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If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser who (if you are resident in Ireland) is duly authorised under the European Union (Markets in Financial Instruments) (Amendment) Regulations 2017 or the Investment Intermediaries Act 1995 (as amended) or, if you are not so resident, from another appropriately authorised independent professional adviser.

If you sell or have sold or otherwise transferred or disposed of all of your ordinary shares in Mainstay Medical International plc ("**Mainstay plc**"), please forward this document, together with the accompanying Forms of Proxy, at once, to the purchaser or transferee or to the person through which the sale, transfer or disposal was effected, for onward transmission to the purchaser or transferee. However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred or disposed of only part of your holding of ordinary shares, you should retain these documents and consult the person through which the sale, transfer or disposal was effected.

Mainstay Medical International plc

Recommended proposals to establish Mainstay Medical Holdings plc as the new holding company of the Mainstay Group and to delist the Shares from Euronext Growth and Euronext Paris

by means of a scheme of arrangement under Chapter 1 of Part 9 of the Companies Act 2014 of Ireland

Notice of Scheme Meeting

Notice of Extraordinary General Meeting

Definitions of certain words and expressions used in this document are set out in Part VI (*Definitions*) of this document.

This document does not constitute a prospectus or prospectus equivalent document. This document does not constitute an offer or an invitation to any person to subscribe for or to purchase any securities in Mainstay plc or Mainstay Medical Holdings plc ("**Mainstay Holdings**"). No shares of Mainstay Holdings have been marketed to, nor are any such shares available for purchase by, the public in Ireland, France or elsewhere in connection with the Reorganisation.

The distribution of this document and the availability of the shares of Mainstay Holdings to persons in jurisdictions other than Ireland and France may be restricted by the laws of those jurisdictions and therefore any person into whose possession this document and/or the accompanying Forms of Proxy come, should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities law of any such jurisdiction.

This document should be read as a whole and in conjunction with the accompanying Forms of Proxy for the Scheme Meeting and the Extraordinary General Meeting (the "**Meetings**"). Your attention is drawn in particular to Part I of this document, which contains the unanimous recommendation of the Directors to Shareholders to vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the Extraordinary General Meeting. An explanatory statement on the effect of the Scheme appears in Part II of this document.

Notices of the Meetings, both of which will be held at McCann FitzGerald, Riverside One, Sir John Rogerson's Quay, Dublin 2 on 8 May 2020, are set out at the end of this document. The Scheme Meeting will start at 10.00 a.m. and the Extraordinary General Meeting will start 10.15 a.m. (or as soon thereafter as the Scheme Meeting has concluded or been adjourned).

The action to be taken by Shareholders in respect of the Meetings is set out on pages 2 to 4 of this document. It is very important that you use your vote so that the Court may be satisfied that there is a fair representation of the opinion of Shareholders at the Scheme Meeting.

Shareholders will find enclosed with this document Forms of Proxy for the Meetings. In light of the Coronavirus (COVID-19) pandemic, to the extent that the emergency measures introduced by the Irish Government on 27 March 2020 which require people to stay at home and restrict public gatherings (or similar) remain in force on 8 May 2020, or to the extent similar measures are in force as of such date, we ask Shareholders to refrain from physically attending at the venue for the Meetings. In fact, such measures may actually prohibit Shareholders from physically attending at the venue for the Meetings. We therefore strongly encourage you to submit your Forms of Proxy no later than 48 hours before the relevant Meeting or, in the case of an adjourned Meeting, no later than 48 hours prior to the time and date set for the adjourned Meeting and to appoint the Chairman of the Meetings as your proxy.

To facilitate shareholder communication, the Meetings will be broadcast by conference call and there will be an opportunity for some live questions on the day, however, we would encourage Shareholders to submit their questions at least 48 hours in advance of the Meetings by email. All questions received will be collated, read into the meeting record, answered at the meeting and thereafter directly to the Shareholders. For further information on these arrangements, please see the notice accompanying this document entitled "IMPORTANT NOTICE – Arrangements regarding the Scheme Meeting and EGM to be held on Friday, 8 May 2020 having regard to Coronavirus COVID-19."

Shareholders should be aware that attendance on the conference call will not constitute attendance at the meeting (and it will not be possible to vote electronically in real time at the Meetings). Accordingly, Shareholders who attend the call and who wish to vote must still submit their Forms of Proxy no later than 48 hours before the relevant Meeting.

Shareholders are asked to complete the enclosed Forms of Proxy in accordance with the instructions printed on the forms and return them, together with any authority under which it is executed or a copy of such authority certified notarially or by a solicitor practicing in Ireland, either by post to the Registrars, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland or (during normal business hours) by hand to the Registrars, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland as soon as possible and, in any event, so as to be received no later than 48 hours before the relevant Meeting. If either the green Form of Proxy relating to the Scheme Meeting or the purple Form of Proxy relating to the Extraordinary General Meeting is not lodged so as to be received by the relevant time mentioned above for return of Forms of Proxy, it will be invalid.

If you would like to submit your proxy via the Internet, you may do so by utilising the Registrars' online proxy appointment service at www.eproxyappointment.com and following the instructions thereon. CREST members may also submit their proxy by utilising the CREST electronic proxy appointment service. For more information, see the section entitled "Action to be taken" at pages 2 to 4 of this document.

NOTICE TO RECIPIENTS OUTSIDE IRELAND AND FRANCE

The release, publication or distribution of this document in jurisdictions other than Ireland and France may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe any applicable restrictions or requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Mainstay plc and Mainstay Holdings, disclaim any responsibility or liability for the violation of such requirements by any person. This document has been prepared for the purposes of complying with Irish law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any other jurisdiction.

This document and the accompanying documents do not constitute an offer or form part of any offer or invitation to purchase, subscribe for, sell or issue, or a solicitation of an offer to purchase, subscribe for, sell or issue, any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document does not comprise a prospectus or a prospectus equivalent document.

NOTICE TO INVESTORS IN THE UNITED STATES

The Mainstay Holdings Shares to be issued pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) or under the relevant securities laws of any State or territory or other jurisdiction of the United States, and are expected to be offered in the United States in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof and exemptions provided under the laws of the States of the United States in which eligible Scheme Shareholders may reside.

For the purpose of qualifying for the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof with respect to the Mainstay Holdings Shares issued pursuant to the Scheme, Mainstay plc will advise the Court that its sanctioning of the Scheme will be relied upon by Mainstay Holdings as an approval of the Scheme, following a hearing on its fairness to Scheme Shareholders at which hearing all Scheme Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such Scheme Shareholders.

The Scheme is subject to the disclosure requirements and practices applicable in Ireland to schemes of arrangement which differ from the disclosure and other requirements of U.S. securities laws.

The Mainstay Holdings Shares to be issued under or in connection with the Scheme to a Scheme Shareholder who is neither an affiliate, for the purpose of the Securities Act, of Mainstay plc or Mainstay Holdings on or prior to the Scheme Effective Time nor an affiliate of Mainstay Holdings at the Scheme Effective Time would not be “restricted securities” under the Securities Act. Scheme Shareholders who are affiliates of Mainstay plc or Mainstay Holdings on or prior to the Scheme Effective Time or affiliates of Mainstay Holdings after the Scheme Effective Time may, under Rule 145(d) under the Securities Act, be subject to timing, manner of sale and volume restrictions on the sale of Mainstay Holdings Shares received in connection with the Scheme. For the purpose of the Securities Act, an affiliate of either Mainstay plc or Mainstay Holdings is any person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with Mainstay plc or Mainstay Holdings, respectively. Whether a person is an affiliate of either Mainstay plc or Mainstay Holdings for the purpose of the Securities Act depends on the circumstances. Persons who believe that they may be affiliates of either Mainstay plc or, after the Scheme Effective Time, Mainstay Holdings should consult their own legal advisers prior to any sale of the Mainstay Holdings Shares received upon the implementation of the Scheme.

Mainstay plc and Mainstay Holdings are incorporated under the laws of Ireland. Some or all of the officers and directors of Mainstay plc and Mainstay Holdings may be residents of countries other than the United States. It may not be possible to sue Mainstay plc and Mainstay Holdings in a non-U.S. court for violations of U.S. securities laws. It may be difficult to compel Mainstay plc, Mainstay Holdings and their respective affiliates to subject themselves to the jurisdiction and judgment of a U.S. court. It may not be possible to enforce in Ireland a judgment of a U.S. court in respect of violations of U.S. securities law.

None of the securities referred to in this document have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

FORWARD-LOOKING STATEMENTS

This document may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Mainstay plc and certain plans and objectives of the Mainstay plc Board or the Mainstay Holdings Board, including the proposed delisting of the Mainstay plc Shares from Euronext Growth and Euronext Paris. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could”, their negative or other variations or other words of similar meaning. These statements are based on assumptions and assessments made by the Mainstay plc Board or (as the case may be) the Mainstay Holdings Board in light of their respective experiences and its perceptions of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results or developments to differ materially from those expressed in, reflected or contemplated in, or implied by, such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. None of Mainstay plc, the Mainstay plc Board, Mainstay Holdings or the Mainstay Holdings Board assume any obligation to update or correct the information contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and publication of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Mainstay Group except where expressly stated.

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EXPECTED TIMETABLE OF EVENTS

Shareholders should take note of the dates and times set forth in the timetable below in connection with the Reorganisation. Each of the times and dates are subject to change without notice.

<u>Event⁽¹⁾</u>	<u>Time and Date⁽²⁾</u>
Date of this document	14 April 2020
Latest time for lodging completed green Forms of Proxy for the Scheme Meeting	10.00 a.m. on 6 May 2020
Latest time for lodging completed purple Forms of Proxy for the Extraordinary General Meeting	10.15 a.m. on 6 May 2020
Voting record time for the Meetings	6:00 p.m. on 6 May 2020
Scheme Meeting	10.00 a.m. on 8 May 2020
Extraordinary General Meeting	10.15 a.m. on 8 May 2020 ⁽³⁾
Court Hearing to sanction the Scheme	A date currently expected to be in late May or June 2020
Scheme Record Time	6.00 p.m. on the Business Day prior to SED
Scheme Effective Date (SED)	SED ⁽⁴⁾
Cancellation of Listings	On, or on the business day following, SED ⁽⁵⁾

Notes:

- (1) The references to times above are to Dublin time.
- (2) These dates and times are indicative only and Mainstay plc reserves the right to change any dates set out in the expected timetable, in particular to take account of developments concerning, or restrictions in place to deal with, the Coronavirus (COVID-19) pandemic. Mainstay plc will give notice of any change to the dates in the expected timetable by issuing an announcement through a regulatory information service and by publishing notice of the change on its website. In the case of the date of the Court Hearing and the dates set out in the expected timetable by reference to “SED”, Mainstay plc will give adequate notice of all of these dates, when known, by issuing an announcement through a regulatory information service and by posting notice of these dates on Mainstay plc’s website. Further updates of changes to other times or dates indicated above shall be notified in the same way.
- (3) Or as soon thereafter as the Scheme Meeting, convened for the same date and place, shall have concluded or been adjourned.
- (4) The Scheme Effective Date is likely to occur within a short period following the date of the Court Hearing and (if the Court sanctions the Scheme) must occur no later than 21 days after the making of the Court Order.
- (5) See paragraph 5 of Part I for further information.

ACTION TO BE TAKEN

For the reasons set out in this document, the Board unanimously considers the Scheme and its terms, as described in this document, to be fair and reasonable. The Board unanimously recommends that Shareholders vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the Extraordinary General Meeting, as the members of the Board intend to do in respect of their own shareholdings.

In considering the recommendation of the Board, you should be aware that certain Directors will have additional interests in the proposed Scheme in addition to the interests they have as named Shareholders.

Shareholders should read this document as a whole and in conjunction with the accompanying Forms of Proxy for the Meetings.

Voting at the Scheme Meeting and the Extraordinary General Meeting

The Scheme will require approval at the meeting of Scheme Shareholders to be held at 10.00 a.m. at McCann FitzGerald, Riverside One, Sir John Rogerson's Quay, Dublin 2 Dublin on 8 May 2020. Implementation of the Scheme also requires approval of the Scheme Resolution by Shareholders at the Extraordinary General Meeting to be held at the same venue at 10.15 a.m. on 8 May 2020 (or as soon thereafter as the Scheme Meeting has concluded or been adjourned). Notices of the Meetings are set out in Part VII and Part VIII of this document.

Please check you have received the following with this document:

- a green Form of Proxy for use in respect of the Scheme Meeting on 8 May 2020; and
- a purple Form of Proxy for use in respect of the Extraordinary General Meeting on 8 May 2020.

If you have not received all of these documents, please contact the Registrars at (01) 4475566 or (if calling from outside Ireland) +353 1 4475566.

It is important that, for the Scheme Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinions of Scheme Shareholders. However, in light of the Coronavirus (COVID-19) pandemic, to the extent that the emergency measures introduced by the Irish Government on 27 March 2020 which require people to stay at home and restrict public gatherings (or similar) remain in force on 8 May 2020, or to the extent similar measures are in force as of such date, we ask Shareholders to refrain from physically attending at the venue for the Meetings. In fact, such measures may actually prohibit Shareholders from physically attending at the venue for the Meetings. We therefore strongly encourage you to submit your Forms of Proxy no later than 48 hours before the relevant Meeting or, in the case of an adjourned Meeting, no later than 48 hours prior to the time and date set for the adjourned Meeting and to appoint the Chairman of the Meetings as your proxy.

To facilitate shareholder communication, the Meetings will be broadcast by conference call and there will be an opportunity for some live questions on the day, however, we would encourage Shareholders to submit their questions at least 48 hours in advance of the Meetings by email. All questions received will be collated, read into the meeting record, answered at the meeting and thereafter directly to the Shareholders. For further information on these arrangements, please see the notice accompanying this document entitled "IMPORTANT NOTICE – Arrangements regarding the to be held on Friday, 8 May 2020 having regard to Coronavirus COVID-19."

Shareholders should be aware that attendance on the conference call will not constitute attendance at the meeting (and it will not be possible to vote electronically in real time at the Meetings). Accordingly, Shareholders who attend the call and who wish to vote must still submit their Forms of Proxy no later than 48 hours before the relevant Meeting.

If you wish to attend in person, detach and retain the Attendance Cards (attached to the Forms of Proxy) for attendance at the Meetings. If you wish to appoint a representative to attend and vote on your behalf, or if you wish simply to direct how your vote be cast, you should follow the following procedures. As noted above, physical attendance at the Meetings may not be possible depending on the prevailing situation on the date of the Meetings.

Completing the Forms of Proxy

You should complete the enclosed green Form of Proxy (for the Scheme Meeting) and the purple Form of Proxy (for the Extraordinary General Meeting) in accordance with the instructions on the form, and, where indicated:

- insert the name and address of the person you wish to nominate (if you wish your representative to attend and vote on your behalf); or
- (as strongly recommended by the Company due to the prevailing circumstances) retain the reference to the Chairman of the Meeting (if you wish the Chairman to cast your vote, as you may direct).

Forms of Proxy should be sent by post to Registrars, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland or (during normal business hours) by hand to the Registrars, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland so as to be received by the following times and dates:

- green Forms of Proxy for use in respect of the Scheme Meeting by 10.00 a.m. on 6 May 2020; and
- purple Forms of Proxy for use in respect of the Extraordinary General Meeting by 10.15 a.m. on 6 May 2020,

or, in the case of an adjourned Meeting, no later than 48 hours prior to the time and date set for the adjourned Meeting or, in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting, no later than 48 hours before the taking of the poll at which it is to be used. This will enable your votes to be counted at the Meetings in the event of your absence. If either the green Form of Proxy relating to the Scheme Meeting or the purple Form of Proxy relating to the Extraordinary General Meeting is not lodged so as to be received by the relevant time mentioned above for return of Forms of Proxy, it will be invalid.

If you would like to submit your proxy via the Internet, you may do so by utilising the Registrars' online proxy appointment service at www.eproxyappointment.com and following the instructions thereon. To be valid, a Form of Proxy for the Scheme Meeting submitted via the Internet must be received by no later than 10.00 a.m. on 6 May 2020 or, if the Scheme Meeting is adjourned, no later than 48 hours before the time fixed for the holding of the adjourned Scheme Meeting or (in the case of a poll taken otherwise than at or on the same day as the Scheme Meeting or adjourned Scheme Meeting) no later than 48 hours before the taking of the poll at which it is to be used. To be valid, a Form of Proxy for the EGM submitted via the Internet must be received by no later than 10.15 a.m. on 6 May 2020 or, if the EGM is adjourned, no later than 48 hours before the time fixed for the holding of the adjourned EGM or (in the case of a poll taken otherwise than at or on the same day as the EGM or adjourned EGM) no later than 48 hours before the taking of the poll at which it is to be used.

Detach and retain the Attendance Cards (attached to the Forms of Proxy) for attendance at the Meetings (if permitted).

Voting through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meetings and any adjournment(s) thereof 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 voting 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. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euronext Growth's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must, in order to be valid, be transmitted so as to be received by Computershare under participant ID 3RA50 at least 48 hours before the relevant Meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host, further details of which are contained in the CREST Manual) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euronext Growth does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of 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(s), to procure that his or her 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 regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Mainstay plc may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Joint holders

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

Procedure at the Meetings

The Scheme Meeting and Extraordinary General Meeting will be held at McCann FitzGerald, Riverside One, Sir John Rogerson's Quay, Dublin 2 on 8 May 2020, commencing from 10.00 a.m.

You may attend and vote at the Meetings in person or by appointing a representative to attend by completing the Forms of Proxy in accordance with the procedures set out above. You or your representative will be required to register attendance with Computershare upon arrival. The completion and return of a Form of Proxy either for the Scheme Meeting or for the Extraordinary General Meeting will not prevent you from attending, speaking, asking questions and voting at either Meeting (or any adjournment thereof) in person if you wish to do so.

The Company is closely monitoring Irish Government restrictions to minimise the spread of COVID-19. As outlined above, these are likely to significantly impact on the procedure at the Meetings.

Overseas Shareholders

The implications of the Reorganisation for Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself or herself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. Your attention is drawn to paragraph 14 of Part II of this document.

PART I
LETTER FROM THE CHAIRMAN OF MAINSTAY MEDICAL INTERNATIONAL PLC

Mainstay Medical International plc

(Registered in Ireland under the Companies Act 2014 with registered number 539688)

Directors:

Oern Stuge – *Chairman*
Jason Hannon – *Chief Executive Officer*
Antoine Papiernik – *Non-Executive Director*
David Brabazon – *Non-Executive Director*
James Reinstein – *Non-Executive Director*
Dan Sachs MD – *Non Executive Director*
Greg Garfield – *Non-Executive Director*

Registered Office:

77 Sir John Rogerson’s Quay
Block C
Grand Canal
Dublin 2
Ireland

14 April 2020

Dear Shareholder

**RECOMMENDED PROPOSALS TO ESTABLISH A NEW HOLDING COMPANY OF THE
MAINSTAY GROUP AND TO DELIST THE SHARES FROM EURONEXT GROWTH AND
EURONEXT PARIS**

1. Introduction

On 7 April 2020, Mainstay Medical International plc (the “**Company**” or “**Mainstay plc**”) announced that it intended to establish a new Irish holding company for the Mainstay Group, Mainstay Medical Holdings plc (“**Mainstay Holdings**”) and to delist the Shares from Euronext Growth and Euronext Paris (the “**Delisting**”). It is intended that this new corporate structure will be a corporate reorganisation implemented by means of a scheme of arrangement under Chapter 1 of Part 9 of the Companies Act 2014 (the “**Scheme**”, and, together with the Delisting, the “**Reorganisation**”). If the Scheme becomes effective, Scheme Shareholders will receive one Mainstay Holdings Share in exchange for each Mainstay plc Share held at the Scheme Record Time.

The purpose of this letter is to explain why the directors of the Company (the “**Board**” or the “**Mainstay plc Board**”) consider the Scheme and its terms to be fair and reasonable and that the Reorganisation is in the best interests of Shareholders as a whole. In addition, the purpose of this document is to bring to your attention certain important changes in the rights and protections that you currently enjoy that will occur if the Reorganisation becomes effective. These are described in detail at paragraphs 4 and 5 of this Part I.

Your Board is unanimously recommending that you vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the Extraordinary General Meeting

2. Background to and reasons for the Reorganisation

The Company completed its 2014 IPO and the Shares were admitted to listing on the Enterprise Securities Market of the Irish Stock Exchange (now Euronext Growth) and Euronext Paris in April 2014 (the “**Listings**”). The Company is currently focused on obtaining FDA approval for ReActiv8 so that it may commercialise the product in the US, together with commercial validation activities for ReActiv8 in Europe under its CE Mark. The FDA process is time consuming and costly, involving a number of applications and extensive clinical trials. On 19 November 2018, the Company announced that it had missed the primary endpoint on its U.S. Pivotal ReActiv8-B Clinical Trial. The U.S. Pivotal ReActiv8-B Clinical Trial did not achieve statistical significance on its primary endpoint, but it did achieve statistical significance on two pre-specified alternative analyses of that endpoint and on most secondary endpoints and analyses. The Company is continuing interactions with the FDA on its Pre-Market Approval application (“**PMAA**”) submission for ReActiv8 having recently completed a Day 100 meeting with the FDA. The FDA has provided the Company with its initial feedback on the PMAA, consisting of questions regarding the data included in the PMAA and the interpretation of such data, and the Company included the information requested by FDA in an amendment to the PMAA. Approval to market ReActiv8 in Europe (CE Marking) was obtained in May 2016 leading to the first sale of ReActiv8 in January 2017 and limited commercial validation activities in Europe while the Company focuses on the FDA approval process.

Since the 2014 IPO, there has been limited trading in the Shares on Euronext Growth and Euronext Paris. In fact, since the 2014 IPO, the average monthly trading turnover in the Shares has been 0.16% of the Company's market capitalisation. Therefore, Shareholders have not been able to take advantage of the liquidity benefit typically associated with an active trading market for such Listings. The lack of liquidity has had a disproportionate impact on the Share price, with poor demand for Shares and thin volumes leading to large volatility in price. In addition, most shares are held by investment funds with a long term investment horizon who have not sought to actively trade their shares, leading to a lack of supply in the market. The Board believes that the lack of liquidity has been a significant contributing factor to downward pressure on the price of Shares.

Since the 2014 IPO, the Company has continued to have a very low level of free float. The Listings have not helped attract any meaningful level of institutional demand for the Shares. And, whilst the Company has raised approximately €90 million in equity fundraisings since and including the 2014 IPO, the vast majority of that funding has come from Shareholders who had invested prior to the IPO or new private investors such as KCK. In addition, only approximately €500,000 has come from retail investors. This is demonstrated by the identities of the largest seven shareholders and the fact that, together, they hold almost 80% of issued Shares. See paragraph 2 of Part V (Additional Information) for further details.

The Board expects to require significant additional funds in the future in order to meet its capital and expenditure needs associated with pursuit of FDA approval and commercialisation activities in the US and elsewhere. The Board believes that the market price is not reflective of the fundamental value of the Mainstay Group due to the illiquidity issues and downward stock price pressure described above and therefore the Listings are likely to act as a significant impediment to future fundraisings that may be necessary to secure the future of the Mainstay Group.

The Listings require significant expenditure on legal and regulatory advice given the unique listing status of the Company and required compliance with applicable stock exchange rules, EU prospectus law and the Market Abuse Regulation, together with the related costs, such as professional fees payable to stock exchange advisers, lawyers, accountants and PR advisers. The Board wishes to focus its resources on pursuit of FDA approval and commercialisation activities in the US in the short to medium term.

The Board has completed a detailed review of alternatives available to the Mainstay Group in light of the above facts and has concluded that the time and expense involved in maintenance of the Listings is not justified for the Company given its size and stage of development. Accordingly, it has concluded that cancelling the Listings ("**Delisting**") would be in the best interests of the Company and its Shareholders as a whole and, after consultation with its advisors, believes that the Scheme would be the most efficient process to effect the proposed Delisting.

3. Effects of the Scheme

The effects of the implementation of the Scheme would be as follows:

- (a) instead of having its ordinary share capital owned by the current Mainstay plc Shareholders, Mainstay plc would become a wholly-owned subsidiary of Mainstay Holdings, with its entire issued ordinary share capital owned by Mainstay Holdings, and Mainstay Holdings would become the new holding company of the Mainstay Group; and
- (b) instead of owning a given number of Mainstay plc Shares, Mainstay plc Shareholders at the relevant record time would own an equal number of Mainstay Holdings Shares with no dilution or change in voting rights.

Immediately following the Scheme becoming effective, Mainstay Holdings would own no material assets other than the entire issued share capital of Mainstay plc.

4. Consequences of the Reorganisation

If the Scheme becomes effective, Shareholders will no longer hold Mainstay plc Shares and instead will hold Mainstay Holdings Shares. The Mainstay Holdings Shares will not be admitted to trading on any regulated market or multilateral trading facility. This will result in a number of important changes to

certain rights and protections currently enjoyed by Shareholders. The remainder of this paragraph 4 identifies the most important consequences of those changes. However, it is not intended to be an exhaustive summary of all consequences, nor can it take account of the individual circumstances of Shareholders. Shareholders are advised to take appropriate advice from their professional advisers. Should the Mainstay Holdings Shares be admitted to trading on any regulated market or multilateral trading facility in the future, many of the rights and protections described below could be restored.

4.1 Loss of protections afforded by Irish and French Takeover Rules

If the Reorganisation becomes effective, takeovers offers (and any “other relevant transaction” as that term is defined in the Irish Takeover Panel Act) in respect of Mainstay Holdings Shares will not be subject to the Irish Takeover Rules or to supervision by the Irish Takeover Panel or to the General Regulation (règlement général) of the AMF or to supervision by the AMF.

4.2 Loss of protections afforded by Euronext Growth and Euronext Paris listing rules

If the Reorganisation becomes effective, the Euronext Growth Rules and the listing rules of Euronext Paris will not apply to Mainstay Holdings. This will result in the protections afforded to Shareholders under those rules ceasing to apply. For example:

- (a) shareholder approval will no longer be required for:
 - (i) reverse takeovers, being an acquisition or acquisitions in a twelve month period which would exceed 100 per cent. in the class tests under the Euronext Growth Rules or result in a fundamental change in the Company’s business, board or voting control; or
 - (ii) disposals which, when aggregated with any other disposals over the previous twelve months, would result in a fundamental change of business (being disposals that exceed 75 per cent. in the various class tests);
- (b) Mainstay Holdings will not be required to comply with the detailed disclosure requirements of the Euronext Growth Rules and the listing rules of Euronext Paris including the requirements to:
 - (i) publish a half-yearly report;
 - (ii) announce substantial transactions (being ones which exceed 10% in any of the various class tests under the Euronext Growth Rules);
 - (iii) announce related party transactions and confirm that the directors are satisfied, having consulted with its Euronext Growth Advisor, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned; and
 - (iv) announce without delay matters such as changes of directors, changes of significant shareholders, any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection made public on its behalf;
- (c) retain a Euronext Growth Advisor and a broker; and
- (d) ensure that its shares are eligible for electronic settlement (i.e. through CREST or another authorised central securities depository). See further at paragraph 4.6 below.

4.3 Loss of other protections afforded by EU and Irish law

A number of additional statutory obligations and requirements that currently apply with respect to Mainstay plc shall not apply with respect to Mainstay Holdings following completion of the Reorganisation. In particular:

- (a) the Market Abuse Regulation will not apply with respect to Mainstay Holdings and, accordingly, Mainstay Holdings will not be required, among other things, to:
 - (i) announce inside information that directly concerns it without delay; and
 - (ii) publicly announce share dealings by persons discharging managerial responsibilities (PDMRs), and the prohibitions on insider dealing and unlawful disclosure of inside information shall not apply generally with respect to Mainstay Holdings;

- (b) the Transparency Regulations will not apply with respect to Mainstay Holdings and, accordingly, Mainstay Holdings will not be required, among other things, to publish:
 - (i) its annual financial report within 4 months of the financial year end (instead, under the Companies Act, the statutory financial statements, in the form required by the Companies Act, will need to be laid before a general meeting of Mainstay Holdings not later than 9 months after the end of the financial year);
 - (ii) a half yearly report;
 - (iii) notifications received by it in respect of new, or changes to the interests of, significant shareholders; and
- (c) the legislation implementing the Shareholder Rights Directive in Ireland (including the European Union (Shareholders' Rights) Regulations 2020) will not apply to Mainstay Holdings and, accordingly, Mainstay Holdings will not be required, among other things, to comply with the requirements thereunder on participation by members in general meetings of Mainstay Holdings or on approval of executive remuneration.

4.4 Stamp duty exemption will cease to apply

As the Mainstay Holdings Shares will not be admitted to trading on Euronext Growth, the stamp duty exemption that currently applies with respect to trading in Shares will no longer apply. Accordingly, after the Reorganisation becomes effective, transfers of Mainstay Holdings Shares will be subject to ad valorem stamp duty, payable by the purchaser. The Irish rate of stamp duty on shares is currently 1% of market value.

4.5 No public market

As the Mainstay Holdings Shares will not be admitted to trading on a regulated market or a multilateral trading facility, there will be no trading facility for dealing in the Mainstay Holdings Shares and no price will be publicly quoted. This will likely make it more difficult for Mainstay Holdings Shareholders to buy and sell their shares should they want to do so. However, Mainstay Holdings intends to work with Mainstay Holdings Shareholders to facilitate trades with willing buyers.

4.6 CREST

The Board understands that Euroclear has confirmed that it will not be in a position to provide settlement via CREST in respect of securities of Irish companies after 31 March 2021. As noted at paragraph 4.2 above, if the Reorganisation becomes effective, Mainstay Holdings will not be required to continue to ensure that its shares are eligible for electronic settlement, through CREST or otherwise. The Board is assessing, and the Mainstay Holdings Board will continue to assess, the options available. The Mainstay Holdings Shares to be issued to Scheme Shareholders who hold their Mainstay plc Shares in uncertificated form in CREST will be delivered and settled through CREST. However, no assurance can be provided that CREST, or an alternative system for electronic holding and settlement of shares, will continue to be made available after the Scheme becomes effective.

5. Other impacts of the Reorganisation

5.1 Corporate governance and board of directors

It is expected that Mainstay Holdings will have the same board of directors and management as Mainstay plc. All non-executive directors of Mainstay plc will be appointed on substantially the same terms as are currently in place with respect to their appointments to the board of Mainstay Holdings. There will be no change to the terms and conditions of any executive Director. However, it is expected that the Mainstay Holdings Board will review the size and composition of the Mainstay Holdings Board after the Scheme Effective Time to ensure that it remains appropriate for a company of its size and nature.

The existing principal committees of the Mainstay plc Board (the audit committee, remuneration committee and nomination committee) will, following the Scheme becoming effective, remain in place at Mainstay Holdings level (as the audit committee, remuneration committee and nomination committee).

5.2 Changes to the rights and obligations of Shareholders under the Mainstay plc Articles

From the Scheme Effective Date, Shareholders will no longer hold Mainstay plc Shares and will no longer be subject to the Mainstay plc Articles. Instead, they will become Mainstay Holdings Shareholders and will be subject to the Mainstay Holdings articles of association (the “**Mainstay Holdings Articles**”). A Mainstay Holdings Shareholder will, in all material respects, have the same voting rights and the same proportionate interest in the profits, net assets and dividends of the Mainstay Group as he or she currently has as a Mainstay plc Shareholder. The Mainstay Holdings Articles mirror in all material respects the Mainstay plc Articles. Articles 77, 91 and 95 have been updated to reflect the typical practice in Ireland for one third of directors to put themselves forward for re-election each year at the Company’s annual general meeting. If the current wording of Article 90 of the Mainstay plc Articles were maintained then no Mainstay Holdings Director would need to be re-elected until Mainstay Holdings’ AGM in 2022. Articles 126, 132 and 147 have been updated to reflect that Mainstay Holdings is an unlisted public limited company and that the Mainstay Holdings Shares are not listed on the market of a stock exchange. A new Article 61 has been inserted to allow the Directors to postpone and/or move a general meeting in circumstances where they consider that it is impracticable or unreasonable to hold a general meeting on the date or at the time or place stated in the notice calling the meeting. Article 136 has also been amended as follows:

Communications with Mainstay Holdings Shareholders

Article 136 of the Mainstay Holdings Articles will provide that, where a Shareholder has previously consented to receipt of notices or documents by means of an electronic communication or using electronic means in respect of his or her or its holding of ordinary shares in Mainstay plc, such consent shall be deemed to apply to Mainstay Holdings for the purpose of the notice provisions in the Mainstay Holdings Articles.

5.3 Taxation

A summary of certain Irish and French tax consequences of the Reorganisation is set out in Part IV of this document. The summary is intended as a general guide only and, if you are in any doubt as to your tax position, or you are subject to taxation outside of Ireland or France, you should consult an appropriate independent professional adviser.

Scheme Shareholders who are French companies subject to French corporate income tax elect, and Mainstay Holdings shall elect, to subject the transfer of their Scheme Shares pursuant to the Scheme to the French favourable merger tax regime in accordance with Article 210-A and 210-B of the French tax code (Code général des impôts – “**FTC**”) in the event that the Scheme becomes effective. See paragraph 3.1(b)(ii) of Part IV for further information.

5.4 Employee Incentive Plan

The Mainstay plc Board has determined that the Scheme, when effective, will constitute a corporate reorganisation or change of control event within the meaning of the terms of the Employee Incentive Plan. The Mainstay plc Board has therefore resolved, in accordance with the terms of the Employee Incentive Plan, that at the Scheme Effective Time, each outstanding Award to acquire Mainstay plc Shares will be replaced by a Mainstay Holdings Award under the Mainstay Holdings Employee Incentive Plan, which will be exercisable or settled, on equivalent terms and conditions as were applicable to such Award immediately before the Scheme Effective Time.

Details of the effect of the Reorganisation on the Employee Incentive Plan will be set out in full in separate letters to participants which will be sent to participants shortly after the date of this document.

5.5 Arrangements with IPF

Mainstay plc warrants and security granted to IPF

On 18 April 2019, Mainstay plc entered into two warrant instruments with IPF (the “**First Warrant Instrument**” and the “**Second Warrant Instrument**”). Under the First Warrant Instrument, Mainstay plc created rights to subscribe for up to 1,500,000 Mainstay plc Shares at any time up to 18 April 2025

on the basis that one warrant entitles the warrant holder to subscribe for one Mainstay plc Share at an exercise price of €6.00 per Mainstay plc Share. The Second Warrant Instrument was entered into in connection with the IPF Facility Agreement. Under the Second Warrant Instrument, Mainstay plc created conditional rights to subscribe for up to 1,851,515 Mainstay plc Shares on the basis that one warrant entitles the warrant holder to subscribe for one Mainstay plc Share at an exercise price of €8.00 per Mainstay plc Share. The warrants under the Second Warrant Instrument shall become exercisable only where (i) a conversion of the debt into Mainstay plc Shares is triggered under the terms of IPF Facility Agreement; and (ii) the Company elects to repay the debt in cash. In such circumstances the number of warrants that may be exercised will be equal to the amount of the debt not paid back through the issuance of Mainstay plc Shares divided by €8.00.

Mainstay plc, Mainstay Holdings and IPF have entered into a conditional roll-up agreement pursuant to which, at the Scheme Effective Time, the warrants over Mainstay plc Shares will be cancelled and replaced by equivalent warrants over Mainstay Holdings Shares ("**Mainstay Holdings Warrants**") and the First Warrant Instrument and Second Warrant Instrument will be cancelled and replaced with equivalent warrant instruments in respect of Mainstay Holdings Shares.

The parties to the IPF Facility Agreement, together with Mainstay Holdings, have also entered into an amendment and restatement agreement (the "**IPF Amendment and Restatement Agreement**") to the IPF Facility Agreement amending certain provisions of the IPF Facility Agreement necessary to reflect the implementation of the Reorganisation (the IPF Facility Agreement, as amended and restated by the IPF Amendment and Restatement Agreement, being the "**IPF Amended and Restated Facility Agreement**"). The IPF Amendment and Restatement Agreement is conditional upon the Scheme becoming effective. In accordance with the terms of the IPF Amendment and Restatement Agreement, Mainstay Holdings will, upon the Scheme becoming effective, accede to the IPF Facility Agreement as an Additional Guarantor (as defined in the IPF Facility Agreement). The automatic conversion mechanics under the IPF Amended and Restated Facility Agreement will engage when FDA approval has been received in respect of ReActiv8 and Mainstay Holdings completes one or more issuances of shares at an average price of €6.00 per Mainstay Holdings Share for a total aggregate amount of €20 million (a "**Qualified Financing**"). Furthermore, Mainstay Holdings shall not, without first obtaining the prior written consent of IPF (such consent not to be unreasonably withheld or delayed), complete an equity raising transaction by means of a share issuance where (i) shares in Mainstay Holdings are to be issued at a price below €6.00 per share and (ii) 49% or more of the aggregate value of the share issuance is to be contributed by institutional shareholders in Mainstay Holdings who are represented on the board of directors of Mainstay Holdings at the time of agreement to enter into such equity raising transaction. This restriction shall cease upon an initial public offering of the shares of Mainstay Holdings or upon full satisfaction of the monies owed under the IPF Amended and Restated Facility Agreement, whichever is the earlier. If FDA approval for ReActiv8 is received prior to the completion of a Qualified Financing, the repayment obligations under the debt facility will be suspended from the date of FDA approval until 31 December 2021, although interest will accrue during such period. If Mainstay Holdings completes one or more issuances of shares at an average price of €6.00 per Mainstay Holdings Share for a total aggregate amount of €10 million, interest will no longer accrue on the debt balance.

In connection with the IPF Facility Agreement, on 24 August 2015, a charge over shares in Mainstay Medical Limited held by Mainstay plc was entered into between the Company and IPF (the "**IPF Share Charge**") to secure the obligations of the Company to IPF under the finance documents referred to in the IPF Facility Agreement. Mainstay Holdings will enter into a new share charge with IPF creating a charge over the Mainstay plc Shares conditional upon the Scheme becoming effective and the Mainstay plc Shares being transferred to Mainstay Holdings.

Voting Undertaking

IPF, which at the Latest Practicable Date, held approximately 0.9% of the total issued ordinary share capital of the Company, has given an irrevocable undertaking to the Company to vote in favour of the Scheme at the Scheme Meeting (unless requested in writing by the Company not to so vote by no later than 48 hours prior to the Scheme Meeting) and to vote in favour of the Scheme Resolution at the Extraordinary General Meeting.

Board observer

In connection with the above arrangements Mainstay Holdings has agreed to permit IPF to appoint an observer to the Mainstay Holdings Board who shall be entitled to receive notice of, and attend,

meetings of the Mainstay Holdings Board (the “**IPF Board Observer**”). The IPF Board Observer shall not be entitled to vote on any resolutions at a meeting of the Mainstay Holdings Board and both IPF and the IPF Board Observer shall be bound by confidentiality arrangements entered into with Mainstay Holdings.

5.6 Corporate authorities of Mainstay Holdings

The current shareholders of Mainstay Holdings will, prior to the Scheme becoming effective, pass written resolutions:

- (a) authorising the Mainstay Holdings Directors to allot and issue Mainstay Holdings Shares or rights (including conditional rights) to subscribe for Mainstay Holdings Shares in such numbers as are required to give effect to the Scheme, the issuance of the Mainstay Holdings Awards (as described at paragraph 5.4 above) and to the issuance of warrants over Mainstay Holdings Shares to be made to IPF, as described at paragraph 5.5 above; and
- (b) authorising the Mainstay Holdings Directors, for a period of 5 years from the date of the passing of the relevant resolution, to allot and issue relevant securities (as that term is defined in the Companies Act) up to an amount representing the aggregate of (1) the expected number of issued Mainstay Holdings Shares immediately following the Scheme Effective Time; and (2) the Mainstay Holdings Shares estimated to be issuable to IPF upon exercise of the Mainstay Holdings Warrants and conversion of IPF’s accrued principal and interest under the terms of the IPF Facility Agreement (collectively, the “**Future IPF Shares**”); and
- (c) empowering the Mainstay Holdings Directors, for a period of 5 years from the date of the passing of the relevant resolution, to disapply pre-emption rights in the event of: (1) a rights issue or other pro rata offer of equity securities to shareholders; or (2) other issues of equity securities for cash up to an amount representing the aggregate of the expected number of issued Mainstay Holdings Shares immediately following the Scheme Effective Time and the Future IPF Shares); and
- (d) providing that the maximum ordinary remuneration payable to the Mainstay Holdings Directors shall not, without further shareholder approval exceed an amount of €10,000,000 per annum (being the current maximum amount with respect to Mainstay plc); and
- (e) authorising the Mainstay Holdings Directors to fix the remuneration of the auditors of Mainstay Holdings.

5.7 Irish Takeover Rules and French General Regulation

The Irish Takeover Panel has, pursuant to its powers under the Irish Takeover Rules, provided a derogation from the application of the Irish Takeover Rules to the Scheme.

The Scheme is not subject to the tender offer rules under the General Regulation of the *Autorité des marchés financiers*, the French Financial Market Authority (the “**AMF**”) or to authorization by the AMF. This document has not been submitted to the AMF for approval. However, the AMF and the Central Bank of Ireland have shared jurisdiction to enforce the provisions of the Market Abuse Regulations against Mainstay plc.

5.8 Process for Delisting

Euronext Growth

Prior to the Scheme becoming effective, Mainstay plc will make an application to Euronext Dublin to cancel the admission of the Mainstay plc Shares to trading on Euronext Growth with effect from 8.00 a.m. on the business day following the Scheme Effective Date, if the Scheme is sanctioned by the High Court, in accordance with the Euronext Growth Rules. It is intended that application will be made for the dealing in Mainstay plc Shares on Euronext Growth to be suspended on or before the date of the Court Hearing, as necessary.

Euronext Paris

Prior to the Scheme becoming effective, Mainstay plc will make an application to Euronext Paris for the cancellation of the listing of the Mainstay plc Shares on Euronext Paris with effect as of, or shortly following, the Scheme Effective Date in accordance with the listing rules of Euronext Paris.

6. Overseas Shareholders

Overseas Shareholders should refer to paragraph 14 of Part II of this document, which contains important information relevant to such holders.

7. Action to be taken

The Scheme is conditional upon a number of matters, which are set out in full in the Explanatory Statement at Part II of this document, including approval by the Scheme Shareholders of the Scheme at the Scheme Meeting and by Shareholders of the Scheme Resolution at the Extraordinary General Meeting. Further details of the Extraordinary General Meeting and the Scheme Meeting are contained in Part II of this document. Your attention is also drawn to the section of this document entitled "Action to be taken" commencing on page 2.

Notices of the Scheme Meeting and the Extraordinary General Meeting are set out in Part VII and Part VIII of this document. In order that the Court can be satisfied that the votes cast fairly represent the opinions of Shareholders, it is important that as many votes as possible are cast at the Scheme Meeting.

In light of the Coronavirus (COVID-19) pandemic, to the extent that the emergency measures introduced by the Irish Government on 27 March 2020 which require people to stay at home and restrict public gatherings (or similar) remain in force on 8 May 2020, or to the extent similar measures are in force as of such date, we ask Shareholders to refrain from physically attending at the venue for the Meetings. In fact, such measures may actually prohibit Shareholders from physically attending at the venue for the Meetings. We therefore strongly encourage you to vote by proxy. To do so, you must submit your Forms of Proxy no later than 48 hours before the relevant Meeting or, in the case of an adjourned Meeting, no later than 48 hours prior to the time and date set for the adjourned Meeting and to appoint the Chairman of the Meetings as your proxy.

To facilitate shareholder communication, the Meetings will be broadcast by conference call and there will be an opportunity for some live questions on the day, however, we would encourage Shareholders to submit their questions at least 48 hours in advance of the Meetings by email. All questions received will be collated, read into the meeting record, answered at the meeting and thereafter directly to the Shareholders. For further information on these arrangements, please see the notice accompanying this document entitled "IMPORTANT NOTICE – Arrangements regarding the Scheme Meeting and EGM to be held on Friday, 8 May 2020 having regard to Coronavirus COVID-19."

Shareholders should be aware that attendance on the conference call will not constitute attendance at the meeting (and it will not be possible to vote electronically in real time at the Meetings). Accordingly, Shareholders who attend the call and who wish to vote must still submit their Forms of Proxy no later than 48 hours before the relevant Meeting.

8. Recommendation

The Board considers the Scheme and its terms to be fair and reasonable and that the Reorganisation is in the best interests of the Company and Shareholders as a whole. **The Mainstay plc Board unanimously recommends that Shareholders vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the Extraordinary General Meeting, as the members of the Mainstay plc Board intend to do in respect of their own shareholdings.**

In considering the recommendation of the Mainstay plc Board, you should be aware that certain Mainstay plc Directors will have additional interests in the proposed Scheme in addition to the interests they have as named Shareholders.

The Mainstay plc Board urges you to complete, sign and return the enclosed Forms of Proxy as soon as possible and, in any event, no later than the relevant time on 6 May 2020.

Yours faithfully

Oern Stuge
Chairman

PART II EXPLANATORY STATEMENT

1. Introduction

On 7 April 2020, the Company announced that it intended to establish a new Irish holding company for the Mainstay Group and to delist the Shares from Euronext Growth and Euronext Paris. The new company, Mainstay Medical Holdings plc (“**Mainstay Holdings**”) is a recently incorporated Irish company under the Companies Act. It is intended that this new corporate structure will be implemented by means of a scheme of arrangement under Chapter 1 of Part 9 of the Companies Act.

If the Scheme becomes effective, Scheme Shareholders will receive one Mainstay Holdings Share for every one Mainstay plc Share held at the Scheme Record Time.

The Scheme will require approval by the Scheme Shareholders at the Scheme Meeting and the approval of the Court. If these approvals are obtained, if all other conditions to the Scheme are satisfied and the Scheme becomes effective, Mainstay Holdings will become the new holding company of the Mainstay Group and own the entire issued share capital of Mainstay plc.

Your attention is drawn to the Letter from the Chairman of Mainstay plc set out in Part I of this document, which forms part of this Explanatory Statement. That letter sets out the benefits of the Reorganisation and a recommendation from the Mainstay plc Board to vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the EGM and confirmation that the Mainstay plc Board believes that the terms of the Scheme are fair and reasonable. The Mainstay plc Board unanimously recommends that Shareholders vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the Extraordinary General Meeting.

2. Background to and reasons for the Reorganisation

The background to, reasons for and consequences of the Reorganisation are described in paragraph 2 of Part I of this document.

3. Effects of the Scheme and consequences and impacts of the Reorganisation

The effects of the Scheme and the consequences and impacts of the Reorganisation are described in paragraphs 3 to 5 of Part I of this document.

4. Summary of the Scheme

The Reorganisation is to be effected by way of a scheme of arrangement between Mainstay plc and the Scheme Shareholders under Chapter 1 of Part 9 of the Companies Act. The Scheme is set out in full in Part III of this document.

The Scheme will require approval by Scheme Shareholders at the Scheme Meeting and the sanction of the Court at the Court Hearing. In addition, in order for Mainstay plc to give effect to the Scheme, Shareholders will need to approve the Scheme Resolution at the Extraordinary General Meeting.

The principal steps involved in the Scheme are as follows:

4.1 Transfer of Scheme Shares

Under the Scheme, all the Scheme Shares will be transferred to Mainstay Holdings on the Scheme Effective Date.

In consideration of the transfer to Mainstay Holdings of the Scheme Shares, the Scheme Shareholders will receive, in respect of any Scheme Shares held as at the Scheme Record Time:

one Mainstay Holdings Share for every one Scheme Share transferred

4.2 Establishing Mainstay Holdings as the new holding company of Mainstay plc

The transfer to Mainstay Holdings of the Scheme Shares will be followed forthwith with the issue of Mainstay Holdings Shares to Scheme Shareholders (in consideration for the transfer of their Scheme Shares) which will result in Mainstay Holdings becoming the holding company of Mainstay Group. This process is explained in further detail below.

4.3 Amendments to the Mainstay plc Articles

Shareholders will be asked to approve at the Extraordinary General Meeting, by way of special resolution, some amendments to the Mainstay plc Articles in order to facilitate the Scheme. These amendments are required to ensure that (i) any Mainstay plc Shares that are allotted or issued to any person other than to Mainstay Holdings (or its nominee(s)) on or after the date of the Extraordinary General Meeting but before the Scheme Record Time are allotted and issued subject to the terms of the Scheme and the holders of such shares will be bound by the Scheme accordingly; and (ii) any Mainstay plc Shares that are allotted after the Scheme Record Time will be immediately transferred to Mainstay Holdings in exchange for the issue or transfer to the relevant allottees of one Mainstay Holdings Share for one Mainstay plc Share transferred.

These changes are necessary because, in some cases, Mainstay plc Shares may need to be allotted before the Scheme Record Time (for example, because of the exercise of rights granted by Mainstay plc under the Employee Incentive Plan or the First Warrant Instrument) but the timing of their issuance could mean that they are not classified as Scheme Shares and would therefore be outside the scope of the Scheme. In addition, Mainstay plc Shares may be allotted after the Scheme Record Time, which would also put them outside the scope of the Scheme.

These changes to the Mainstay plc Articles will avoid any person other than Mainstay Holdings or its nominees being left with Mainstay plc Shares after the Scheme becomes effective. They will further ensure that Mainstay plc becomes a wholly-owned subsidiary of Mainstay Holdings despite allotments or issuances of Mainstay plc Shares that would otherwise not be classified as Scheme Shares.

The full text of this Resolution can be found in the notice of the Extraordinary General Meeting at Part VIII of this document.

5. Conditions to the Scheme

The implementation of the Scheme is conditional upon the satisfaction of certain conditions, namely:

- the Scheme being approved by a majority in number of the Scheme Shareholders, representing at least 75 per cent. in value of the Scheme Shares held by such holders at the Scheme Voting Record Time, present and voting, either in person or by proxy, at the Scheme Meeting (or at any adjournment of such Meeting);
- the Scheme Resolution being approved by at least 75 per cent. of the votes cast by Shareholders (in person or by proxy) at the Extraordinary General Meeting (or at any adjournment of such Meeting);
- the sanction by the Court (with or without modification) of the Scheme pursuant to section 453 of the Companies Act;
- copies of the Court Order being delivered for registration to the Registrar of Companies and being registered by the Registrar; and
- all regulatory approvals necessary to implement the Scheme having been obtained.

The Mainstay plc Board will not take the necessary steps to implement the Scheme unless the above conditions have been satisfied (or waived) and, at the relevant time, they consider that it continues to be in Mainstay plc's best interests and that of Shareholders that the Scheme should be implemented.

6. The Scheme Meeting and the Extraordinary General Meeting

The Scheme Meeting is being held to seek the approval by Scheme Shareholders of the Scheme. The Extraordinary General Meeting is being convened to seek the approval by Shareholders of various matters in connection with the Scheme pursuant to the Scheme Resolution.

Whether or not a Mainstay plc Shareholder votes in favour of the Scheme at the Scheme Meeting and/or the Scheme Resolution at the Extraordinary General Meeting, if the Scheme becomes effective, all Scheme Shares will be transferred to Mainstay Holdings and the Scheme Shareholders will receive one Mainstay Holdings Share for each Scheme Share held by them as at the Scheme Record Time.

Before the Court's approval for the Scheme can be sought, the Scheme will require approval by the Scheme Shareholders at the Scheme Meeting and the passing of the Scheme Resolution at the Extraordinary General Meeting. Notices of the Scheme Meeting and of the Extraordinary General Meeting are set out at the end of this document.

Details of the actions to be taken by holders of Mainstay plc Shares in relation to the Meetings are set out in the section of this document entitled "Action to be taken" commencing on page 2 .

The Scheme Meeting

The Scheme Meeting, which has been convened for 10.00 a.m. on 8 May 2020, is being held to seek the approval of the Scheme Shareholders for the Scheme.

At the Scheme Meeting, voting will be by poll and not by a show of hands and each Scheme Shareholder present, either in person or by proxy, will be entitled to one vote for each Scheme Share held. The approval required at the Scheme Meeting is a majority in number of those Scheme Shareholders, representing at least 75 per cent. in value of the Scheme Shares held by such holders at the Scheme Voting Record Time, present and voting either in person or by proxy.

It is important that, for the Scheme Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Mainstay plc Shareholders. You are therefore strongly urged to complete and return your green Form of Proxy as soon as possible.

The Extraordinary General Meeting

In addition to the Scheme Meeting, the Extraordinary General Meeting of Mainstay plc has been convened for 10.15 a.m. on 8 May 2020, or as soon thereafter as the Scheme Meeting has concluded or been adjourned, to consider and, if thought fit, pass the Scheme Resolution.

In the event that the Scheme Resolution is not passed, the Scheme will not proceed. In the event that the Scheme Resolution is passed the Mainstay plc Shares will be delisted from Euronext Growth and Euronext Paris shortly after the Scheme becomes effective.

At the Extraordinary General Meeting, voting will be by poll and not by a show of hands and each Shareholder present, either in person or by proxy, will be entitled to one vote for each Mainstay plc Share held at the appropriate record time.

The Scheme Resolution

The Scheme Resolution set out in the notice of Extraordinary General Meeting is a special resolution and therefore requires the approval of Shareholders, representing at least 75 per cent. of the votes cast by Shareholders, present and voting either in person or by proxy.

The Scheme Resolution is required in order to:

- authorise the Mainstay plc Board to take such action as it considers necessary or appropriate to carry the Scheme into effect and also to effect the Delisting; and
- approve and adopt the Scheme related amendments to the Mainstay plc Articles, as described at paragraph 4.3 above.

7. The Court Hearing and sanction of the Scheme

The Court Hearing (at which it is proposed that the Court sanction the Scheme) is expected to be held in late May or June 2020. Submissions and arguments to the Court are generally made orally, but any facts other than those expressed in Mainstay plc's own documents that a person wishes to put forward must be put forward as evidence in the form of a sworn written statement (an affidavit being the standard form for this in Irish court practice). Any person proposing to make submissions or put forward evidence to the Court at the hearing will be requested to advise Mainstay plc's Irish lawyers in advance and they in turn will advise the Court. Individuals may make these submissions personally or by a person entitled to appear in the Court (usually a solicitor or barrister in Irish practice).

The Court Hearing will take place on the advertised date or on adjourned date(s) then fixed by the Court. The Court will consider the submissions and evidence presented to it so as to establish whether the requirements of Irish law and the Mainstay plc Articles, so far as these are applicable, have been complied with, whether the necessary majorities of Scheme Shareholders have voted in favour of approving the Scheme and whether the Scheme is fair and reasonable in all the circumstances. The Court may announce its decision immediately after the hearing or may defer this until a date to be announced later. The manner in which the Court Hearing will be carried out may be affected by measures then in place to deal with the Coronavirus (COVID-19) pandemic.

If the Scheme is sanctioned by the Court and the other conditions to the Scheme are satisfied (or waived), the Scheme is expected to become effective within a short number of days following the date of the Court Hearing.

If the Scheme has not become effective by 31 December 2020 (or such later date as Mainstay plc and Mainstay Holdings agree and the Court may allow), it will lapse, in which event the Scheme will not proceed, there will not be a new holding company of Mainstay plc and the Delisting will not proceed.

The Scheme will become effective as soon as a copy of the Court Order has been duly delivered by Mainstay plc to the Registrar of Companies for registration and has been registered by the Registrar of Companies.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of the Scheme at the Scheme Meeting or in favour of the Scheme Resolution to be proposed at the Extraordinary General Meeting.

The full text of the Scheme is set out at Part III of this document and the full text of the resolutions to be proposed at the Scheme Meeting and the Extraordinary General Meeting are set out in Part VII and Part VIII of this document.

8. Settlement of and future dealings in Mainstay Holdings Shares

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

Mainstay Holdings Shares to which Scheme Shareholders who hold their Mainstay plc Shares in uncertificated form in CREST will be entitled under the Scheme will be delivered, held and settled through CREST.

9. Employee Incentive Plan

The effects of the Reorganisation on the Employee Incentive Plan are described in paragraph 5.4 of Part I of this document.

10. Arrangements with IPF

The board observer agreement and the effects of the Reorganisation on the arrangements with IPF, including the First Warrant Instrument, Second Warrant Instrument, IPF Facility Agreement and IPF Share Charge, are described in paragraph 5.5 of Part I of this document. IPF has given an irrevocable undertaking to the Company to vote in favour of the Scheme at the Scheme Meeting (unless requested in writing by the Company not to so vote by no later than 48 hours prior to the Scheme Meeting) and to vote in favour of the Scheme Resolution at the Extraordinary General Meeting.

11. Directors' and other interests

The interests of the directors of Mainstay plc in the share capital of Mainstay plc and in the Employee Incentive Plan are set out in paragraph 1 of Part VI of this document.

The directors of Mainstay plc who hold Awards under the Employee Incentive Plan will be treated in the manner set out in paragraph 5.4 of Part I of this document.

On the Scheme becoming effective, it is proposed that Mainstay Holdings shall appoint the following executive officers of Mainstay plc to the respective positions indicated below:

Jason Hannon Chief Executive Officer
Matt Onaitis Chief Financial Officer

Save as described above or otherwise in this document, the effect of the Scheme on the interests of the directors of Mainstay plc does not differ from its effect on the like interests of other persons.

12. Taxation

A summary of certain Irish, UK and French tax consequences of the Reorganisation is set out in Part IV of this document. The summary is intended as a general guide only and, if you are in any doubt as to your tax position, or if you are subject to taxation outside Ireland or France, you should consult an appropriate independent professional adviser.

13. Modifications to the Scheme

The Scheme contains a provision enabling Mainstay plc and Mainstay Holdings jointly to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or to impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in circumstances where any modification, amendment or condition is sought by Mainstay plc and Mainstay Holdings.

14. Overseas Shareholders in respect of the Reorganisation

General

- 14.1 The distribution of this document and the allotment and issue of the Mainstay Holdings Shares in jurisdictions other than Ireland and France may be restricted by law. No action has been taken by Mainstay Holdings or Mainstay plc to obtain any approval, authorisation or exemption to permit the allotment or issue of the Mainstay Holdings Shares or the possession or distribution of this document (or any other publicity material relating to the Mainstay Holdings Shares) in any jurisdiction, other than Ireland.
- 14.2 The Reorganisation may have implications for Overseas Shareholders under the laws of the relevant overseas jurisdictions. Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or duties or payments due in such jurisdiction. Any failure to comply with such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.
- 14.3 No Mainstay Holdings Shares have been marketed to, nor are any available for purchase by, in whole or in part, the public in Ireland, France or elsewhere in connection with the Reorganisation. This document does not constitute an offer or form part of an offer to purchase, sell, subscribe for or exchange or the solicitation of an offer to purchase, sell, subscribe for or exchange any securities or the solicitation of any vote or approval in any jurisdiction in which such offer or solicitation would be unlawful.
- 14.4 This document has been prepared for the purposes of complying with Irish law and information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of any other jurisdiction.
- 14.5 Shareholders who are citizens or residents of the United States or other jurisdictions outside Ireland and France should consult their own legal and tax advisers with respect to the legal and tax consequences of the Reorganisation in their particular circumstances.

Restricted Jurisdictions

14.6 The Mainstay plc Board may determine that the Scheme Circular and other Scheme documentation shall not be distributed into Restricted Jurisdictions.

Restricted Shareholders

14.7 If, in respect of any Overseas Shareholders, the Mainstay Holdings Board considers that the allotment and issue of Mainstay Holdings Shares may infringe the laws of any jurisdiction outside Ireland and France or that to seek legal advice in relation to same would be unduly onerous having regard (without limitation) to the cost and inconvenience of obtaining such advice and complying with any requirements that might be contained in such advice, or if such allotment and issue of Mainstay Holdings Shares in any such jurisdiction might require Mainstay Holdings to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of Mainstay Holdings, it would be unable to comply with or which it regards as unduly onerous (as aforesaid), then the Scheme provides that the Mainstay Holdings Board may in its sole discretion:

- (a) determine that no Mainstay Holdings Shares shall be allotted and issued to such shareholders ("Restricted Shareholders") but instead that those Mainstay Holdings Shares shall be allotted and issued to a nominee appointed by Mainstay Holdings as trustee for such Restricted Shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective at the best price that can be reasonably obtained at the time of sale (after the deduction of all expenses and commissions, including any amount in respect of tax payable thereon), with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder; or
- (b) determine that the Mainstay Holdings Shares shall be issued to that shareholder and sold, on behalf of that shareholder, as soon as reasonably practicable after the Scheme becomes effective at the best price that can be reasonably obtained at the time of sale (after the deduction of all expenses and commissions, including any amount in respect of tax payable thereon), with the net proceeds of sale being remitted to the Overseas Shareholder at that person's risk.

15. Action to be taken

Your attention is drawn to the section of this document entitled "Action to be taken" commencing on page 2.

16. Further information

The terms of the Scheme are set out in full in Part III of this document. Documents available for inspection are listed in paragraph 4 of Part V of this document. The remainder of this document shall be deemed to form part of this Explanatory Statement.

17. Recommendation

The Mainstay plc Board considers the Scheme and its terms to be fair and reasonable and that the Reorganisation is in the best interests of Shareholders as a whole.

The Mainstay plc Board unanimously recommends that Shareholders vote in favour of the Scheme at the Scheme Meeting and the Scheme Resolution at the Extraordinary General Meeting, as the members of the Mainstay plc Board intend to do in respect of their own shareholdings.

In considering the recommendation of the Mainstay plc Board, you should be aware that certain Mainstay plc Directors will have additional interests in the proposed Scheme in addition to the interests they have as named shareholders.

The Mainstay plc Board urges you to complete, sign and return the enclosed Forms of Proxy as soon as possible and, in any event, no later than 6 May 2020.

PART III
THE SCHEME OF ARRANGEMENT
THE HIGH COURT COMMERCIAL
IN THE MATTER OF MAINSTAY MEDICAL INTERNATIONAL PLC
AND IN THE MATTER OF THE COMPANIES ACT 2014 SCHEME OF ARRANGEMENT
(UNDER CHAPTER 1 OF PART 9 OF THE COMPANIES ACT 2014)
BETWEEN
MAINSTAY MEDICAL INTERNATIONAL PUBLIC LIMITED COMPANY
AND
THE HOLDERS OF THE SCHEME SHARES (AS HEREINAFTER DEFINED)

PRELIMINARY

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

“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in Dublin;
“certificated” or “in certificated form”	a share which is not in uncertificated form;
“Companies Act”	the Companies Act 2014 of Ireland, as amended;
“Court”	the High Court of Ireland;
“Court Hearing”	the hearing by the Court to sanction the Scheme;
“Court Order”	the order of the Court sanctioning the Scheme under section 453 of the Companies Act;
“CREST”	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euronext Growth in accordance with the CREST Regulations;
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996) of Ireland (as amended);
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Euronext Growth”	the Euronext Growth Market, an authorised multilateral trading facility under the European Communities (Markets in Financial Instruments) Regulations 2017, operated by Euronext Dublin and previously known as the Enterprise Securities Market or ESM;
“Euronext Paris”	the regulated market operated by Euronext Paris SA;
“Extraordinary General Meeting”	the extraordinary general meeting of Shareholders to be held at McCann FitzGerald, Riverside One, Sir John Rogerson’s Quay, Dublin 2 on 8 May 2020 at 10.15 a.m. (or as soon thereafter as the Scheme Meeting, convened for the same date and place, has concluded or been adjourned), or such adjournment thereof;

“Mainstay Holdings”	Mainstay Medical Holdings plc, a company incorporated and registered in Ireland with registered number 667520 whose registered office is at Riverside One, Sir John Rogerson’s Quay, Dublin 2, Ireland;
“Mainstay Holdings Board”	the board of directors of Mainstay Holdings from time to time;
“Mainstay Holdings Shares”	the ordinary shares with a nominal value of €0.01 each in the capital of Mainstay Holdings;
“Mainstay plc”	Mainstay Medical International plc, a company incorporated and registered in Ireland with registered number 539688 whose registered office is 77 Sir John Rogerson’s Quay, Block C, Grand Canal Dock, Dublin 2, D02 T804 Dublin 2, Ireland;
“Mainstay plc Deferred Shares”	fully paid up deferred shares of nominal value €1.00 in the capital of Mainstay plc;
“Mainstay plc Shareholder” or “Shareholder”	a holder of Mainstay plc Shares from time to time;
“Mainstay plc Shares”	the ordinary shares with a nominal value of €0.001 each in the capital of Mainstay plc;
“Overseas Shareholder”	means a Scheme Shareholder that has a registered address or that is resident in a jurisdiction other than Ireland or France;
“Registrar of Companies”	has the meaning given by the Companies Act;
“Scheme”	means the scheme of arrangement proposed to be made under Part 9 of Chapter 1 of the Companies Act between Mainstay plc and the holders of the Scheme Shares with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Mainstay plc and Mainstay Holdings;
“Scheme Circular”	the document that is to be sent to Shareholders setting out, amongst other things, the Scheme and notices of the Scheme Meeting and the Extraordinary General Meeting;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with Clause 5 of the Scheme;
“Scheme Effective Time”	the time on the Scheme Effective Date at which the Court Order is registered by the Registrar of Companies;
“Scheme Meeting”	the meeting of the Scheme Shareholders convened by the board of directors of Mainstay plc under section 450 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme with or without any modification (including any adjournment thereof);
“Scheme Record Time”	6.00 p.m. on the Business Day immediately prior to the Scheme Effective Date;

“Scheme Shareholder”	a registered holder of Scheme Shares;
“Scheme Shares”	(i) the Mainstay plc Shares in issue at the date of the Scheme Circular; and (ii) any Mainstay plc Shares issued after the date of the Scheme Circular and before the Scheme Record Time;
“Scheme Voting Record Time”	6.00 p.m. on the day which is two days before the date of the Scheme Meeting or, if the Scheme Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned Scheme Meeting;
“uncertificated” or “in uncertificated form” ...	a share which is for the time being recorded on the register of members of the relevant company as being held in uncertificated form.

- (B) The authorised share capital of Mainstay plc at the Latest Practicable Date is €75,000 divided into 35,000,000 Mainstay plc Shares of €0.001 each and 40,000 Mainstay plc Deferred Shares of €1.00 each. As at 8 April 2020 (being the latest practicable date prior to the date of the Scheme), 13,424,004 Mainstay plc Shares and 40,000 Mainstay plc Deferred Shares have been issued and are credited as fully paid and the remainder of Mainstay plc’s share capital is unissued.
- (C) Mainstay Holdings has agreed to appear at the hearing to sanction the Scheme and to undertake to the Court to be bound thereby and to execute or do, or procure to be executed or done, all such documents, acts or things as may be necessary or desirable to be executed or done by Mainstay Holdings or on its behalf for the purpose of giving effect to this Scheme.

THE SCHEME

1. TRANSFER OF THE SCHEME SHARES

On the Scheme Effective Date, Mainstay Holdings shall, automatically and without any further action required, acquire all of the Scheme Shares (including the legal and beneficial interest therein) fully paid, free from all liens, equities, charges, encumbrances and other interests and together with all and any rights at the date of this Scheme or thereafter attached thereto, including voting rights, entitlement to receive and retain all dividends and other distributions declared, paid or made by Mainstay plc by reference to a record date on or after the Scheme Effective Date.

2. CONSIDERATION FOR THE TRANSFER OF THE SCHEME SHARES

- 2.1 In consideration for the transfer of the Scheme Shares pursuant to Clause 1, Mainstay Holdings shall (subject to, and in accordance with, the remaining provisions of this Scheme) allot and issue Mainstay Holdings Shares to the Scheme Shareholders (as appearing in the register of members of Mainstay plc at the Scheme Record Time) on the basis of one Mainstay Holdings Share for every one Scheme Share held at the Scheme Record Time.
- 2.2 Each Mainstay Holdings Share shall be issued and credited as fully paid, shall rank equally in all respects with all other fully paid Mainstay Holdings Shares and shall be entitled to all dividends and other distributions declared, paid or made by Mainstay Holdings by reference to a record date on or after the Scheme Effective Date.
- 2.3 The provisions of this Clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Overseas Shareholder, the Mainstay Holdings Board considers that the allotment and issue of Mainstay Holdings Shares may infringe the laws of any jurisdiction outside Ireland and France or that to seek legal advice in relation to same would be unduly onerous having regard (without limitation) to the cost and inconvenience of obtaining such advice and complying with any requirements that might be contained in such advice, or if such allotment and issue Mainstay Holdings Shares in any such jurisdiction might require Mainstay Holdings to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of Mainstay Holdings,

it would be unable to comply or which it regards as unduly onerous (as aforesaid), then the Mainstay Holdings Board may in its sole discretion:

- (a) determine that such Mainstay Holdings Shares shall be sold, in which event the Mainstay Holdings Shares shall be issued to such Overseas Shareholder and Mainstay Holdings shall appoint a person to act pursuant to this sub-Clause 2.3(a) and such person shall be authorised on behalf of such Overseas Shareholder to procure that any shares in respect of which Mainstay Holdings has made such a determination shall, as soon as practicable following the Scheme Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of tax payable thereon) be paid to such Overseas Shareholder by sending a cheque to such Overseas Shareholder in accordance with the provisions of Clause 3 below. To give effect to any such sale, the person so appointed shall be authorised on behalf of such Overseas Shareholder to execute and deliver a form of transfer and to give such instructions and do all such things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Mainstay plc, Mainstay Holdings, any appointee referred to in this sub-Clause 2.3(a) or any broker or agent of any of them shall have any liability for any loss arising as a result of the timing or terms of any such sale; or
- (b) determine that no such Mainstay Holdings Shares shall be allotted and issued to such Overseas Shareholder under this Clause, but instead such Mainstay Holdings Shares shall be allotted and issued to a nominee appointed by Mainstay Holdings as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Scheme Effective Date, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of tax payable thereon) be paid to such Overseas Shareholder by sending a cheque to such Overseas Shareholder in accordance with the provisions of Clause 3 below. In the absence of bad faith or wilful default, none of Mainstay plc, Mainstay Holdings, and any nominee referred to in this sub-Clause 2.3(b) or any broker or agent of any of them shall have any liability for any loss arising as a result of the timing or terms of any such sale.

3. SETTLEMENT

- 3.1 Not later than 14 days after the Scheme Effective Date, Mainstay Holdings shall send by post to the allottees of the allotted and issued Mainstay Holdings Shares certificates in respect of such shares, save that where Scheme Shares are held in uncertificated form, Mainstay Holdings shall procure that Euroclear is instructed to cancel the entitlement to Scheme Shares of each of the Scheme Shareholders concerned and to credit to the appropriate stock accounts in CREST of the Scheme Shareholders concerned their due entitlements to Mainstay Holdings Shares.
- 3.2 Not later than 14 days following the sale of any relevant Mainstay Holdings Shares pursuant to Clause 2.3, Mainstay Holdings shall procure that the nominee appointed under Clause 2.3(a) or the person appointed under Clause 2.3(b) shall account for the cash payable by despatching to the persons respectively entitled thereto, cheque by post or by any direct, bank or other funds transfer or, in the case of an uncertificated share, by the relevant system.
- 3.3 All certificates required to be sent by Mainstay Holdings pursuant to Clause 3.1 and all cheques required to be sent pursuant to Clause 3.2 shall be sent by post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Mainstay plc at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Mainstay plc prior to the Scheme Record Time.
- 3.4 If the Mainstay Holdings Shares are consolidated or subdivided or if the nominal value of the Mainstay Holdings Shares is reduced prior to the despatch of any certificates or the giving of any instructions in accordance with this Clause 3, the certificates or instructions shall relate to such Mainstay Holdings Shares as so consolidated, subdivided and/or reduced.
- 3.5 None of Mainstay plc, Mainstay Holdings, any nominee referred to in sub-Clause 2.3(a), such person appointed to act under sub-Clause 2.3(b) or any agent of any of them shall be responsible

for any loss or delay in transmission of certificates or cheques sent in accordance with this Clause 3.

- 3.6 All cheques shall be made payable to the Scheme Shareholder or, in the case of joint holders, to the first-named of such holders of the Scheme Shares concerned, in euro, and the encashment of any such cheque shall be a complete discharge to Mainstay Holdings for the monies represented thereby. With respect to Scheme Shareholders who hold their Scheme Shares in uncertificated form, all assured payment obligations created by Euroclear in favour of the payment bank of the persons entitled thereto for any sums payable to them respectively pursuant to Clause 2 above, shall be a complete discharge of Mainstay Holdings for the monies represented thereby.
- 3.7 This Clause 3 shall take effect subject to any prohibition or condition imposed by law.

4. CERTIFICATES REPRESENTING SCHEME SHARES

- 4.1 With effect from and including the Scheme Effective Date, all certificates representing holdings of Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Scheme Shares should destroy such certificates upon receipt of their share certificate for Mainstay Holdings Shares.
- 4.2 Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form and appropriate entries shall be made in Mainstay plc's register of members, with effect from the Scheme Effective Date, to reflect their cancellation. As regards certificated Scheme Shares, appropriate entries shall be made in Mainstay plc's register of members, with effect from the Scheme Effective Date, to reflect their cancellation.

5. THE EFFECTIVE DATE

- 5.1 This Scheme shall become effective as soon as a copy of the Court Order shall have been duly delivered by Mainstay plc to, and registered by, the Registrar of Companies (being the Scheme Effective Time).
- 5.2 Unless the Scheme shall have become effective on or before 31 December 2020 or such later date, if any, as Mainstay plc and Mainstay Holdings may agree and the Court may allow, this Scheme shall never become effective.
- 5.3 Mainstay plc and Mainstay Holdings have agreed that in certain circumstances the necessary actions to seek sanction of the Scheme may not be taken.

6. MODIFICATION

Mainstay plc and Mainstay Holdings may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or any condition that the Court may approve or impose.

7. FRENCH TAX ELECTION

Scheme Shareholders who are French companies subject to French corporate income tax elect, and Mainstay Holdings shall elect, to subject the transfer of their Scheme Shares pursuant to the Scheme to the French favourable merger tax regime in accordance with Article 210-A and 210-B of the French tax code (*Code général des impôts*).

8. COSTS

Mainstay plc is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation, approval and implementation of this Scheme.

9. GOVERNING LAW

The Scheme shall be governed by, and construed in accordance with, the laws of Ireland and Mainstay plc, Mainstay Holdings and the Scheme Shareholders hereby agree that the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding or to settle any dispute which may arise in relation thereto.

Dated: 14 April 2020

PART IV TAXATION

1. Introduction

The following is a summary of certain Irish and French tax considerations relating to the transfer pursuant to the Scheme of the Scheme Shares and the acquisition and ownership of Mainstay Holdings Shares issued pursuant to the Scheme and is based on the laws and practices in these jurisdictions as of the date of this document. The comments in this Part IV are of a general nature and are not intended to be exhaustive and should be treated with appropriate caution. Particular rules may apply to certain types of Scheme Shareholder and holders of Mainstay Holdings Shares. The summary does not constitute tax or legal advice. Any shareholders who are in any doubt as to their tax position, or any shareholders who are subject to taxation outside Ireland or France, should consult their professional advisers on the tax implications of the Reorganisation under the laws of their country of tax residence, citizenship and/or domicile, or the jurisdiction in which they are otherwise subject to taxation.

For the purposes of the following summary, the terms “Scheme Shareholder” and “Mainstay Holdings Shareholder” are used to refer only to a person (i) who is the beneficial owner of Scheme Shares and Mainstay Holdings Shares respectively (ii) who deals at arm’s length with Mainstay plc (or Mainstay Holdings following the Scheme) and (iii) who holds the Scheme Shares, and will hold the Mainstay Holdings Shares, as investments or capital property (and not as securities to be realised in the course of a trade).

Separately, particular rules not referred to below may apply to certain classes of taxpayers holding shares, such as dealers in securities, investment funds, trustees, insurance companies and shareholders who have, or who are deemed to have Scheme Shares or Mainstay Holdings Shares, or rights to same, by virtue of an Irish office or employment. This summary does not necessarily apply where the income is deemed for tax purposes to be the income of any other person.

Existing or prospective investors should consult their own professional advisers on the implications of the transfer pursuant to the Scheme of the Scheme Shares and the acquisition and ownership of the Mainstay Holdings Shares issued pursuant to the Scheme under the laws of any jurisdiction in which they may be liable to taxation.

2. Irish Taxation

The following is a general summary of certain Irish tax consequences of the transfer of the Scheme Shares pursuant to the Scheme, and the acquisition and ownership of the Mainstay Holdings Shares issued pursuant to the Scheme. This summary is based on Irish taxation law and the published practices of the Revenue Commissioners in force at the date of this document, each of which is subject to change, possibly with retrospective effect.

Certain categories of Scheme Shareholders and Mainstay Holdings Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with Mainstay Holdings and those for whom the shares are employment related securities, may be subject to special rules and this summary does not apply to such Mainstay Holdings Shareholders. In addition, this summary does not apply to Scheme Shareholders or Mainstay Holdings Shareholders who are not resident in Ireland for Irish tax purposes and who use or hold the Scheme Shares, or will use or hold the Mainstay Holdings Shares, in connection with carrying on a business in Ireland.

It does not constitute tax or legal advice, and it does not purport to be, and is not, a complete description of all of the Irish tax considerations that may be relevant to the transfer of the Scheme Shares pursuant to the Scheme and the acquisition and ownership of the Mainstay Holdings Shares issued pursuant to the Scheme.

2.1 Irish tax consequences of the transfer pursuant to the Scheme of the Scheme Shares and the issue of the Mainstay Holdings Shares

Capital Gains Tax

For the purposes of Irish capital gains tax (or in the case of a body corporate, corporation tax on chargeable gains) (“**Irish CGT**”), the transfer of the Scheme Shares pursuant to the Scheme, in

exchange for the receipt by the relevant Scheme Shareholder of the Mainstay Holdings Shares as consideration, should not be treated as a disposal of the Scheme Shares or an acquisition of the Mainstay Holdings Shares. Instead, the Mainstay Holdings Shares should be treated as the same asset as those Scheme Shares, acquired at the same time and for the same consideration as the Scheme Shares from which they are derived. This treatment is on the basis that the Scheme is being effected for bona fide commercial reasons and does not form part of an arrangement or scheme of which the main purpose, or one of the main purposes, is avoidance of liability to Irish tax.

Stamp Duty

No Irish stamp duty should be payable by Shareholders on the transfer of Scheme Shares pursuant to the Scheme or on the issue of the Mainstay Holdings Shares pursuant to the Scheme.

2.2 Liability to Irish CGT generally

Subsequent disposal of Mainstay Holdings Shares

A Mainstay Holdings Shareholder may be liable to Irish CGT on any gain arising on a subsequent disposal of Mainstay Holdings Shares. The rate of Irish CGT is currently 33 per cent.

Mainstay Holdings Shareholders who are individuals and who are Irish resident or ordinarily resident in Ireland

Individual Mainstay Holdings Shareholders who are Irish resident and/or ordinarily resident in Ireland will generally (subject to the availability of exemptions or reliefs) be liable to Irish CGT on a disposal of Mainstay Holdings Shares.

An individual is generally exempted from Irish CGT if, for the year of assessment, the amount on which the individual is chargeable does not exceed €1,270. If the amount on which the individual is chargeable exceeds €1,270, generally, only the excess of that amount over €1,270 is charged.

Mainstay Holdings Shareholders who are corporates and who are Irish resident

Irish CGT will generally apply to chargeable gains arising on the disposal of Mainstay Holdings Shares by an Irish resident corporate Mainstay Holdings Shareholder.

Mainstay Holdings Shareholders who are not Irish resident or ordinarily resident in Ireland

With respect to the Mainstay Holdings Shares, a charge to Irish CGT will arise where the shares derive the greater part of their value from Irish land or Irish minerals or certain rights, interests or other assets in relation to mining or minerals or the search for minerals.

Where an individual Mainstay Holdings Shareholder was previously Irish resident, and has been non-Irish resident for a period of five years or less, they may (subject to the availability of exemptions or reliefs) be liable to Irish CGT on a disposal of Mainstay Holdings Shares.

Calculation of the capital gain or loss arising on a disposal

Where applicable, a gain on the disposal of Mainstay Holdings Shares will generally be calculated as the excess of the proceeds realised on a sale of the Mainstay Holdings Shares after deducting the costs of disposal, over the cost of acquisition of the Mainstay Holdings Shares and any incidental costs of acquiring those Mainstay Holdings Shares.

A loss on the disposal of Mainstay Holdings Shares will generally be calculated as the excess of the cost of acquisition of the Mainstay Holdings Shares and any incidental costs of acquiring those Mainstay Holdings Shares, over the proceeds realised on a sale of the Mainstay Holdings Shares after deducting the costs of disposal.

Immediately following the Scheme, the cost of acquisition and incidental costs of acquiring the Mainstay Holdings Shares should be equal to the cost of acquisition and incidental costs acquiring the Scheme Shares for the Shareholder for Irish CGT purposes.

2.3 Payment of Dividends generally

Withholding Tax on Dividends

Mainstay Holdings is required to operate dividend withholding tax in Ireland (“DWT”) at source on any “relevant distribution” made on Mainstay Holdings Shares at a rate of 25% unless an exemption applies and the relevant shareholder has submitted on time a properly completed declaration providing for exemption to the share registrar. A distribution of cash, assets or other property would be a “relevant distribution” for this purpose unless paid to certain specified Irish persons.

Certain categories of Mainstay Holdings Shareholders are entitled to an exemption from DWT if, prior to payment of the dividend, Mainstay Holdings or a “qualifying intermediary” from whom the dividend is received by that Mainstay Holdings Shareholder, as the case may be, has received all documentation required by law in order for that exemption to apply, and in the case of Mainstay Holdings Shareholders that are not Irish resident, that documentation is current at the date of payment of the dividend.

Individual Mainstay Holdings Shareholders who are Irish resident and/or ordinarily resident in Ireland are generally not entitled to an exemption from DWT.

Categories of Mainstay Holdings Shareholder that are entitled to exemption as outlined above include (but are not limited to):

- (a) companies that are Irish resident;
- (b) Irish established pension schemes;
- (c) Irish authorised collective investment undertakings;
- (d) Mainstay Holdings Shareholders that are not companies, that are neither Irish resident nor ordinarily resident in Ireland and are resident for tax purposes in a member state of the European Union other than Ireland or a territory that has signed a double taxation agreement with Ireland (a “Relevant Territory”) under the laws of that Relevant Territory;
- (e) Mainstay Holdings Shareholders that are companies that are not Irish resident and:
 - (i) are resident for tax purposes in a Relevant Territory under the laws of that Relevant Territory, provided that company is not under the control, whether directly or indirectly, of a person or persons who is or are Irish resident;
 - (ii) are ultimately under the control, directly or indirectly, of a person or persons resident in a Relevant Territory under the laws of that Relevant Territory; or
 - (iii) the principal class of shares of which, or where the company is a 75 per cent. subsidiary of another company, of that other company, or where the company is wholly owned, directly or indirectly, by two or more companies, where the principal class of shares of each of those companies, is substantially and regularly traded on a recognised stock exchange in a Relevant Territory or Relevant Territories, or in Ireland or on such other stock exchange approved by the Minister for Finance for that purpose.

Mainstay Holdings Shareholders should note that DWT will be deducted in cases where a properly completed DWT exemption form has not been received before the next dividend is declared and paid on the Mainstay Holdings Shares. Where a non-Irish resident person suffers DWT on a distribution which would not have been deducted had a properly completed DWT declaration been received from that person, then that person should be entitled to receive a refund of the full amount of DWT deducted on application to the Irish Revenue Commissioners.

Taxation of Dividends

- (a) *Irish taxation of individual Mainstay Holdings Shareholders who are Irish resident and/or ordinarily resident in Ireland*

Mainstay Holdings Shareholders that are individuals and are Irish resident are subject to Irish income tax at their marginal rate of Irish income tax, the universal social charge and pay related social insurance, if applicable, on the gross amount of any dividend to which they are beneficially entitled.

The gross dividend amount is the amount of the distribution before deduction of DWT, if applicable. Such Mainstay Holdings Shareholders are entitled to a credit for any DWT deducted against their income tax liability in the relevant tax year, and any amount by which such DWT exceeds such income tax liability may be refunded to them, provided that they furnish a statement of DWT suffered to the Revenue Commissioners.

(b) Irish taxation of Mainstay Holdings Shareholders who are Irish resident companies

Companies that are Irish resident are generally exempt from Irish tax on dividends received from a company that is Irish resident, such as Mainstay Holdings. However, Irish resident Mainstay Holdings Shareholders that are close companies, as defined in Irish tax legislation, may be subject to a corporation tax surcharge on dividend income to the extent that it is not re-distributed by that company within the appropriate time frame.

(c) Irish taxation of Mainstay Holdings Shareholders who are not Irish resident and/or ordinarily resident in Ireland

Mainstay Holdings Shareholders that are not Irish resident or ordinarily resident in Ireland are liable to Irish income tax on dividends received, unless an exemption applies. A Mainstay Holdings Shareholder that is not Irish resident or ordinarily resident in Ireland is entitled to exemption from Irish income tax on dividends received if that Mainstay Holdings Shareholder is exempt from DWT on that dividend or would have been entitled to be so exempt if that Mainstay Holdings Shareholder had provided to Mainstay Holdings or a “qualifying intermediary” from whom the dividend is received by that Mainstay Holdings Shareholder, as the case may be, the documentation required by law in order for that exemption from DWT to apply, and that documentation had been current at the date of payment of the dividend.

If a Mainstay Holdings Shareholder is either an individual that is not Irish resident or ordinarily resident in Ireland or a body corporate that is not Irish resident and has, in any such case, suffered DWT or ought to have suffered DWT on dividends paid in respect of the Mainstay Holdings Shares, then such Mainstay Holdings Shareholder may be liable to income tax (plus universal social charge and pay related social insurance, if applicable) in Ireland on those dividends, with a credit given for the DWT withheld. Where the liability is less than the DWT withheld, the Mainstay Holdings Shareholder may be entitled to a refund of the excess over the actual liability to Irish tax.

2.4 Stamp Duty generally

Any instrument that gives effect to a transfer on sale or a voluntary disposition of Mainstay Holdings Shares will generally be liable to Irish stamp duty at a rate of 1 per cent. of the consideration passing or the market value of the Mainstay Holdings Shares transferring, if greater. Generally, the person accountable for such stamp duty is the transferee, except in the case of a voluntary disposition, in which case the transferor and the transferee are jointly accountable. Stamp duty is generally payable within 30 days of the date of execution of the relevant instrument of transfer.

2.5 Capital Acquisitions Tax generally

If Mainstay Holdings Shares are comprised in a gift or inheritance taken from a disponent that is Irish resident or ordinarily resident in Ireland for the purposes of capital acquisitions tax (or, in the case of certain settlements, an Irish domiciled disponent) or if the recipient is Irish resident or ordinarily resident in Ireland for the purposes of capital acquisitions tax, or if the Mainstay Holdings Shares are regarded as property situate in Ireland, the recipient (or, in certain cases, the disponent) may be liable for Irish capital acquisitions tax.

The Mainstay Holdings Shares, which are issued in registered form, will be regarded as property situate in Ireland because the principal register of the Mainstay Holdings Shares is maintained in Ireland. At the date of this document, the principal register of the Mainstay Holdings Shares must be maintained in Ireland. Mainstay Holdings Shareholders should consult their tax advisors with respect to the CAT implications of any proposed gift or inheritance of Mainstay Holdings Shares.

The rate of Irish capital acquisitions tax is currently 33 per cent.

3. French Taxation

The following is a summary of certain French tax consequences of the transfer of the Scheme Shares and the acquisition and ownership of the Mainstay Holdings Shares issued to a French Shareholder (as defined below) pursuant to the Scheme. This summary is based on the tax laws and regulations of France, in force at the date of this document and applied by the French tax authorities, and all of which are subject to change, possibly with retrospective effect, or to different interpretations.

It does not constitute tax or legal advice, and it does not purport to be, and is not, a complete description of all of the French tax considerations that may be relevant to the transfer of the Scheme Shares pursuant to the Scheme and the acquisition and ownership of the Mainstay Holdings Shares issued pursuant to the Scheme. For example, the following developments do not address the tax treatment applying to French individual shareholders holding the Scheme Shares through a French saving plan (*Plan d'épargne en actions*).

Separately, particular rules not referred to below may apply to certain classes of taxpayers holding shares, such as investors whose securities trading goes beyond a mere portfolio asset management or who have recorded their shares as assets in their professional balance sheet, investment funds, trustees or insurance companies.

For the purposes of the following summary, the term "French Shareholder" means a beneficial owner of the Scheme Shares or the Mainstay Holdings Shares that is (i) an individual who (a) is a resident for tax purposes in France, (b) is subject to personal income tax in France (*impôt sur le revenu*), (c) owns (other than through a fixed base located outside of France) the Scheme Shares or Mainstay Holdings Shares as part of his/her private portfolio and does not hold the Scheme Shares or Mainstay Holdings Shares through an enterprise that carries-out an industrial, commercial, farming or other professional activity and (d) does not carry-out stock market transactions under conditions akin to business transactions, and (ii) a legal entity that (a) is a French tax resident subject to corporate income tax in France (*impôt sur les sociétés*) and (b) does not own its interest in Mainstay plc or in Mainstay Holdings through a permanent establishment located outside of France.

3.1 French tax consequences of the transfer pursuant to the Scheme of the Scheme Shares and the issue of the Mainstay Holdings Shares

The transfer of the Scheme Shares and receipt of the Mainstay Holdings Shares pursuant to the Scheme should be treated, for French tax purposes, as a contribution in kind by each French Shareholder of its Scheme Shares in exchange for newly issued Mainstay Holdings Shares, and thus as a transfer of the Scheme Shares.

French Shareholders should therefore recognize a gain or loss on such transfer subject to the tax treatment described below.

Capital Gains Tax

Article 7(§1) of the France and Ireland double tax treaty signed on 21 March 1968 provides that "income arising from the alienation of shares in a company shall be taxable only in the Contracting State of which the alienator is a resident". As a result, any capital gain or loss realized by French Shareholders of the Scheme Shares under the Scheme should fall within the territorial scope of French capital gains taxation.

(a) *French Individuals*

(i) General principle

Pursuant to Articles 200 A, 158,6 bis and 150-0 A of the FTC, capital gains realized by French individuals on the transfer of securities are taxable at a global rate of 30% (consisting of French flat income tax (*impôt sur le revenu au prélèvement forfaitaire unique*, "**Flat Tax**") at a rate of 12.8% and additional social contributions at a global rate of 17.2%). French individuals may alternatively elect for the application of income tax at the progressive rates (with a maximum rate of 45%), in practice when more favourable, such election being global and thus applying to all investment income received by such individuals and the members of their fiscal household during the same calendar year. A 3% or 4% additional contribution may be added to the French income tax rate for high income earners (*Article 223 sexies of the FTC*).

Pursuant to Article 150-0 D, 11 of the FTC, any capital loss may be offset against capital gains of the same nature realized in the same calendar year or the ten following calendar years.

Any capital gains or losses realized upon the Scheme would be equal to the difference between (i) the market value of the Mainstay Holdings Shares received in exchange and (ii) the tax value that the Scheme Shares have at the level of the French Shareholders.

(ii) French deferral taxation regime

However, pursuant to Article 150-0 B of the FTC, capital gains or capital losses realized upon a contribution of shares to a company that is incorporated in France or in another EU member State and that is subject therein to corporate income tax under ordinary conditions, benefit from a deferral of taxation until the subsequent sale of the shares received in exchange. The application of this tax deferral regime is mandatory (*French administrative guidelines, BOI-RPPM-PVBMI-30-10-20-20191220 no. 1*).

Any capital gains or losses realized by French Shareholders who are individual shareholders upon the transfer of the Scheme Shares to Mainstay Holdings under the Scheme should therefore benefit from this tax deferral treatment.

(b) French legal entities (subject to French corporate income tax)

(i) General principle

Capital gains realized by shareholders which are French companies subject to French corporate income tax upon a disposal of shares are generally taxable under ordinary conditions, i.e. at a rate of 28% in 2020 for most corporate income taxpayers (to which may be added an additional contribution equal to 3.3% of the corporate income tax after a €763,000 discount generally resulting in an actual rate of 28.9%). Capital losses are in principle deductible under ordinary conditions.

Any capital gains or losses realized upon the Scheme would be equal to the difference between (i) the market value of the Mainstay Holdings Shares received in exchange and (ii) the tax value that the Scheme Shares have at the level of the French Shareholders.

An exemption from capital gains taxation may apply under the French participation exemption regime to capital gains realized upon the disposal of shares which (i) have been held for at least two years at the time of disposal and (ii) qualify as “participating stocks” (*titres de participation*) at the level of the transferor (*Article 219 (a) quinquies of the FTC*) (which is generally the case where the shares represent more than 5% of the share capital of the issuer). Paragraph 2 of Article 219 (a) *quinquies* of the FTC however provides for the inclusion in the taxable income of the transferor, which is subject to corporate income tax at the ordinary rate (i.e., currently a maximum rate of 32.02%), of a lump sum amount of charges of expenses equal to 12% of the amount of the capital gain (thus giving rise to a maximum effective tax rate of 3.84%).

(ii) French corporate income tax deferral regime

Capital gains realized by French companies subject to corporate income tax upon a contribution of shares representing more than 50% of the share capital of the issuing company may be assimilated to the contribution of a complete branch of activity (*branche complète d'activité*) and benefit from a capital gains tax deferral treatment until the subsequent disposal of the newly issued shares received in exchange pursuant to the French favourable merger tax regime provided for by the provisions of Articles 210 A and 210 B of the FTC. Such regime applies in particular where the contribution of shares is realized to the benefit of a non-French company that is situated in a State, such as Ireland, that has concluded a tax treaty with France including an administrative assistance provision to fight against tax fraud and avoidance (*French administrative guidelines, BOI-IS-FUS-10-20-20-20190410 no. 90 et seq.*).

The benefit of the French favourable merger tax regime is subject to the condition that the parties to the transaction expressly elect for its application in the contribution agreement materializing the transfer. Although there is no certainty about the validity of an election for the application for such regime made in a document distinct from a contribution agreement, election for the application of the French favourable merger tax regime is made by relevant French Shareholders (in the event that the Scheme becomes effective) pursuant to paragraph 7 of Part III (The Scheme of Arrangement) of this document.

As a result, it is expected that French companies transferring the Scheme Shares in exchange for newly issued Mainstay Holdings Shares should be eligible to the benefit from this tax deferral treatment. Any capital gains or losses realized upon the subsequent disposal of the Mainstay Holdings shares should be computed by reference to the tax value that the Scheme Shares had in the books of such French companies.

The French companies transferring the Scheme Shares will thus be subject to the filing formalities referred to under Article 54 septies of the FTC. In addition, pursuant to Article 210-0 A of the FTC, these French companies will be required to file the specific tax form no. 2260-SD (CERFA no. 15884) within the same time limit as the filing of their tax return relating to the fiscal year during which the Scheme will have been carried out.

Absent application of the French favourable merger tax regime, the French Shareholders would realize a gain or loss which would be subject to the tax treatment described above in the section referred to as “French legal entities (subject to French corporate income tax) – General principle”.

Transfer Tax

Disposals of the Mainstay Holdings Shares will not be subject to registration taxes in France, provided that they are not implemented by means of an agreement executed in France. See paragraph 2.4 for a description of the application of Irish stamp duty to a transfer of Mainstay Holdings Shares.

3.2 Payment of Dividends generally

(a) French Individuals

(i) Instalment on account of individual income tax at a rate of 12.8%

As from January 1, 2018, pursuant to Article 117 quater of the FTC, subject to the exceptions referred to below, natural persons who are resident for tax purposes in France are subject to a 12.8% non-final withholding tax on the gross amount of distributed income (*revenu distribué*). This withholding tax is made by the paying agent of the income, if it is located in France. When the paying agent of the income is established outside of France, the income is declared and the corresponding payment made within the first 15 days of the month following the month of the income payment, either by the taxpayer or by the paying agent, when that entity is established in a Member State of the European Union or in another Member State of the European Economic Area that has concluded a tax treaty with France which includes an administrative assistance provision to tackle tax evasion and avoidance, and has received instructions to that effect from the taxpayer.

However, natural persons belonging to a tax household whose reference taxable income (*revenu fiscal de référence*) for the penultimate year, as defined in Article 1417-IV-1° of the FTC, is less than €50,000 for taxpayers who are single, divorced or widowed, or €75,000 for couples filing jointly, may however request to be exempt from this withholding under the terms and conditions of Article 242 quater of the FTC by providing to the paying agent no later than 30 November of the year preceding the year of the payment of the distributed income a sworn statement that the reference fiscal income shown on the taxation notice issued in respect of the penultimate year preceding the year of payment was below the above-mentioned taxable income thresholds.

When the paying agent is established outside of France, only natural persons belonging to a tax household whose reference fiscal income of the penultimate year, as defined in Article 1417-IV-1° of the FTC, is equal to or higher than the thresholds mentioned in the previous paragraph are subject to this tax.

(ii) Income tax

The final taxation of dividends is calculated on the basis of the information mentioned in the individual income tax return subscribed by the taxpayer in respect of the year in which the income was obtained.

Pursuant to paragraph 1 of Article 200 of the FTC, as of 1 January 2018, dividends are in principle subject to the Flat Tax at a rate of 12.8%.

Pursuant to paragraph 2 of Article 200 A of the FTC, and by way of derogation from the application of the Flat Tax, taxpayers may, upon express, global and irrevocable option, be subject to income tax at the progressive rates instead of the Flat Tax. Under Article 158 of the FTC, dividends must be included in the stockholder's tax return as portfolio income (*revenu de capitaux mobiliers*) in respect of the year during which they are received. The option is exercised each year when filing the tax return and, at the latest, before the filing deadline. The dividends then benefit from an unlimited tax deduction of 40% on the amount of distributed income (the "40% Allowance").

Pursuant to Article 193 of the FTC, the 12.8% non-final withholding tax levied at the time of the dividend payment may be credited against the income tax (Flat Tax or income tax at the progressive rates) due in respect of the year in which it was paid. Where it exceeds the income tax due, the surplus is refunded.

Finally, a 3% or 4% additional contribution may be added to the French income tax rate for high income earners (Article 223 sexies of the FTC).

(iii) Social contributions

In addition, whether the 12.8% non-final withholding tax is applicable or not, the gross amount of distributed income (before application of the 40% Allowance when election for the progressive income tax is made) is subject to social contributions at a global rate of 17.2%, broken down as follows:

- general social contribution (contribution sociale généralisée, "CSG") at the rate of 9.2%;
- social debt repayment contribution (contribution pour remboursement de la dette sociale) at the rate of 0.5%; and
- solidarity levy (prélèvement de solidarité) at the rate of 7.5%.

These social contributions are not tax deductible from the income subject to the Flat Tax. With respect to income subject to the progressive income tax upon specific election, the CSG is deductible up to 6.8% from the taxable income of the year of its payment.

Shareholders should consult their own tax advisors to determine reporting obligations and payment rules that may apply to them in respect of the 12.8% non-final withholding tax and the social withholdings.

(b) French legal entities (subject to French corporate income tax)

(i) Legal entities without the status of a parent company (société mère) in France

Legal entities, other than those having parent company (société mère) status within the meaning of Article 145 of the FTC, should include the dividends and distributed income received in their taxable income subject to the ordinary corporate income tax rate, i.e. at a rate of 28% in 2020 for most corporate income taxpayers (to which may be added an additional contribution equal to 3.3% of the corporate income tax after a €763,000 discount) generally resulting in an actual rate of 28.9%.

However, pursuant to Article 219 I-b of the FTC, for legal entities with annual revenue of less than €7,630,000 (excluding taxes), and which share capital is entirely paid-up and at least 75% continuously held throughout the relevant fiscal year by natural persons or by a company satisfying all these conditions, the corporate income tax rate is set at 15% for the first €38,120 of taxable income for each twelve-month period. In addition, these legal entities are exempt from the aforementioned 3.3% social contribution.

(ii) Legal entities qualifying as a parent company (société mère) in France

Legal entities holding at least 5% of the Mainstay Holdings Shares and which meet the conditions provided for by Articles 145 and 216 of the FTC, may benefit, upon election, from a dividend and distributed income exemption under the parent subsidiary regime. Paragraph I of Article 216 of the FTC provides, however, for the inclusion, in the taxable income subject to corporate income tax at the ordinary rate, of a lump sum amount of charges and expenses equal to 5% of the total proceeds from the shares, tax credits included.

**PART V
ADDITIONAL INFORMATION**

1. Directors' interests

1.1 As at the Latest Practicable Date, the interests (all of which are beneficial unless otherwise stated) of the Mainstay plc Directors (except for Antoine Papiernik, whose interests are disclosed at sub-paragraph 1.2 below), as well as their spouses and minor children, in the share capital of Mainstay plc, are as follows:

<u>Mainstay plc Director</u>	<u>As at the Latest Practicable Date</u>	
	<u>Number of Mainstay plc Shares</u>	<u>Percentage of issued Mainstay plc Shares</u>
Oern Stuge MD	—	—
Jason Hannon	30,000	0.22%
Dan Sachs MD	515,000	3.84%
David Brabazon	212,828	1.59%
James Reinstein.	—	—
Greg Garfield	2,912	0.02%

1.2 Antoine Papiernik holds no interest in the issued share capital of Mainstay plc other than the interests that he is deemed to hold in Mainstay plc by virtue of the interests that he holds in Sofinnova Capital VI FCPR. As at the Latest Practicable Date Sofinnova Capital VI FCPR is interested in 2,949,146 Mainstay plc Shares representing 22% of issued Mainstay plc Shares

1.3 The interests of the Mainstay plc Directors together represent approximately 27.67% of the issued Mainstay plc Shares as at the Latest Practicable Date.

1.4 Immediately on the Scheme becoming effective, the interests (all of which are beneficial unless otherwise stated) of the Mainstay plc Directors (except for Antoine Papiernik, whose interests are disclosed at sub-paragraph 1.5 below), as well as their spouses and minor children, in the share capital of Mainstay Holdings, will be as follows:

<u>Mainstay plc Director</u>	<u>Immediately on the Scheme becoming effective</u>	
	<u>Number of Mainstay Holdings Shares</u>	<u>Percentage of issued Mainstay Holdings Shares</u>
Oern Stuge MD.	-	-
Jason Hannon	30,000	0.22%
Dan Sachs MD	515,000	3.84%
David Brabazon	212,828	1.59%
James Reinstein	—	—
Greg Garfield	2,912	0.02%

1.5 Antoine Papiernik will hold no interest in the issued share capital of Mainstay Holdings other than the interests that he will be deemed to hold in Mainstay Holdings by virtue of the interests that he holds in Sofinnova Capital VI FCPR. Immediately on the Scheme becoming effective Sofinnova Capital VI FCPR will be interested in 2,949,146 Mainstay Holdings Shares representing 22% of issued Mainstay Holdings Shares.

1.6 The interests of the Mainstay plc Directors together will represent approximately 27.67% of the issued Mainstay Holdings Shares immediately following the Scheme becoming effective.

- 1.7 As at the Latest Practicable Date, the Mainstay plc Directors held the following options to subscribe for Mainstay plc Shares and or RSUs under the Employee Incentive Plan:

<u>Option Holder</u>	<u>Deemed date of grant</u>	<u>No. of Mainstay plc Shares under option</u>	<u>Exercise price per ordinary share (\$/€)</u>	<u>Expiry date</u>
Oern Stuge	23 January 2013	55,014	\$1.00	10 years from vesting
Oern Stuge	13 December 2016	17,000	€15.50	10 years from vesting
Jason Hannon	13 August 2019	464,000	€3.76	10 years from vesting
Jason Hannon	23 March 2018	118,628	€16.90	10 years from vesting
Jason Hannon	6 September 2017	401,862	€14.85	10 years from vesting
David Brabazon	5 December 2013	18,427	\$1.00	10 years from vesting
David Brabazon	13 December 2016	5,700	€15.50	10 years from vesting
James Reinstein	2 September 2015	20,000	€16.87	10 years from vesting
James Reinstein	13 December 2016	6,200	€15.50	10 years from vesting

<u>RSU Holder</u>	<u>Deemed date of grant</u>	<u>No. of RSUs</u>	<u>Settlement Date</u>
Jason Hannon	1 February 2019	120,000	1 January 2021

- 1.8 On the Scheme becoming effective, these interests will be exchanged for options to subscribe for Mainstay Holdings Shares in Mainstay Holdings and equivalent RSUs in respect of Mainstay Holdings, on the basis described in paragraph 5.4 of Part I of this document, as follows:

Based on options held over shares in Mainstay plc as at the Latest Practicable Date

<u>Option Holder</u>	<u>Deemed date of grant</u>	<u>No. of Mainstay Holdings Shares under option</u>	<u>Exercise price per ordinary share (\$/€)</u>	<u>Expiry date</u>
Oern Stuge	23 January 2013	55,014	\$1.00	10 years from vesting
Oern Stuge	13 December 2016	17,000	€15.50	10 years from vesting
Jason Hannon	13 August 2019	464,000	€3.76	10 years from vesting
Jason Hannon	23 March 2018	118,628	€16.90	10 years from vesting
Jason Hannon	6 September 2017	401,862	€14.85	10 years from vesting
David Brabazon	5 December 2013	18,427	\$1.00	10 years from vesting
David Brabazon	13 December 2016	5,700	€15.50	10 years from vesting
James Reinstein	2 September 2015	20,000	€16.87	10 years from vesting
James Reinstein	13 December 2016	6,200	€15.50	10 years from vesting

<u>RSU Holder</u>	<u>Deemed date of grant</u>	<u>No. of RSUs</u>	<u>Settlement Date</u>
Jason Hannon	1 February 2019	120,000	1 January 2021

- 1.9 As at the Latest Practicable Date, no Mainstay plc Director, or any of their respective spouses or minor children, held any interests in the share capital of Mainstay Holdings or, save as disclosed immediately above, Mainstay plc or any member of the Mainstay Group.
- 1.10 Assuming there is no change in the interests of the Mainstay plc Directors in Mainstay plc Shares between the Latest Practicable Date and the Scheme Record Time, immediately following the Scheme Effective Time, the Mainstay plc Directors will hold the same percentage of the total issued ordinary share capital of Mainstay Holdings, as is set out in paragraph 1.3 above.
- 1.11 No Mainstay plc Director has or has had any interest in any transaction which is or was unusual in its nature or conditions, or which is or was significant to the business of the Mainstay Group and which was effected by the Mainstay Group during the current or immediately preceding financial year or during any further financial year and which remains in any respect outstanding or unperformed.
- 1.12 There are no outstanding loans granted by any member of the Mainstay Group to any of the Mainstay plc Directors, nor has any guarantee been provided by any member of the Mainstay Group for their benefit, save that each of the Mainstay plc Directors has the benefit of an indemnity from Mainstay plc pursuant to which it agrees to indemnify them against liabilities that they may incur as a result of their lawful actions in connection with the discharge of their duties as officers of Mainstay plc. The Mainstay plc Directors also have the benefit of indemnity insurance in accordance with the provisions of the Mainstay plc Articles. Mainstay Holdings

Directors will have the benefit of an indemnity from Mainstay Holdings under a deed of indemnity and the Mainstay Holdings Articles, as well as indemnity insurance, on the same basis.

2. Interests of major shareholders

2.1 As at the Latest Practicable Date, Mainstay plc had been notified of or was otherwise aware of the following Shareholders who were directly or indirectly interested in 3 per cent. or more of the issued Mainstay plc Shares:

<u>Name</u>	<u>As at the Latest Practicable Date</u>	
	<u>Number of issued Mainstay plc Shares</u>	<u>Percentage of issued ordinary share capital</u>
Sofinnova Capital VI FCPR	2,949,146	22.0%
KCK Limited	2,236,418	16.7%
Fountain Healthcare Partners Fund 3, L.P.	1,333,333	9.9%
Fountain Healthcare Partners Fund 1, L.P. ⁽¹⁾	935,220	7%
ISIF	714,285	5.3%
Dan Sachs, MD	515,000	3.8%
Seamus Mulligan ⁽²⁾	772,039	5.8%
RICA Universal, S.A.	1,064,935	7.9%

Notes:

(1) Fountain Healthcare Partners Fund 1, L.P. also holds 40,000 Mainstay plc Deferred Shares.

(2) Includes Mainstay plc Shares held by Barrymore Investments Limited and Nerano Capital Limited (both companies controlled by Seamus Mulligan).

- 2.2 Save as disclosed at paragraph 2.1, Mainstay plc is not aware of any other person who as at the Latest Practicable Date, directly or indirectly, has a holding which equals or exceeds 3 per cent. or more of the total voting rights attaching to its issued ordinary share capital.
- 2.3 Assuming there is no change in the shareholding of Mainstay plc's major shareholders referred to above between the Latest Practicable Date and the Scheme Record Time, immediately following the Scheme Effective Time, the persons set out at paragraph 2.1 above, who notified Mainstay plc that they hold more than 3 per cent. of the total issued share capital of Mainstay plc as at the Latest Practicable Date, will hold approximately the same percentage of the total issued ordinary share capital of Mainstay Holdings, as is set out in paragraph 2.1 above.
- 2.4 As of the date of this document, it is not expected that any other persons or groups will hold more than 3 per cent. of the total share capital of Mainstay Holdings immediately following the Scheme Effective Time as a result of the Scheme.
- 2.5 It is expected that, shortly after the Scheme becomes effective, Mainstay plc will re-register as a private limited company, at which point the 40,000 issued Mainstay plc Deferred Shares are expected to be acquired by Mainstay plc for nil consideration and cancelled in accordance with their terms of issue.
- 2.6 In order to enable it to meet applicable requirements under the Companies Act as to its minimum allotted share capital by virtue of it being an Irish incorporated public limited company, Mainstay Holdings has issued one ordinary share of €1.00 to MFSD Holdings Limited (a company owned and controlled by the Group's Irish legal advisers) and 24,999 deferred shares of €1.00 each to a member of the Mainstay Group. Subject to and conditional on the Scheme becoming effective, the one ordinary share of €1.00 will be converted into one deferred share of €1.00. The deferred shares in Mainstay Holdings will have the same rights as the Mainstay plc Deferred Shares (i.e. no voting or distribution rights and extremely limited rights on a return of capital).

3. Basis for calculation of percentage shareholdings in Mainstay plc and Mainstay Holdings

In this document, the calculations in respect of percentage shareholdings in Mainstay plc and Mainstay Holdings have been calculated on the basis of the issued ordinary share capital of Mainstay plc as at the Latest Practicable Date, which is 13,424,004 Mainstay plc Shares.

4. Documents available for inspection

Copies of the following documents are available in electronic form on Mainstay plc's website:

- (a) the Mainstay plc Memorandum and Articles;
- (b) the Mainstay Holdings Memorandum and Articles;
- (c) a document showing the differences between the Mainstay plc Memorandum and Articles and the Mainstay Holdings Memorandum and Articles;
- (d) the Forms of Proxy;
- (e) voting undertaking from IPF as described at paragraph 5.5 of Part I of this document; and
- (f) this document.

**PART VI
DEFINITIONS**

“€” or “EUR” or “Euro”	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community as amended;
“2014 IPO”	Mainstay plc’s initial public offering of Mainstay plc Shares in April and May 2014;
“AMF”	The Autorité des marchés financiers (being the French Financial Markets Authority);
“Attendance Card”	either the Attendance Card attached to the green Form of Proxy or to the purple Form of Proxy to facilitate entry to the Scheme Meeting or the Extraordinary General Meeting respectively;
“Award”	an award of a Share Option or an RSU granted under the Employee Incentive Plan;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in Dublin;
“CSG”	general social contribution (contribution sociale généralisée)
“certificated” or “in certificated form”	a share which is not in uncertificated form;
“Companies Act”	the Companies Act 2014 of Ireland, as amended;
“Computershare” or “Registrars”	Computershare Investor Services (Ireland) Limited;
“Conditions”	the conditions of the Scheme set out in paragraph 5 of Part III of this document;
“Court”	the High Court of Ireland;
“Court Hearing”	the hearing by the Court to sanction the Scheme;
“Court Order”	the order or orders of the Court sanctioning the Scheme under section 453 of the Companies Act;
“CREST”	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“CREST Manual”	the CREST Reference Manual;
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST personal member”	a CREST member admitted to CREST as a personal member;
“CREST Proxy Instruction”	the appropriate CREST message required for a proxy appointment;
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996) of Ireland (as amended);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Delisting”	the proposed delisting by Mainstay plc of the Mainstay plc Shares listed on Euronext Growth and Euronext Paris;

“EEA”	the European Economic Area, which consists of the member states of the European Union, Iceland, Liechtenstein and Norway;
“Employee Incentive Plan”	the Mainstay Group Employee Incentive Plan, as amended;
“EU”	the European Union;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“Euronext Growth”	the Euronext Growth Market, an authorised multilateral trading facility under the European Communities (Markets in Financial Instruments) Regulations 2017, operated by Euronext Dublin and previously known as the Enterprise Securities Market or ESM;
“Euronext Growth Rules”	the Euronext Growth Markets Rule Book issued by Euronext;
“Euronext Paris”	the regulated market operated by Euronext Paris SA;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of Shareholders to be held at McCann FitzGerald, Riverside One, Sir John Rogerson’s Quay, Dublin 2 on 8 May at 10.15 a.m. (or as soon thereafter as the Scheme Meeting, convened for the same date and place, has concluded or been adjourned), or such adjournment thereof;
“FDA”	the U.S. Food and Drug Administration;
“Flat Tax”	French flat income tax (impôt sur le revenu au prélèvement forfaitaire unique);
“Forms of Proxy”	either or both of the green and purple forms of proxy for use at the Scheme Meeting and the Extraordinary General Meeting respectively, sent to Shareholders together with this document;
“FTC”	the French tax code (Code général des impôts);
“IPF”	IPF Fund I SCA SICAV-FIS;
“IPF Amended and Restated Facility Agreement”	the IPF Facility Agreement, as amended by the IPF Amendment and Restatement Agreement, as described in paragraph 5.5 of Part I of this document;
“IPF Amendment and Restatement Agreement”	the amendment and restatement agreement to the IPF Facility Agreement as described in paragraph 5.5 of Part I of this document
“IPF Board Observer”	the observer that IPF shall be entitled to appoint to attend meetings of the Mainstay Holdings Board as described in paragraph 5.5 of Part I of this document;
“IPF Facility Agreement”	a facility agreement dated 24 August 2015 between Mainstay Medical Limited, Mainstay plc and IPF as amended by an amendment and restatement agreement entered into by the same parties on 18 April 2019;
“Ireland” or “the State”	Ireland excluding Northern Ireland, and the word “Irish” shall be construed accordingly;
“Irish Takeover Panel Act”	The Irish Takeover Panel Act 1997;
“Irish Takeover Rules”	The Irish Takeover Panel Act 1997, Takeover Rules 2013;
“KCK”	KCK Limited, a private company limited by shares incorporated in British Virgin Islands (registered no. 1644955), whose registered office is at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands;
“Latest Practicable Date”	the latest practicable date prior to the publication of this document, being 8 April 2020, unless otherwise stated herein;

“Listing(s)”	the listing of the Mainstay plc Shares on Euronext Growth and Euronext Paris;
“Mainstay Group”	Mainstay plc (or, after the Scheme becomes effective, Mainstay Holdings) and its subsidiaries and subsidiary undertakings;
“Mainstay Holdings”	Mainstay Medical Holdings plc a company incorporated and registered in Ireland with registered number 667520 whose registered office is at Riverside One, Sir John Rogerson’s Quay, Dublin 2, Ireland;
“Mainstay Holdings Articles”	the articles of association of Mainstay Holdings that will become effective at the Scheme Effective Time;
“Mainstay Holdings Board”	the board of directors of Mainstay Holdings from time to time;
“Mainstay Holdings Directors” ..	the directors of Mainstay Holdings;
“Mainstay Holdings Employee Incentive Plan”	means the employee incentive plan, or plans, to be adopted by Mainstay Holdings with effect from the Scheme Effective Date;
“Mainstay Holdings Memorandum and Articles”	the memorandum and articles of association of Mainstay Holdings that will become effective on the Scheme Effective Date;
“Mainstay Holdings Shareholders”	the holders of Mainstay Holdings Shares from time to time;
“Mainstay Holdings Shares”	the ordinary shares with a nominal value of €0.01 each in the capital of Mainstay Holdings;
“Mainstay Holdings Warrants” ..	the warrants to be issued by Mainstay Holdings under the replacement warrant instruments to be adopted by Mainstay Holdings as described in paragraph 5.5 of Part I of this document;
“Mainstay plc” or the “Company”	Mainstay Medical International plc, a company incorporated and registered in Ireland with registered number 539688 whose registered office is 77 Sir John Rogerson’s Quay, Block C, Grand Canal Dock, Dublin 2, D02 T804 Dublin 2, Ireland;
“Mainstay plc Articles”	the articles of association of Mainstay plc in effect as at the date of this document;
“Mainstay plc Board” or “Board”	the board of directors of Mainstay plc from time to time;
“Mainstay plc Deferred Shares”	fully paid up deferred shares of nominal value €1.00 in the capital of Mainstay plc;
“Mainstay plc Directors” or “Directors”	the directors of Mainstay plc;
“Mainstay plc Memorandum”	the memorandum of association of Mainstay plc in effect as at the date of this document;
“Mainstay plc Memorandum and Articles”	the Mainstay plc Articles and the Mainstay plc Memorandum;
“Mainstay plc Shareholder” or “Shareholder”	a holder of Mainstay plc Shares from time to time;
“Mainstay plc Shares” or “Shares”	the ordinary shares with a nominal value of €0.001 each in the capital of Mainstay plc;
“Market Abuse Regulation” or “MAR”	the EU Market Abuse Regulation (596/2014);
“Meetings”	the Scheme Meeting and the Extraordinary General Meeting, and “Meeting” means either of them as the context requires;

“Overseas Shareholder”	a Scheme Shareholder that has a registered address or that is resident in a jurisdiction other than Ireland or France;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Qualified Financing”	one or more issuances of shares by Mainstay Holdings at an average price of €6.00 per Mainstay Holdings Share for a total aggregate amount of €20 million as described in paragraph 5.5 of Part I of this document;
“Reorganisation”	collectively, the Scheme and the Delisting;
“Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017;
“Pre-Market Approval” or “PMA”	the action of the FDA which grants permission to sell a Class III medical device in the United States;
“Registrar of Companies”	has the meaning given by the Companies Act;
“Restricted Jurisdiction”	in the context of the Scheme, jurisdictions outside Ireland and France in respect of which the Mainstay plc Board considers that the distribution of the Scheme Circular or other Scheme documentation into such jurisdictions may infringe the laws of such jurisdiction or that to seek legal advice in relation thereto would be unduly onerous having regard (without limitation) to the cost and inconvenience of obtaining such advice and complying with any requirements that might be contained in such advice, or that the distribution of the Scheme Circular or Scheme documentation into any such jurisdiction might require the Mainstay Group to observe any governmental or other consent or effect any registration, filing or other formality with which, in the opinion of the Mainstay plc Board, it would be unable to comply or which it regards as unduly onerous having regard (without limitation) to the cost and inconvenience of observing such consent or effecting such registration, filing or other formality;
“Revenue Commissioners”	the office of the Revenue Commissioners of Ireland;
“RSU”	a right to receive Mainstay plc Shares granted under the Employee Incentive Plan;
“Scheme”	the scheme of arrangement proposed to be made under Part 1 of Chapter 9 of the Companies Act between Mainstay plc and the holders of the Scheme Shares, as set out in Part III of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Mainstay plc and Mainstay Holdings;
“Scheme Circular” or “this document”	this document, which is to be sent to Shareholders setting out, amongst other things, the Scheme and notices of the Scheme Meeting and the Extraordinary General Meeting;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with Clause 5 of the Scheme;
“Scheme Effective Time”	the time on the Scheme Effective Date at which the Court Order is registered by the Registrar of Companies;
“Scheme Meeting”	the meeting of the Scheme Shareholders convened by the Mainstay plc Board under section 450 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme with or without any modification (including any adjournment thereof);

“Scheme Record Time”	6:00 p.m. on the Business Day prior to the Scheme Effective Date;
“Scheme Resolution”	the resolution to be proposed at the Extraordinary General Meeting;
“Scheme Shares”	(i) the Mainstay plc Shares in issue at the date of the Scheme Circular; and (ii) any Mainstay plc Shares issued after the date of the Scheme Circular and before the Scheme Record Time;
“Scheme Shareholder”	a registered holder of Scheme Shares;
“Scheme Voting Record Time” . . .	6:00 p.m. on the day which is two days before the date of the Scheme Meeting or, if the Scheme Meeting is adjourned, 6:00 p.m. on the day which is two days before the date of such adjourned Scheme Meeting;
“Share Option”	an option over the Mainstay plc Shares;
“Shareholder Rights Directive” . .	Directive 2007/36/EC as amended by Directive 2017/828;
“Transparency Regulations”	the Transparency (Directive 2004/109/EC) Regulations 2007 (SI No. 277 of 2007) , as amended;
“uncertificated” or “in uncertificated form”	a share which is for the time being recorded on the register of members of the relevant company as being held in uncertificated form;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland; and
“United States” or “U.S.”	the United States of America, its territories and possessions, any state in the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America; and
“U.S. Pivotal ReActiv8-B Clinical Trial”	an international, multi-centre, prospective randomised sham controlled triple blinded trial with one-way crossover trial of ReActiv8 for the purpose of gathering data to form part of the submission for FDA for PMA application.

All references to time in this document are to Dublin time.

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

Any reference to **“subsidiary”** or **“holding company”** has the meaning given by sections 7 and 8 of the Companies Act.

Any references to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Any reference to any legislation is to Irish legislation unless specified otherwise.

**PART VII
NOTICE OF SCHEME MEETING**

OF

MAINSTAY MEDICAL INTERNATIONAL PUBLIC LIMITED COMPANY

**CONVENED BY THE BOARD OF DIRECTORS OF MAINSTAY
MEDICAL INTERNATIONAL PUBLIC LIMITED COMPANY UNDER
SECTION 450(1) OF THE COMPANIES ACT 2014**

NOTICE IS HEREBY GIVEN that the directors of Mainstay Medical International Public Limited Company (the “**Company**”) have convened a meeting of the holders of Scheme Shares (as defined in the proposed Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Chapter 1 of Part 9 of the Companies Act proposed to be made between the Company and the holders of Scheme Shares (the “**Scheme of Arrangement**”) and that such meeting will be held at McCann FitzGerald, Riverside One, Sir John Rogerson’s Quay, Dublin 2 on 8 May 2020 at 10.00 a.m. at which place and time all holders of the said shares are invited to attend; such approval being sought in the terms of the following resolution:

“That the Scheme in its original form or with or subject to any modification(s), addition(s) or condition(s) approved or imposed by the High Court be agreed to.”

A copy of the said Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to Section 452 of the Companies Act are incorporated in the document of which this Notice forms part.

The directors of the Company have appointed Oern Stuge (the chairman of the Company), or failing him, David Brabazon (a director of the Company) or failing him, Jason Hannon (also a director of the Company), to act as Chairman of the meeting and have directed the Chairman to report the result thereof to the High Court.

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

BY ORDER OF THE BOARD

Matt Onaitis
Company Secretary

77 Sir John Rogerson’s Quay, Block C,
Grand Canal Docklands,
Dublin 2,
D02 T804

Dated: 14 April 2020

NOTES:

Entitlement to attend and vote

(1) Pursuant to Section 1095 of the Companies Act 2014, only those shareholders in the Company (“Shareholders”) registered on the Company’s register of members: (i) at 6:00 p.m. on the day two days prior to the Scheme Meeting; or (ii) if the Scheme Meeting is adjourned, at 6:00 p.m. on the day two days prior to the adjourned Scheme Meeting, shall be entitled to attend and vote at the Scheme Meeting or, if relevant, any adjournment thereof. Changes to entries on the Company’s register of members after those times will be disregarded in determining the rights of any person to attend and vote at the Scheme Meeting.

Attending in person

(2) The Scheme Meeting will be held at McCann FitzGerald, Riverside One, Sir John Rogerson’s Quay, Dublin 2. If you wish to attend the Scheme Meeting in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the Scheme Meeting to allow time for registration. Please bring the attendance card attached to your green Form of Proxy and present it at the shareholder registration desk before the commencement of the Scheme Meeting.

(3) In light of the Coronavirus (COVID-19) pandemic, to the extent that the emergency measures introduced by the Irish Government on 27 March 2020 which require people to stay at home and restrict public gatherings (or similar) remain in force on 8 May 2020, or to the extent similar measures are in force as of such date, we ask Shareholders to refrain from

physically attending at the venue for the Scheme Meeting. In fact, such measures may actually prohibit Shareholders from physically attending at the venue for the Scheme Meeting. We therefore strongly encourage you to submit your green Form of Proxy no later than 48 hours before the Scheme Meeting or, in the case of an adjourned Scheme Meeting, no later than 48 hours prior to the time and date set for the adjourned Scheme Meeting and to appoint the Chairman of the Meetings as your proxy.

Appointment of proxies

- (4) A Shareholder who is entitled to attend and vote at the Scheme Meeting is entitled to appoint a proxy or more than one proxy as alternates to attend, speak and vote at the Scheme Meeting instead of the Shareholder. A proxy need not be a Shareholder.
- (5) A green Form of Proxy for use by Shareholders is enclosed with this Notice of Scheme Meeting (or is otherwise being delivered to Shareholders). Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a Shareholder from attending the Scheme Meeting and voting in person should the Shareholder wish to do so.
- (6) To be valid, a green Form of Proxy and any power of attorney or other authority under which it is signed (or a notorally certified copy of any such power of attorney or other authority) must be lodged with the Company's Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland, not later than 48 hours before the Scheme Meeting or adjourned Scheme Meeting or (in the case of a poll taken otherwise than at or on the same day as the Scheme Meeting or adjourned Scheme Meeting) at least 48 hours before the taking of the poll at which it is to be used.
- (7) In the case of a corporation, the form of proxy must be executed under seal or signed on its behalf by an officer or attorney, duly authorised.
- (8) To appoint (or remove) a proxy electronically, log on to the website of the Registrars, Computershare Investor Services (Ireland) Limited at www.eproxyappointment.com. To log in, you will require your unique PIN (which will expire at the end of the voting period), and your Shareholder Reference Number (SRN) and the Control Number, all of which are printed on the face of the accompanying green Form of Proxy.
- (9) CREST members may appoint proxies through the CREST electronic proxy appointment service in accordance with the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members and those CREST Members who have appointed a voting 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 by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company's Registrars, Computershare Investor Services (Ireland) Limited, as issuer's agent (CREST participant ID 3RA50) by the latest times(s) for receipt of proxy appointments specified in this Notice of Scheme Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (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 messages. 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(s), 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 service 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 Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

Issued shares and total voting rights

- (13) The total number of issued ordinary shares in the Company on the date of this notice of Scheme Meeting is 13,424,004. At the Scheme Meeting, voting will be by poll and not by a show of hands. On a poll every Shareholder shall have one vote for every share carrying rights of which he, she or it is the holder at the appropriate record time. On a poll a Shareholder, whether present in person or by proxy, entitled to more than one vote need not, if the Shareholder votes, use all his, her or its votes or cast all the votes the Shareholder uses in the same way.
- (14) To be passed, the resolution to approve the Scheme requires the approval of a majority in number of holders of Scheme Shares, representing at least 75 per cent. in value of the Scheme Shares held by such holders at the Scheme voting record time, present and voting either in person or by proxy.

**PART VIII
NOTICE OF EXTRAORDINARY GENERAL MEETING
OF**

MAINSTAY MEDICAL INTERNATIONAL PUBLIC LIMITED COMPANY

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** (the “**EGM**”) of Mainstay Medical International plc (the “**Company**”) will be held at McCann FitzGerald, Riverside One, Sir John Rogerson’s Quay, Dublin 2 on 8 May 2020 at 10.15 a.m. (or as soon thereafter as the Scheme Meeting (as defined in the document of which this Notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

1. THE SCHEME RESOLUTION

THAT, for the purpose of giving effect to the Scheme of Arrangement dated 14 April 2020 between the Company and the holders of the Scheme Shares (as defined therein), a copy of which has been produced to the EGM and for the purpose of identification signed by the Chairman, in its original form or with or subject to any modification, addition or conditions approved or imposed by the High Court of Ireland (the “**Scheme**”):

- (a) the directors of the Company (the “**Directors**”) be authorised to take all such action as they consider necessary or appropriate for carrying the Scheme and the Delisting (as defined in the document of which this Notice forms part) into effect; and
- (b) subject to the Scheme becoming effective, the Articles of Association of the Company be amended by adding the following new Article 149:

“149. Schemes of Arrangement

- (a) In these Articles, the “**Scheme**” means the scheme of arrangement dated 14 April 2020 between the Company and the holders of Scheme Shares pursuant to Chapter 1 of Part 9 of the Companies Act in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court, and expressions defined in the Scheme or (if not so defined) in the document containing the explanatory statement circulated with the Scheme under Section 452 of the Companies Act shall have the same meanings in this Article.
- (b) Notwithstanding any other provision of these Articles, if the Company allots and issues any shares on or after the date of adoption of this Article and before the Scheme Record Time, such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of those shares shall be bound by the Scheme accordingly.
- (c) If any new shares are allotted or issued by the Company to any person (a “**new member**”) (other than under the Scheme or to Mainstay Holdings or anyone acting as nominee or otherwise on behalf of Mainstay Holdings) at or after the Scheme Record Time, Mainstay Holdings may, provided the Scheme has become effective, have such shares transferred to it and/or its nominee(s) in consideration of and conditional on the issue or transfer to the new member of one Mainstay Holdings Share for each Ordinary Share transferred. The Mainstay Holdings Shares issued or transferred pursuant to this Article 149(c) to the new member will be credited as fully paid and will rank equally in all respects with all Mainstay Holdings Shares in issue at the time and be subject to the memorandum and articles of association of Mainstay Holdings.
- (d) The number of Mainstay Holdings Shares to be issued or transferred to the new member under this Article 149 may be adjusted by the Directors in such manner as may be approved by members in general meeting or as may be approved by members in general meeting or as the Company’s auditors may determine on any reorganisation or material alteration of the share capital of either the Company or Mainstay Holdings or any other return of value to holders of Mainstay Holdings Shares, provided always that any fractions of Mainstay Holdings Shares may, at the election of the directors of Mainstay Holdings, be disregarded and aggregated and sold for the benefit of Mainstay Holdings.
- (e) In order to give effect to any such transfer required by this Article, the Company may appoint any person to execute and deliver a form of transfer on behalf of the new member in favour of Mainstay Holdings and/or its nominee(s). Before the registration of Mainstay Holdings and/or its nominees as a holder of any share to be transferred under this Article, Mainstay Holdings may

appoint a person nominated by the Directors to act as attorney on behalf of any holder of that share in accordance with any directions that Mainstay Holdings may give in relation to any dealings with or disposal of that share (or any interest in it), exercising any rights attached to it or receiving any distribution or other benefit accruing or payable in respect of it and any holder or holders of that share shall exercise all rights attaching to it in accordance with the directions of Mainstay Holdings but not otherwise.”

BY ORDER OF THE BOARD

Matt Onaitis
Company Secretary

77 Sir John Rogerson’s Quay, Block C,
Grand Canal Docklands,
Dublin 2,
D02 T804

Dated: 14 April 2020

NOTES:

Entitlement to attend and vote

- (1) Pursuant to Section 1095 of the Companies Act 2014, only those shareholders in the Company (“Shareholders”) registered on the Company’s register of members: (i) at 6:00 p.m. on the day two days prior to the Extraordinary General Meeting; or (ii) if the Extraordinary General Meeting is adjourned, at 6:00 p.m. on the day two days prior to the adjourned Extraordinary General Meeting, shall be entitled to attend and vote at the Extraordinary General Meeting or, if relevant, any adjournment thereof. Changes to entries on the Company’s register of members after those times will be disregarded in determining the rights of any person to attend and vote at the Extraordinary General Meeting.

Attending in person

- (2) The Extraordinary General Meeting will be held at McCann FitzGerald, Riverside One, Sir John Rogerson’s Quay, Dublin 2. If you wish to attend the Extraordinary General Meeting in person, you are recommended to attend at least 15 minutes before the time appointed for holding of the Extraordinary General Meeting to allow time for registration. Please bring the attendance card attached to your purple Form of Proxy and present it at the shareholder registration desk before the commencement of the Extraordinary General Meeting.
- (3) In light of the Coronavirus (COVID-19) pandemic, to the extent that the emergency measures introduced by the Irish Government on 27 March 2020 which require people to stay at home and restrict public gatherings (or similar) remain in force on 8 May 2020, or to the extent similar measures are in force as of such date, we ask Shareholders to refrain from physically attending at the venue for the Extraordinary General Meeting. In fact, such measures may actually prohibit Shareholders from physically attending at the venue for the Extraordinary General Meeting. We therefore strongly encourage you to submit your purple Form of Proxy no later than 48 hours before the Extraordinary General Meeting or, in the case of an adjourned Extraordinary General Meeting, no later than 48 hours prior to the time and date set for the adjourned Extraordinary General Meeting and to appoint the Chairman of the Meetings as your proxy.

Appointment of proxies

- (4) A Shareholder who is entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or more than one proxy as alternates to attend, speak and vote at the EGM instead of the Shareholder. A proxy need not be a Shareholder.
- (5) A purple Form of Proxy for use by Shareholders is enclosed with this Notice of Extraordinary General Meeting (or is otherwise being delivered to Shareholders). Completion of a Form of Proxy (or submission of proxy instructions electronically) will not prevent a Shareholder from attending the Extraordinary General Meeting and voting in person should the Shareholder wish to do so.
- (6) To be valid, a purple Form of Proxy and any power of attorney or other authority under which it is signed (or a notorally certified copy of any such power of attorney or other authority) must be lodged with the Company’s Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland, not later than 48 hours before the Extraordinary General Meeting or adjourned Extraordinary General Meeting or (in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned Extraordinary General Meeting) at least 48 hours before the taking of the poll at which it is to be used.
- (7) In the case of a corporation, the form of proxy must be executed under seal or signed on its behalf by an officer or attorney, duly authorised.
- (8) To appoint (or remove) a proxy electronically, log on to the website of the Registrars, Computershare Investor Services (Ireland) Limited at www.eproxyappointment.com. To log in, you will require your unique PIN (which will expire at the end of the voting period), and your Shareholder Reference Number (SRN) and the Control Number, all of which are printed on the face of the accompanying purple Form of Proxy.

- (9) CREST members may appoint proxies through the CREST electronic proxy appointment service in accordance with the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members and those CREST Members who have appointed a voting 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 by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company’s Registrars, Computershare Investor Services (Ireland) Limited, as issuer’s agent (CREST participant ID 3RA50) by the latest times(s) for receipt of proxy appointments specified in this Notice of Extraordinary General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- (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 messages. 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(s), 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 service 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 Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

Issued shares and total voting rights

- (13) The total number of issued ordinary shares in the Company on the date of this notice of Extraordinary General Meeting is 13,424,004. At the Extraordinary General Meeting, voting will be by poll and not by a show of hands. On a poll every Shareholder shall have one vote for every share carrying rights of which he, she or it is the holder at the appropriate record time. On a poll a Shareholder, whether present in person or by proxy, entitled to more than one vote need not, if the Shareholder votes, use all his, her or its votes or cast all the votes the Shareholder uses in the same way.
- (14) The resolution to be proposed at the Extraordinary General Meeting is a special resolution and requires the approval of Shareholders representing at least 75 per cent. of the votes cast in person or by proxy to be pass.

