resolution (including as regards the Directors standing for re-election in certain cases).

As at the Latest Practicable Date 3,667,701 Ordinary Shares are held by the Company in treasury, representing approximately 0.39 per cent of the Company's issued share capital (excluding treasury shares) as at that date.

Resolution 18: Authority to hold repurchased shares in treasury

Resolution 22 seeks authority for the Company to repurchase its own shares on the market. Under Jersey law any shares so repurchased (or, as the case may be, contracted to be repurchased) are automatically cancelled on repurchase unless Shareholders have authorised the holding of shares in treasury by the Company. Under Luxembourg law shares repurchased in accordance with Article 49-2 of the Luxembourg Companies Law are automatically held in treasury and can only be cancelled by way of shareholder resolution. Accordingly, this resolution 18 seeks authority for the Company to hold as treasury shares any shares purchased or contracted to be purchased by the Company pursuant to the authority granted in resolution 22.

As at the Latest Practicable Date, 3,667,701 Ordinary Shares are held by the Company in treasury. The Company may at any time hold in treasury shares having, in aggregate, a maximum nominal value of 10 per cent of the issued share capital of the Company.

Resolutions 19 and 20: Approval of Rule 9 waiver

In accordance with the requirements of Rule 9 of the Code we are asking the Independent Shareholders to approve the terms of the Waivers in favour of Mr. Dixon for the reasons set out in Part IV of this document.

In accordance with the requirements of the Code, Mr. Dixon will not be voting, in respect of resolutions 19 or 20, his interest in 323,447,296 Ordinary Shares in the Company, representing approximately 34.14 per cent of the total voting rights in the Company. The votes in respect of resolutions 19 and 20, as is the case for all resolutions to be put to the AGM, will be held by means of a poll.

Resolution 21: Approval for Directors to amend the Company's Memorandum and Articles of Association

Under Luxembourg law, a company must state not only its authorised share capital but also its issued share capital in its articles of association. To comply with Luxembourg law in this regard, the Company will update, if required, the statement of its issued share capital which appears in its Memorandum and Articles of Association to reflect any increase in the number of Ordinary Shares in issue (as a consequence of the exercise of any options or otherwise). This update is made by the Directors requesting that a Luxembourg public notary make the necessary amendment and file the amended Memorandum and Articles of Association with the Luxembourg RCS (Trade and Companies Registry). The amended Memorandum and Articles of Association will also be filed with the Jersey Companies Registry. As under Jersey law any amendment to the Memorandum and Articles of Association of the Company requires a special resolution, Shareholders are asked to pass this special resolution 21 to approve the updating and filing of amended Memorandum and Articles of Association from time to time in Jersey during the forthcoming year so that the issued share capital statement can be updated, if required.

Resolution 22: Authority to purchase own shares

In certain circumstances, it may be advantageous for the Company to purchase its own shares and resolution 22 seeks authority from Shareholders to make such purchases in the market. The Directors consider it desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources. The Directors would do so only when, in the light of prevailing market conditions, they believe that the effect of such purchases is in the best interests of the Company and Shareholders generally and could be expected to result in an increase in the earnings per share of the Company. Any Ordinary Shares purchased under this authority will be held in treasury (until such time as Shareholders approve their cancellation in accordance with Luxembourg law). The Directors have no present intention of exercising the authority to make market purchases, but the authority provides the flexibility to allow them to do so.

Resolution 22 specifies the maximum number of shares which may be purchased (representing approximately 10 per cent of the Company's issued share capital (excluding treasury shares) as at the date of this notice) and the minimum and maximum prices at which they may be bought. Shares will not be purchased pursuant to this authority if the nominal value of the shares so purchased together with all other Ordinary Shares held in treasury by the Company would exceed 10 per cent of the Company's issued share capital at the time of such purchase. The authority given by resolution 22 will last until the conclusion of next year's annual general meeting or, if earlier, at the close of business on 19 August 2015 (unless otherwise revoked or varied by the Company in general meeting). The Directors intend to seek renewal of this power at subsequent annual general meetings.

The total number of outstanding options to subscribe for Ordinary Shares as at the Latest Practicable Date was 32,066,663. This represents approximately 3.39 per cent of the issued share capital (excluding treasury shares) of the Company at that date. If the Company were to buy back the maximum number of Ordinary Shares permitted pursuant to the authority granted at the annual general meeting in 2013 and pursuant to the passing of this resolution, then the total number of options to subscribe for shares outstanding at the Latest Practicable Date would represent approximately 4.23 per cent of issued share capital (excluding treasury shares).

As at the Latest Practicable Date, 3,667,701 Ordinary Shares are held by the Company in treasury.

Resolution 23: Directors' power to disapply pre-emption rights

Under Article 12 of the Company's Memorandum and Articles of Association, the Directors require the authority of Shareholders in a general meeting to waive the application of any statutory pre-emption rights applicable to the Company under Luxembourg law and to disapply the pre-emption rights set out in Article 12(B) so that they can allot shares in the Company for cash otherwise than to existing holders of Ordinary Shares pro rata to their holdings or, alternatively, should appropriate circumstances arise, allot shares in connection with a rights issue (subject to some limited exclusions). The power under the authority granted pursuant to resolution 23 shall be limited to allotments or sales of equity securities in connection with pre-emptive offers or otherwise up to an aggregate nominal value of GBP 475,484, being approximately five per cent of the issued share capital of the Company (including shares held in treasury) as at the Latest Practicable Date. In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5 per cent should not take place without prior consultation with Shareholders.

At the present time there is no intention to exercise this power except to satisfy options under the Company's share option schemes. The authority will expire at the conclusion of next year's annual general meeting of the Company (or, if earlier, at the close of business on 19 August 2015).

PART IV

APPROVAL OF THE RULE 9 WAIVERS

SECTION I — BACKGROUND

1. Background

- 1.1 Mark Dixon (Chief Executive Officer of the Company) held 323,447,296 Ordinary Shares (representing approximately 34.14 per cent of the total voting rights in the Company) at the Latest Practicable Date. If his interests in Ordinary Shares increase beyond its current level, he would be required under Rule 9 of the Code to make a general offer for the issued share capital of the Company not held by him.

Old Regus Waivers

- 1.2 At a general meeting of Old Regus held on 7 December 2007 and at the annual general meeting of Old Regus held on 20 May 2008, Old Regus shareholders approved various waivers (the “**Old Regus Waivers**”) granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Old Regus ordinary shares where the increase occurred as a result of Mr. Dixon exercising any of the options held by him in respect of Old Regus ordinary shares (except those granted under the Regus Value Creation Plan). At a general meeting and court meeting of Old Regus held on 24 September 2008, Old Regus shareholders approved a scheme of arrangement pursuant to which the entire issued ordinary share capital of Old Regus was cancelled and then restored and issued to the Company. In consideration of this cancellation, Old Regus shareholders (including Mr. Dixon) were issued with Ordinary Shares in the Company pro rata to their holdings of ordinary shares in Old Regus. All existing options for Old Regus ordinary shares were rolled over into options for Ordinary Shares in the Company. Prior to the coming into effect of Old Regus’ scheme of arrangement on 14 October 2008, the Panel and the Company confirmed that the Old Regus Waivers in respect of Mr. Dixon’s shareholding in Old Regus would apply equally to his shareholding in the Company. Therefore, the Old Regus Waivers remain in force and will be unaffected by any resolution subsequently passed.

2009 and 2010 Waivers

- 1.3 At the annual general meeting of the Company held on 19 May 2009, Shareholders approved two further waivers granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Ordinary Shares as a result of (i) a repurchase by the Company of Ordinary Shares in which Mr. Dixon did not participate pro rata to his interest (the “**2009 Repurchase Waiver**”)¹, and/or (ii) Mr. Dixon exercising any of the 2009 CIP Options, up to a specified maximum interest of the then issued share capital (taking into account all other share options held by Mr. Dixon at that time except those granted under the Regus Value Creation Plan² (the “**2009 CIP Options Waiver**”) and, together with the 2009 Repurchase Waiver, the “**2009 Waivers**”). At the annual general meeting of the Company held on 18 May 2010, Shareholders approved two further waivers granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Ordinary Shares as a result of (i) a repurchase by the Company of Ordinary Shares in which Mr. Dixon did not participate pro rata to his interest (the “**2010 Repurchase Waiver**”)³, and/or (ii) Mr. Dixon exercising any of the 2010 LTIP Options⁴ (the “**2010 Waivers**”).

2011 Waiver

- 1.4 In the notice of the annual general meeting of the Company held on 17 May 2011 (the “**2011 AGM**”), a waiver of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon’s interest in Ordinary Shares as a result of any

1 The 2009 Repurchase Waiver has expired, together with the relevant repurchase authority.

2 All options granted to Mr. Dixon under the Regus Value Creation Plan have since expired without having vested.

3 The 2010 Repurchase Waiver has expired, together with the relevant repurchase authority.

4 All of the 2010 LTIP Options have since been exercised or have lapsed.

repurchases of Ordinary Shares by the Company was proposed to Independent Shareholders. However, the relevant resolution (resolution 16) was subsequently withdrawn and not put to a vote at the 2011 AGM. As a result, the Directors were not able to make use of the authority granted under resolution 18 of the 2011 AGM unless (i) arrangements could be put in place to ensure that Mr. Dixon's percentage interest in Ordinary Shares would not increase as a result of any such purchases by the Company of its own shares, or (ii) a further waiver was sought from the Panel in respect of such increases (and Independent Shareholder approval were to be granted in respect thereof). No such arrangements or further waiver were put in place during the year and the Company made no purchases of Ordinary Shares under the repurchase authority granted at the 2011 AGM.

2012 Waiver

- 1.5 At the annual general meeting of the Company held on 15 May 2012 (the "**2012 AGM**"), Shareholders approved a waiver granted by the Panel in respect of the obligation for Mr. Dixon to make a general offer to the other Shareholders for all of their Ordinary Shares, such obligation arising pursuant to Rule 9 of the Code, in the event of an increase in Mr. Dixon's interests in Ordinary Shares as a result of market purchases of up to 25,000,000 Ordinary Shares by the Company (the "**2012 Waiver**")⁵.

2013 Waivers

- 1.6 At the annual general meeting of the Company held on 21 May 2013, Shareholders approved two waivers granted by the Panel in respect of the obligation which would otherwise arise pursuant to Rule 9 of the Code in the event of an increase in Mr. Dixon's interest in Ordinary Shares as a result of (i) a repurchase by the Company of Ordinary Shares in which Mr. Dixon did not participate pro rata to his interest (the "**2013 Repurchase Waiver**")⁶, and / or (ii) Mr. Dixon exercising any of the 2013 CIP Options (the "**2013 CIP Options Waiver**" and, together with the 2013 Repurchase Waiver, the "**2013 Waivers**")⁷.

2. Waivers proposed for 2014

The First Waiver

- 2.1 The Directors are again seeking a general authority to make market purchases of the Company's shares, pursuant to resolution 22, at this year's AGM. It is noted that market purchases of the Company's Ordinary Shares may be used, among other matters, to facilitate share transactions arising from equity-based compensation schemes for employees. The approval of the Independent Shareholders is being sought, by means of the First Waiver Resolution (to be taken on a poll at the AGM), for a waiver which the Panel has granted (subject to Independent Shareholder approval) in respect of increases in Mr. Dixon's interest in Ordinary Shares as a result of market purchases by the Company of up to 15,000,000 Ordinary Shares (representing 1.58 per cent of issued share capital and 1.58 per cent of the total voting rights of the Company), pursuant to the authority granted by resolution 22. The First Waiver (taking into account all Existing Waivers) will not permit Mr. Dixon's interest to exceed 34.83 per cent of the total voting rights of the Company and (taking into account the Second Waiver and all Existing Waivers) will not permit Mr. Dixon's interest to exceed 34.86 per cent of the total voting rights of the Company. See paragraph 5 below.

The Second Waiver

- 2.2 On 5 March 2014, Mr. Dixon was granted options under the Regus CIP in respect of 515,255 Ordinary Shares (the "**2014 CIP Options**"), conditional upon either shareholder approval of the Second Waiver Resolution at the Company's annual general meeting or an undertaking from Mr. Dixon that upon exercise of the awards he will immediately sell the resulting shares. 240,453 of the 2014 CIP Options will be capable of exercise on 5 March 2017, 137,401 of the

⁵ The 2012 Waiver has expired, together with the relevant repurchase authority.

⁶ The 2013 Repurchase Waiver will expire, together with the relevant repurchase authority, at the end of the AGM.

⁷ All Previous Waivers relating to repurchases by the Company of Ordinary Shares expired, together with the relevant repurchase authorities, at the conclusion of the annual general meeting following their approval (other than the 2013 Repurchase Waiver which will expire, together with the relevant repurchase authority, at the end of the AGM) and the 2010 LTIP Options have now all been exercised or have lapsed. Accordingly, only the Old Regus Waivers, the 2009 CIP Options Waiver and the 2013 CIP Options Waiver are taken into consideration as Existing Waivers for the purposes of calculating Mr. Dixon's maximum potential holding in the Company.

2014 CIP Options will be capable of exercise on 5 March 2018 and 137,401 of the 2014 CIP Options will be capable of exercise on 5 March 2019, provided that Mr. Dixon remains in continuous service with the Company until that date and to the extent that any performance conditions attached to the 2014 CIP Options have been satisfied. Mr. Dixon has yet to exercise the 2014 CIP Options but, were he to do so at some point in the future and not arrange for the immediate sale of the underlying Ordinary Shares he is entitled to receive, his interest in the Ordinary Shares would increase beyond its current level, thereby triggering a mandatory offer under Rule 9 of the Code. The approval of the Independent Shareholders is therefore being sought, by means of the Second Waiver Resolution (to be taken on a poll at the AGM) for the Second Waiver which the Panel has granted (subject to such Independent Shareholder approval). If the Second Waiver Resolution is not approved by the Independent Shareholders, Mr. Dixon will either not be able to exercise any of the 2014 CIP Options or he will have to immediately sell the Ordinary Shares received as a result of the exercise of those options. The Second Waiver (taking into account all Existing Waivers) will not permit Mr. Dixon's interest to exceed 34.31 per cent of the total voting rights of the Company and (taking into account the First Waiver and all Existing Waivers) will not permit Mr. Dixon's interest to exceed 34.86 per cent of the total voting rights of the Company. See paragraph 5 below.

3. Reasons for the Waivers

Rule 9 mandatory offer obligation

- 3.1 Under Rule 9 of the Code, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent of the voting rights but does not hold shares carrying more than 50 per cent of the voting rights of such a company, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required to be made by him. Such an offer would have to be made in cash at a price not less than the highest price paid by him, or by any member of the group of persons acting in concert with him, for any interest in shares in the company during the 12 months prior to the announcement of the offer.

Share Repurchases

- 3.2 Under Rule 37 of the Code, any increase in the percentage holding of a shareholder which results from a company purchasing its own shares will also be treated as an acquisition for the purposes of Rule 9 of the Code.
- 3.3 If Mr. Dixon does not participate pro rata to his interest in the Ordinary Shares in any future repurchases by the Company of its own shares pursuant to the authority to be granted under resolution 22, he will become interested in a greater percentage of Ordinary Shares representing between 30 and 50 per cent of the Company's shares carrying voting rights and will therefore be subject to the provisions of Rule 9 of the Code.
- 3.4 As a result, the Independent Directors have consulted with the Panel which has agreed, subject to a poll vote of the Independent Shareholders on the First Waiver Resolution, that it would waive any obligation that would otherwise arise under Rule 9 as a result of market purchases by the Company of up to 15,000,000 Ordinary Shares pursuant to the authority to be granted under resolution 22, that would, taking into account all Existing Waivers, take Mr. Dixon's interest in Ordinary Shares to a level above his current interest (being 34.14 per cent of the total voting rights in the Company) up to a potential maximum of approximately 34.83 per cent. Further, assuming that the First Waiver Resolution is approved and taking into account the Second Waiver and all Existing Waivers, Mr. Dixon would have a maximum potential holding of approximately 34.86 per cent of the total voting rights in the Company.

2014 CIP Options

- 3.5 If Mr. Dixon exercises any of the 2014 CIP Options he will become interested in a greater percentage of Ordinary Shares representing between 30 and 50 per cent of the Company's shares carrying voting rights and will therefore be subject to the provisions of Rule 9 of the Code.
- 3.6 As a result, the Independent Directors have consulted with the Panel which has agreed, subject to a poll vote of the Independent Shareholders on the Second Waiver Resolution, that it would waive any obligation that would otherwise arise under Rule 9 as a result of the exercise by

Mr. Dixon of any of the 2014 CIP Options, that would, taking into account all Existing Waivers, take Mr. Dixon's interest in Ordinary Shares to a level above his current interest (being 34.14 per cent of the total voting rights in the Company) up to a potential maximum of approximately 34.31 per cent. Further, assuming that the Second Waiver Resolution is approved and taking into account the First Waiver and all Existing Waivers, Mr. Dixon would have a maximum potential holding of approximately 34.86 per cent of the total voting rights in the Company.

4. Independent advice

4.1 Investec has provided advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Code, in relation to the granting of the Waivers. As part of its advice to the Independent Directors in connection with the Waivers, Investec considered the following factors:

- (A) Investec believes that Mr. Dixon's continued shareholding forms an important part of the investment case for Shareholders, since it aligns his interests with Shareholders' interests;
- (B) given Mr. Dixon's position as Chief Executive Officer of the Company, Investec believes that Shareholders should welcome the long-term participation by Mr. Dixon in the equity of the Company; and
- (C) Investec believes that the maximum potential increase in Mr. Dixon's shareholding resulting from the repurchase of Ordinary Shares and the exercise of the 2014 CIP Options will not be material from a control perspective.

4.2 This advice was provided by Investec to the Independent Directors of the Company only and, in providing such advice, Investec has taken into account the Independent Directors' commercial assessments as well as Mr. Dixon's confirmation of his future intentions provided to the Company as set out in paragraph 7 of this Section I of this Part IV.

5. Maximum potential holding

5.1 Pursuant to the Code, it is necessary to provide an illustration of Mr. Dixon's maximum potential interest in Ordinary Shares, based on certain assumptions.

Share Repurchases

5.2 Assuming (i) the repurchase of 15,000,000 Ordinary Shares pursuant to the authority granted in resolution 22; (ii) no pro rata participation or other sales of interests in Ordinary Shares by Mr. Dixon in connection with any share repurchases or otherwise; (iii) full exercise by Mr. Dixon of all options held by Mr. Dixon as at the Latest Practicable Date (being the options granted under the Existing Waivers)⁸ and all option exercises being satisfied out of treasury or with newly issued shares; and (iv) no other person exercising any options or any other rights to subscribe for Ordinary Shares, Mr. Dixon's maximum potential interest in the Ordinary Shares if the First Waiver is approved would be as set out in the following table⁹:

<u>Mr. Dixon's current interest in Ordinary Shares</u>	<u>Number of Ordinary Shares in issue as at the Latest Practicable Date</u>	<u>Potential number of Ordinary Shares in issue using assumptions in 5.2</u>	<u>Mr. Dixon's maximum potential interest in Ordinary Shares using assumptions in 5.2</u>
323,447,296/34.14%	947,302,121	934,199,466	325,344,641/34.83%

⁸ Only the Old Regus Waivers, the 2009 CIP Options Waiver and the 2013 CIP Options Waiver are taken into consideration for the purposes of calculating Mr. Dixon's maximum potential holding in the Company in paragraph 5.2.

⁹ These figures exclude treasury shares.

2014 CIP Options

5.3 Assuming (i) full exercise by Mr. Dixon of all the 2014 CIP Options together with all other options held by Mr. Dixon as at the Latest Practicable Date (being the options granted under the Existing Waivers)¹⁰ and all option exercises being satisfied out of treasury or with newly-issued shares and (ii) no other person exercising any options or any other rights to subscribe for interests in the Ordinary Shares, Mr. Dixon's maximum potential interest in Ordinary Shares if the Second Waiver is approved would be as set out in the following table¹¹:

<u>Mr. Dixon's current interest in Ordinary Shares</u>	<u>Number of Ordinary Shares in issue as at the Latest Practicable Date</u>	<u>Potential number of Ordinary Shares in issue using assumptions in 5.3</u>	<u>Mr. Dixon's maximum potential interest in Ordinary Shares using assumptions in 5.3</u>
323,447,296/34.14% . . .	947,302,121	949,714,721	325,859,896/34.31%

Share Repurchases and 2014 CIP Options

5.4 Assuming (i) full exercise by Mr. Dixon of all the 2014 CIP Options together with all other options held by Mr. Dixon as at the Latest Practicable Date (being the options granted under the Existing Waivers)¹² and all option exercises being satisfied out of treasury or with newly-issued shares; (ii) use by the Company of the authority granted under resolution 22 to the level permitted by the First Waiver Resolution; (iii) no pro rata participation or other sales of interests in Ordinary Shares by Mr. Dixon in connection with any share repurchases or otherwise; and (iv) no other person exercising any options or any other rights to subscribe for interests in the Ordinary Shares, Mr. Dixon's maximum potential interest in Ordinary Shares if both the First Waiver and the Second Waiver are approved would be as set out in the following table¹³:

<u>Mr. Dixon's current interest in Ordinary Shares</u>	<u>Number of Ordinary Shares in issue as at the Latest Practicable Date</u>	<u>Potential number of Ordinary Shares in issue using assumptions in 5.4</u>	<u>Mr. Dixon's maximum potential interest in Ordinary Shares using assumptions in 5.4</u>
323,447,296/34.14%	947,302,121	934,714,721	325,859,896/34.86%

6. Further explanation of the Waivers and the Waiver Resolutions

Share Repurchases

6.1 The First Waiver will apply, provided the First Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in Mr. Dixon's percentage interest in Ordinary Shares resulting from repurchases of Ordinary Shares under resolution 22 up to a maximum of 15,000,000 Ordinary Shares. It will not apply in respect of other increases in Mr. Dixon's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of Mr. Dixon or repurchases by the Company of Ordinary Shares under resolution 22 once the limit of 15,000,000 Ordinary Shares in the Waiver Resolution has been exceeded). As explained above, if there are any repurchases of its own shares by the Company in which Mr. Dixon does not participate pro rata to his interests in Ordinary Shares, Mr. Dixon will be interested in Ordinary Shares carrying 30 per cent or more of the Company's voting share capital but will not hold Ordinary Shares carrying more than 50 per cent of such voting rights and any further increase in that interest in Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the First Waiver Resolution, the Second Waiver Resolution or pursuant to the Existing Waivers) will be subject to the provisions of Rule 9 of the Code.

6.2 The authority under resolution 22 and the First Waiver will (unless varied, revoked or renewed) expire at the conclusion of the next annual general meeting of the Company. It has been the Company's regular practice to seek Shareholders' approval at each annual general meeting for the Company to be authorised to purchase its own shares. Up to the Latest Practicable Date,

¹⁰ Only the Old Regus Waivers, the 2009 CIP Options Waiver and the 2013 CIP Options Waiver are taken into consideration for the purposes of calculating Mr. Dixon's maximum potential holding in the Company in paragraph 5.3.

¹¹ These figures exclude treasury shares.

¹² Only the Old Regus Waivers, the 2009 CIP Options Waiver and the 2013 CIP Options Waiver are taken into consideration for the purposes of calculating Mr. Dixon's maximum potential holding in the Company in paragraph 5.4.

¹³ These figures exclude treasury shares.

the Company had not repurchased any Ordinary Shares under the authority granted by Shareholders at the 2013 AGM and has no intention of doing so before the AGM. The Directors have no present intention of exercising the new authority to make market purchases but the authority in resolution 22 would provide flexibility to allow them to do so.

- 6.3 The Independent Directors envisage that Shareholder approval for a further repurchase authority may be sought at the annual general meeting of the Company in 2015. At that time, the Independent Directors will consider whether to seek a further waiver by the Panel of any obligation of Mr. Dixon under Rule 9 of the Code to make a general offer to the Shareholders of the Company to purchase their shares as a result of an increase in his percentage interest in Ordinary Shares arising from the purchase by the Company of its own shares pursuant to such further authority. Any further waiver granted by the Panel would again be conditional upon Independent Shareholder approval at that time.
- 6.4 If the Independent Shareholders do not approve the First Waiver Resolution, but resolution 22 is passed, the Board will not make use of the authority to be granted under resolution 22 unless arrangements can be put in place to ensure that Mr. Dixon's percentage interest in the Ordinary Shares will not increase as a result of any future purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted), since, based on the issued share capital of the Company and Mr. Dixon's percentage interest in the Ordinary Shares as at the Latest Practicable Date, any purchases by the Company of its own shares from Shareholders other than Mr. Dixon could result in Mr. Dixon having to make a mandatory offer to all Shareholders under Rule 9 of the Code.
- 6.5 Similarly, if the First Waiver Resolution and resolution 22 are approved, and the Company subsequently repurchases 15,000,000 Ordinary Shares under resolution 22, the Board will not repurchase any further Ordinary Shares under resolution 22 unless arrangements can be put in place to ensure that Mr. Dixon's percentage interest in Ordinary Shares will not increase as a result of any further purchases by the Company of its own shares or a further waiver is sought from the Panel in respect of such increases (and Independent Shareholder approval is granted).

2014 CIP Options

- 6.6 The Second Waiver relating to the 2014 CIP Options will apply, provided the Second Waiver Resolution is approved by the Independent Shareholders, only in respect of increases in Mr. Dixon's percentage interest in Ordinary Shares resulting from the exercise of any 2014 CIP Options. It will not apply in respect of other increases in Mr. Dixon's percentage interest in Ordinary Shares (arising, for example, from market purchases of Ordinary Shares by or on behalf of Mr. Dixon). Following the exercise by Mr. Dixon of any 2014 CIP Options, Mr. Dixon will be interested in Ordinary Shares carrying 30 per cent or more of the Company's voting share capital but will not hold Ordinary Shares carrying more than 50 per cent of such voting rights and any further increase in that interest in such Ordinary Shares (other than pursuant to the proposals set out in this document and as approved by the First Waiver Resolution or Second Waiver Resolution or pursuant to the Existing Waivers) will be subject to the provisions of Rule 9 of the Code.
- 6.7 The Second Waiver will expire in respect of each 2014 CIP Option on the earlier of the date on which each 2014 CIP Option is exercised or the date on which each 2014 CIP Option expires.

Poll vote of Independent Shareholders

- 6.8 As required by the Code, voting on resolutions 19 and 20 at the AGM will be by means of a poll of Independent Shareholders.

7. Mark Dixon's intentions

- 7.1 Mr. Dixon has confirmed to the Company that he is not proposing, following any increase in his percentage interest in Ordinary Shares as a result of repurchases by the Company of its own shares or the exercise of any share options, to seek any change in the composition of the Board or to the general nature or any other aspect of the Company's business.

- 7.2 Mr. Dixon has also confirmed that his intention, following any increase in his shareholding as a result of the proposals set out in this document, is that the business of the Company (and its subsidiaries) should continue to be run in substantially the same manner as at present. Mr. Dixon has also confirmed that he is not intending to make any change regarding (a) the locations of the Company's (and its subsidiaries') business, (b) the continued employment of their employees and management (including any material change to in conditions of employment) and/or (c) employer contributions into the Company's pensions schemes (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members and the admission of new members. There will also not be any redeployment of the fixed assets of the Company (or any of its subsidiaries) or any change in the existing trading facilities for the Ordinary Shares as a result of such proposals.
- 7.3 Mr. Dixon has not taken part in any decision of the Independent Directors relating to the proposals set out in this document, since it is his interest in Ordinary Shares which is the subject of the Waivers. Mr. Dixon has confirmed he will not vote on either of the Waiver Resolutions. Additionally, Mr. Dixon has confirmed that, if the First Waiver Resolution is approved by the Independent Shareholders, he will not participate in Board decisions in relation to any further repurchases by the Company of its own shares pursuant to the authority granted by resolution 22.

8. Recommendation by Independent Directors

The Independent Directors, who have been so advised by Investec, consider the Waivers to be fair and reasonable and in the best interests of the Company and the Independent Shareholders as a whole. In providing advice to the Independent Directors, Investec has taken into account the Independent Directors' commercial assessments. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Waiver Resolutions at the AGM, as they intend to do in respect of their own beneficial shareholdings (representing approximately 0.12 per cent of issued share capital). Mr. Dixon will not be voting his interest in 323,447,296 Ordinary Shares, representing approximately 34.14 per cent of total voting rights in the Company, in relation to the Waiver Resolutions. In addition, Mr. Dixon has not participated in the Board's consideration of the Waivers.

SECTION II — ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors accept responsibility for the information contained in this document, save that:

- (A) Mr. Dixon, who has not participated in the Board's consideration of the Waivers, takes no responsibility for the paragraph on page 26 entitled "Recommendation by Independent Directors" or for the Independent Directors' recommendation in the last paragraph of page 8; and
- (B) the only responsibility accepted by the Independent Directors in respect of the information in this document relating to Mr. Dixon has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Independent Directors to verify this information).

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 Part IV for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 Mr. Dixon accepts responsibility for the information contained in this document which relates to him. To the best of his knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

The Directors of the Company and their functions are as follows:

<u>Name</u>	<u>Function</u>
Douglas Sutherland	Chairman
Mark Dixon	Chief Executive Officer
Dominique Yates	Chief Financial Officer
Lance Browne	Senior Independent Non-Executive Director
Elmar Heggen	Non-Executive Director
Florence Pierre	Non-Executive Director
Alex Sulkowski	Non-Executive Director

3. Interests and dealings

3.1 As at the close of business on the Latest Practicable Date, the interests, rights to subscribe and short positions of the Directors, their immediate families and persons connected with them (within the meaning of Part 22 of the Act) in Ordinary Shares (all of which are beneficial unless stated) which would be required to be notified pursuant to Part 22 of the Act and related regulations, or which would be required to be entered in the register maintained under Part 22 of the Act, were as set out below:

<u>Director</u>	<u>Number of Ordinary Shares</u>	<u>Percentage of current issued Ordinary Shares¹⁴</u>
Mark Dixon	323,447,296 ¹⁵	34.14%
Douglas Sutherland	400,000	0.04%
Dominique Yates	741,989 ¹⁶	0.08%

¹⁴ These figures exclude treasury shares.

¹⁵ The interests of Mr. Dixon are held indirectly through Estorn.

¹⁶ On 12 January 2012, Mr. Yates pledged his holding of 641,989 Ordinary Shares as collateral against a personal loan. As at the close of business on the Latest Practicable Date, this pledge remains in place.

3.2 As at the close of business on the Latest Practicable Date, the shares granted to the Directors under the Regus CIP, all for nil consideration, were as set out below:

	<u>Interest in options and awards over Ordinary Shares</u>	<u>Grant Date</u>	<u>Exercise Date</u>	<u>Expiry Date</u>
Mark Dixon				
Matching shares	422,360	18/03/2008	1/03/2015	17/03/2018
Matching shares	532,060	23/03/2009	1/03/2015	22/03/2019
Investment shares	188,585	6/03/2013	6/03/2016	6/03/2023
Matching shares	251,446	6/03/2013	6/03/2016	6/03/2023
Matching shares	251,447	6/03/2013	6/03/2017	6/03/2023
Matching shares	251,447	6/03/2013	6/03/2018	6/03/2023
Investment shares*	103,051	5/03/2014	5/03/2017	5/03/2024
Matching shares*	137,402	5/03/2014	5/03/2017	5/03/2024
Matching shares*	137,401	5/03/2014	5/03/2018	5/03/2024
Matching shares*	137,401	5/03/2014	5/03/2019	5/03/2024
	2,412,600			

* Subject to approval by the shareholders of the Company of resolution 20.

Dominique Yates

Investment shares	115,709	6/03/2013	6/03/2016	6/03/2023
Matching shares	154,278	6/03/2013	6/03/2016	6/03/2023
Matching shares	154,279	6/03/2013	6/03/2017	6/03/2023
Matching shares	154,279	6/03/2013	6/03/2018	6/03/2023
Investment shares	58,871	5/03/2014	5/03/2017	5/03/2024
Matching shares	78,495	5/03/2014	5/03/2017	5/03/2024
Matching shares	78,495	5/03/2014	5/03/2018	5/03/2024
Matching shares	78,494	5/03/2014	5/03/2019	5/03/2024
	872,900			

3.3 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, or his immediate family or persons connected with him (within the meaning of Part 22 of the Act and related regulations) had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant Regus securities, save as disclosed in paragraphs 3.1 and 3.2 above and 3.4 below.

3.4 As at the close of business on the Latest Practicable Date, none of Mr. Dixon, his immediate family or persons connected with him (within the meaning of Part 22 of the Act) had any dealings (including borrowing or lending) in relevant Regus securities which took place during the period beginning 12 months preceding the date of this document and ending on the Latest Practicable Date, save that:

(A) on 26 March 2014, Mr. Dixon exercised his right to acquire 147,826 Ordinary Shares awarded to him as nil cost options on 18 March 2008 and 186,221 Ordinary Shares awarded to him as nil cost options on 23 March 2009 in both cases by the Company under the Regus CIP. Any increase in Mr. Dixon's shareholding as a result of the exercise of these options to acquire Ordinary Shares was included within the Existing Waivers. No obligations therefore arose pursuant to Rule 9 of the Code in respect of the increase in Mr. Dixon's shareholding by 334,047 Ordinary Shares on 26 March 2014. As at 26 March 2014, Mr. Dixon held an interest in an aggregate amount of 323,447,296 Ordinary Shares (representing approximately 34.14 per cent of the total voting rights in the Company); and

(B) on 26 March 2014, Mr. Dixon transferred the 334,047 Ordinary Shares acquired by him on 26 March 2014 to Estorn. The consideration for this transfer was a loan note issued by Estorn to Mr. Dixon for an amount equal to the fair market value of the 334,047 Ordinary Shares as at 26 March 2014.

- 3.5 As at the close of business on the Latest Practicable Date, none of the Company, any persons acting in concert with the Company, Mr. Dixon or any persons acting in concert with Mr. Dixon had borrowed or lent any relevant Regus securities.
- 3.6 As at the close of business on the Latest Practicable Date, none of the Directors, their immediate families or persons connected with them (within the meaning of Part 22 of the Act) had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in any relevant Regus securities, save as disclosed in paragraphs 3.1 to 3.5 above.
- 3.7 As at the close of business on the Latest Practicable Date no person acting in concert with the Company had any interests, rights to subscribe or short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in relevant Regus securities.
- 3.8 As at the close of business on the Latest Practicable Date, neither Investec nor any other connected adviser of the Company (including any person controlling, controlled by or under the same control as it) had any interests, rights to subscribe or short positions in relevant Regus securities.
- 3.9 In this paragraph 3, references to “relevant Regus securities” are to Ordinary Shares and securities convertible into, rights to subscribe for, derivatives referable to and agreements to sell or any delivery obligations in respect of, or rights to require another person to purchase or take delivery of, Ordinary Shares.

4. Arrangements in connection with the proposal

- 4.1 Mr. Dixon has not entered into any agreement, arrangement or understanding: (i) with any of the Independent Directors (or their close relatives and related trusts) which has any connection with or dependence upon the proposals set out in this Part IV; or (ii) for the transfer of any Ordinary Shares acquired by Mr. Dixon. In addition, the Independent Directors are not aware of any agreement, arrangement or understanding having any connection with or dependence upon the proposals set out in this Part IV between Mr. Dixon and any person interested or recently interested in Ordinary Shares, any other recent director of the Company or Investec (or any person who is, or is presumed to be, acting in concert with such interested person, director or Investec).
- 4.2 As at the Latest Practicable Date, Mark Dixon intends to transfer any Ordinary Shares that he receives pursuant to exercise of the 2014 CIP Options to Estorn.

5. Directors’ service contracts

- 5.1 Details of the service agreements currently in place between the Company (contracting through a wholly-owned subsidiary in each case) and the Executive Directors are set out below:

<u>Executive Director</u>	<u>Effective Date of Contract</u>	<u>Term</u>	<u>Notice Period</u>
Mark Dixon	14 October 2008	—	12 months
Dominique Yates	1 September 2011	—	12 months

- 5.2 Details of the appointment agreements currently in place between the Company and the Non-Executive Directors are set out below:

<u>Non-Executive Director</u>	<u>Effective Date of Agreement</u>	<u>Term</u>	<u>Notice Period</u>
Douglas Sutherland	27 August 2008	3 years	6 months
Lance Browne	27 August 2008	3 years	6 months
Elmar Heggen	1 June 2010	3 years	6 months
Alex Sulkowski	1 June 2010	3 years	6 months
Florence Pierre	21 May 2013	3 years	6 months
Mary R. “Nina” Henderson ¹⁷	20 May 2014	3 years	6 months

17 Subject to approval by Shareholders of resolution 16.

5.3 The aggregate emoluments, excluding pensions, of the Directors for the year ended 31 December 2013 are set out below:

<u>Executive</u>	<u>Total £'000</u>	<u>Salary £'000</u>	<u>Fees £'000</u>	<u>Benefits £'000</u>	<u>Compensation for loss of office £'000</u>	<u>Bonus £'000</u>
Mark Dixon	1,102.4	587.0	—	51.7	—	463.7
Dominique Yates	734.3	341.6	—	122.8	—	269.9
<u>Non-Executive</u>						
Douglas Sutherland	165.0	—	165.0	—	—	—
Lance Browne	61.5	—	61.5	—	—	—
Elmar Heggen	50.0	—	50.0	—	—	—
Florence Pierre ¹⁸	27.4	—	27.4	—	—	—
Alex Sulkowski	50.0	—	50.0	—	—	—

The maximum bonus potential, for the Executive Directors, for the year ended 31 December 2013, was 100 per cent of salary. For the year ended 31 December 2013, both Mark Dixon and Dominique Yates received a bonus equal to 79 per cent of salary, 50 per cent of which was paid in cash and 50 per cent in investment shares in the Company.

- 5.4 None of the Executive Directors' service contracts is for a fixed term. Each service contract is to continue until terminated by the relevant Executive Director or the Company and incorporates a provision for termination or a compensation payment in lieu of notice. An Executive Director's compensation payment in lieu of notice would comprise 12 months' salary at his then current base pay, with the Executive Director remaining eligible to receive bonuses. The compensation payment is payable where the requisite 12 months' notice is not given to the Executive Director. In the unlikely event that the contract is terminated for cause, such as gross misconduct, the Company may terminate the contract with immediate effect, in which case no compensation payment would be payable. Each Executive Director's rights in respect of any options or awards granted to him under any employee share scheme of the Company will be determined in accordance with the rules of the relevant scheme. Pension entitlements are dealt with in accordance with the terms and conditions of the applicable pension scheme and do not form part of the contractual compensation payment. Each of the service contracts may be re-executed during the term of the Executive Director's appointment to take account of variations in terms and conditions as well as changes in best practice.
- 5.5 The appointment agreements provide that a new Non-Executive Director is appointed for a specified term, being an initial three-year period. Subsequent re-appointment is subject to endorsement by the Board and the approval of Shareholders. Either the Non-Executive Director or the Company may terminate the appointment by giving the other party six months' notice; compensation may be payable in the event that the requisite six months' notice is not given by either party (unless the termination is for cause).
- 5.6 With effect from 1 January 2014, the terms and conditions of Dominique Yates' service contract were varied in order to (a) remove certain foreign exchange adjustment mechanisms and (b) extend his housing and school fee allowance indefinitely. On 27 February 2014, Mary R. "Nina" Henderson signed a service contract with the Company, which will take effect upon the approval by Shareholders of resolution 16. Save for this and for the details set out in paragraph 5.3 above, there have been no new Directors' service contracts, or letters, or terms of appointment, or amendments to existing Directors' service contracts or letters or terms of appointment within the period of six months prior to the date of this document.

6. Information on Mark Dixon

Mr. Dixon of L'Estoril, 31 Avenue Princesse Grace, MC 98000, Monaco founded the Regus Group in 1989 and has been Chief Executive Officer for over 25 years. Prior to Regus, Mr. Dixon established businesses in the retail and wholesale food industries.

¹⁸ Florence Pierre was appointed as Non-Executive Director with effect from 21 May 2013.

7. Financial and other information on the Company

7.1 The Regus Group is the world's largest provider of outsourced workplaces. For the year to 31 December 2013, the Group delivered revenues of GBP 1,533.5 million, operating profit of GBP 90.8 million, basic earnings per share of 7.1 pence and ended the year with a net debt position of GBP 57.2 million.

7.2 As set out in Section III of this Part IV, this document incorporates by reference:

- the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Luxembourg S.à r.l. thereon, for the year ended 31 December 2013; and
- the audited consolidated financial statements of the Group, and the related auditor's report of KPMG Luxembourg S.à r.l. thereon, for the year ended 31 December 2012.

Please refer to Section III of this Part IV for a list of cross references to the relevant sections of these reports and accounts, and for how to access this information.

7.3 There have been no material changes in the financial or trading position of the Company since 31 December 2013 (the date of its most recent published accounts).

8. Material contracts

During the period beginning two years preceding the date of this document and ending on the Latest Practicable Date, the Company and its subsidiaries have not entered into any material contracts otherwise than in the ordinary course of business, save for the following:

8.1 On 6 August 2012, the Company entered into a GBP 200 million revolving credit facility agreement with Barclays Bank plc, HSBC Bank plc, Lloyds TSB Bank plc, Bank of America N.A., Abbey National Treasury Services plc and KBC Bank NV (the "RCF"). The RCF also provides that each lender may agree to provide bilateral ancillary facilities to the Company on agreed terms, thereby reducing the amount of that lender's unutilised commitment under the RCF by an amount equal to the amount of the ancillary facility. The RCF was increased to GBP 320m with effect from 9 September 2013 and is to be applied towards the general corporate purposes of the Regus Group, including to fund acquisitions. It matures on 6 August 2016.

9. Middle Market Quotations

Set out below are the middle market quotations for an Ordinary Share, as derived from the Daily Official List of the London Stock Exchange plc, for the first business day of each of the six months set out below and for the Latest Practicable Date:

<u>Date</u>	<u>Price Per Ordinary Share (pence)</u>
1 November 2013	201.6
2 December 2013	198.8
2 January 2014	212.0
3 February 2014	208.1
3 March 2014	230.1
1 April 2014	221.5
15 April 2014	206.3

10. Consent

Investec has given and has not withdrawn its written consent to the issue of this document with references to it in the form and context in which they appear.

SECTION III — INFORMATION INCORPORATED BY REFERENCE

The table below sets out the various sections of those documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Code. These documents will also be available on the Company's website, www.regus.com, from the date of this document and available for inspection as set out on page 9 of this document.

<u>Document</u>	<u>Section</u>	<u>Page number In such document</u>
2013 Group Financial Statements (Click on pdf of "Regus plc consolidated report and accounts 2013" at http://www.regus.co.uk/investors/annual-reports.aspx)	Consolidated income statement	58
	Consolidated balance sheet	61
	Consolidated cash flow statement	62
	Consolidated statement of changes in equity . . .	60
	Accounting policies	63
	Notes to the consolidated financial statements . .	63
	Independent auditor's report	57
2012 Group Financial Statements (Click on pdf of "Regus plc consolidated report and accounts 2012" at http://www.regus.co.uk/investors/annual-reports.aspx)	Consolidated income statement	43
	Consolidated balance sheet	46
	Consolidated cash flow statement	47
	Consolidated statement of changes in equity . . .	45
	Accounting policies	48
	Notes to the consolidated financial statements . .	48
	Independent auditor's report	42

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of each of the documents set out above in hard copy form. Hard copies will only be sent where valid requests are received from such persons. Requests for hard copies are to be submitted to our registrar, Capita, by calling 0871 664 0300. Calls to this number are charged at 10 pence per minute from a BT landline, plus any other network charges (as applicable). Other telephone provider costs may vary. Lines are open 9.00 a.m. (UK time) to 5.30 p.m. (UK time), Monday to Friday (with the exception of UK bank and public holidays). If overseas, please call +44 (0) 20 8639 3399. Requests can also be made by writing to Capita Registrars (Jersey) Limited, PXS, 34 Beckenham Road, Beckenham, BR3 4TU. All valid requests will be dealt with as soon as possible and hard copies mailed by no later than two business days following such request.

The documents incorporated by reference into this document have been incorporated in compliance with Rule 24.15 of the Code.

