

**THIS DOCUMENT IS IMPORTANT. PLEASE READ IT IMMEDIATELY. If you are in any doubt about the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your shares in International Water Services Plc, please send this Document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the person who now holds the shares.

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## **INTERNATIONAL WATER SERVICES PLC**

### **Notice of General Meeting**

### **Members Voluntary Liquidation**

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Notice of the General Meeting of the Company to be held at 10 am on 02 November 2018 at IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3 0HU is set out on page 8 of this Document.

A Form of Proxy for use at the General Meeting is enclosed, and to be valid the Form of Proxy must be completed in accordance with the instructions set out on it and returned to the Company's registered office at IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3 as soon as possible, but in any event not later than 10.00 am on 31 October 2018. The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting should you wish to do so. Your attention is drawn to the notes to the Form of Proxy.

Your attention is also drawn to the letter from the Chairman of the Company which is set out on pages 4 to 8 of this Document and recommends that you vote in favour of the resolutions to be proposed at the General Meeting.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	17 October 2018
Latest time and date for receipt of Form of Proxy	10 am on 31 October 2018
General Meeting	10 am on 02 November 2018

## DEFINITIONS

The following definitions apply throughout this Document and the accompanying Form of Proxy unless the context requires otherwise:

<b>"Act"</b>	Companies Act 2006, as amended
<b>"Board" or "Directors"</b>	the sole director of the Company, whose name is set out on page 3 of this Document
<b>"Cash Consideration"</b>	the sum of £550,000 to be paid by Holdco to the Liquidator on completion of the Sale of IWS;
<b>"Company"</b>	International Water Services Plc
<b>"Form of Proxy"</b>	the form of proxy for use by Shareholders at the General Meeting
<b>"General Meeting" or "GM"</b>	the General Meeting of the Company convened for 10 am on 02 November 2018 to approve the Resolutions, or any adjournment of that meeting
<b>"Group"</b>	means the Company, IWS and their subsidiary companies
<b>"Holdco"</b>	iWater Group Limited a Company registered in England & Wales under No. 11319745

<b>"Holdco Distribution Shares"</b>	the total of 34,655,965 shares of Holdco to be issued by Holdco on the Sale of IWS and to be distributed to Shareholders by the Liquidator.
<b>"IWS"</b>	International Water Solutions Limited, a Company registered in Scotland under No. SC503325
<b>"Liquidation"</b>	The members' voluntary liquidation of the Company to be conducted by the Liquidator subject to the passing of the Resolutions.
<b>"Liquidator"</b>	Martin Armstrong of Turpin Barker Armstrong
<b>"Ordinary Shares"</b>	ordinary shares of £0.00009 each in the capital of the Company in issue at the date hereof
<b>"Resolutions"</b>	the resolution as set out in the notice of the General Meeting on page 8 of this Document
<b>"Sale of IWS"</b>	the sale of all of the issued shares of IWS by the Liquidator in the course of the Liquidation to Holdco for consideration to be satisfied by the Cash Consideration and the Holdco Distribution Shares
<b>"Shareholders"</b>	the holders of Ordinary Shares
<b>"Shares of Holdco"</b>	Ordinary Shares of £0.001 each in the capital of Holdco

**INTERNATIONAL WATER SERVICES PLC**

**LETTER FROM THE CHAIRMAN**

(incorporated and registered in England and Wales with registered number 05388153)

***Registered Office:***

*IWS House  
1A Bates Industrial Estate  
Church Road  
Romford  
ESSEX RM3 0HU*

***Director:***

Alan Davis

17 October 2018

*To Shareholders*

Dear Shareholder

**Proposed members voluntary liquidation of the Company in order to conduct the sale of IWS to Holdco in exchange for Shares of Holdco to be distributed to Shareholders**

I am writing to inform Shareholders of proposals to restructure the Company by means of a members' voluntary liquidation and the distribution to Shareholders of the Holdco Distribution Shares. Holdco is to act as the new holding company of IWS, the trading subsidiary of the Company. A General Meeting is to be convened to be held on 02 November 2018 to pass resolutions for the winding up of the Company, the appointment of Mr Martin Armstrong as Liquidator and, in the course of the Liquidation, the Sale of IWS and the distribution of the Holdco Distribution Shares.

The Company has acted as the holding company of IWS and has been co-ordinating and co-operating with iWater Group Ltd to form solid foundations for the acquisition of IWS Ltd.

In the recent past the number of directors of the Company has been reduced as a result of the resignation of all of the directors other than myself, Alan Davis, who remains as the sole director. The Company has a single asset consisting of its ownership of all of the issued shares of IWS, which owns all of the business assets within the group consisting of IWS and the Company. The Company has total indebtedness of up to a maximum £550,000 that is owing to creditors and which is to be paid from the Cash Consideration to be received on the Sale of IWS.

Since its shares ceased to be listed on the AIM Market, the Company has attempted to achieve listings on different securities markets without having been able to complete the process for various reasons. The business, which is conducted by IWS, has continued to develop. There is the prospect that the interests of Shareholders and other participants will be served by the sale of IWS to Holdco, which is an investing company that has raised capital finance for this purpose, on terms that will provide Shareholders with a comparable holding of the equity shares of Holdco. It is intended that Holdco will then seek a listing on the Main Market of the London Stock Exchange.

As the sole remaining director I have determined that the obstacles that the Company has encountered in attempting to achieve a listing of its shares are unlikely to be overcome in the near future. I consider that the sensible course, in order to protect the interests of shareholders and creditors, would be to wind up the Company on a solvent basis and to distribute to shareholders the Shares of Holdco that are to be issued in exchange for the acquisition of IWS. Holdco is as a result to become the new holding company for IWS and Shareholders will obtain a comparable interest in the Shares of Holdco.

## **iWater Group Limited (“Holdco”)**

The total number of Shares of Holdco to be issued for the acquisition of IWS and distributed to Shareholders of the Company amounts to 34,655,965 Ordinary Shares of £0.001 each in the capital of Holdco (the “Holdco Distribution Shares”). Shareholders will receive 5 Shares of Holdco for each 1 Ordinary Shares of the Company that they hold.

IWater Group Limited (“Holdco”) was incorporated as a private limited company registered in England & Wales. Since its incorporation, Holdco has issued 13,097,387 Shares of Holdco to Mr Mayhew and other founder members at par value. In addition Holdco has issued by way of placings, 930,000 Shares of Holdco at a subscription price of 50p per share and then a further issue of 489,759 Shares of Holdco at a subscription price of 75p per share, and then a further issue of 100,00 Shares of Holdco at a subscription price of 100p per share, and then a further issue of 66,875 Shares of Holdco at a subscription price of 160p per share. Accordingly Holdco has a total issued share capital of 14,635,355 Shares of Holdco for which the total amount raised on subscription is £1,030,417.

The issue of the Holdco Distribution Shares on completion of the Sale of IWS will cause the total issued share capital of Holdco to become 49,203,322 Shares of Holdco, of which the Holdco Distribution Shares will represent 70.43 per cent of the issued share capital of Holdco (as enlarged).

Once the Sale of IWS Ltd to Holdco is completed, it is intended that Holdco will conduct further placings of shares of Holdco in order to raise funding that will be used for the working capital and further development of Holdco and IWS. The numbers of Shares of Holdco that are to be issued pursuant to the proposed placings and the price at which the shares of Holdco are to be issued are to be determined by the Board of Directors of Holdco.

It is the intention of Holdco that a further placing is to be conducted when the proposed listing on LSE is to take place involving the placing of Shares of Holdco at an issue price still to be determined. The Shares of Holdco are not at present admitted to trading on any securities market but it is intended that Holdco is to seek admission to the Main Market of LSE by way of a standard listing.

Following the completion of the sale of IWS Holdco will continue to be constituted as a private limited company, having a total issued share capital of 49,203,322 Ordinary Shares, including the Holdco Distribution Shares. The Articles of Association of Holdco and other details of the constitution of Holdco can be viewed at their registered office at Nova North, 11 Bressenden Place, London, SW1E 5BY during normal business hours. The Board of Directors of Holdco will comprise the following persons:-

## **DETAILS OF DIRECTORS**

### **Moran Lerner, Chief Executive Officer**

Moran is an accomplished entrepreneur and professional with more than 20 years’ experience in leading global businesses, with a strong track record in technology and strategic planning and business management, improving return on invested capital. An executive business leader with global expertise in corporate strategy, market creation, company growth, global expansion, and advanced Behavioural Sciences, with a strong network across large multinationals and governments worldwide. Executive Management member to several market-leading global companies in Computational Intelligence, Biomimetics, Interactive Gaming and Behavioural Engineering over the past 20 years. Moran has held a number of executive and non-executive roles, ranging from Founder and CEO of e-Merge Technology Group, Head of Consumer Loyalty for Barclays Group, Global Director of Presales and Strategy for Velti, Board Advisor & Global EVP Strategic Partnerships for MPayMe and Powa Technology (Post acquisition of MPayMe by Powa in 2014), and most recently as Executive Director and CEO of ASIO Ltd t/a Chirp (up until November 2017), Board Adviser and NED to Kashing Ltd, and was on the advisory board of Peach Ventures, UIB, JCC Bowers, WeGift, Bartr, Lisnr and several other companies worldwide. Moran is a competent growth strategist and executive leader capable of developing innovative plans and activities designed to facilitate competitive growth and competitive superiority.

## **Richard Mayhew - Director**

Richard is a serial entrepreneur who has worked in the City for more than 20 years. He started out as a private client stockbroker specialising in raising funds for small cap companies and ended up running several successful broking floors. He then moved into the institutional sales side of the business providing mezzanine financing for expanding companies before crossing over to providing corporate finance advice and structuring private equity deals. He has assisted with the raising of funds and the flotation of numerous companies over the course of the last 10 years and, more recently, he has become a seed investor in numerous projects.

## **Proposed Restructuring**

Following the passing of the Resolution for the members voluntary liquidation of the Company and the appointment of the Liquidator, the Liquidation will be conducted in accordance with the remaining Resolutions. Pursuant to Resolution No 3, the Liquidator is to transfer all of the issued shares of IWS to Holdco, together with an amount of indebtedness owing by IWS to the Company, and Holdco is to issue a total of 34,655,965 Shares of Holdco as part of the consideration therefor which the Liquidator is to distribute to the Shareholders. In addition Holdco is to pay to the Liquidator the Cash Consideration, amounting to £550,000 which is to be applied in payment of creditors and the fees incurred in transaction and the Liquidation.

Under an Agreement dated 03 October 2018 between Holdco (1) The Company (2) and the Liquidator (3) the parties have agreed that the Sale of IWS and the distribution of the Holdco Consideration Shares will be carried out subject to and conditional upon the passing of the Resolutions

IWS will repay an amount of the intra group loans to the Company that is to be applied in payment of the creditors of the Company and the costs and expenses to be incurred in the winding up.

Following completion of the Sale of IWS the Holdco Distribution Shares are to be distributed to the holders of Ordinary Shares of the Company. The total number of issued Ordinary Shares of the Company that are to be taken into account in the distribution of the Holdco Distribution Shares amounts to 6,931,200 Ordinary Shares. There are no outstanding convertible loan notes, warrants or other instruments carrying the right to subscribe for Ordinary Shares of the Company.

The Holdco Distribution Shares will be distributed to the Shareholders pro rata to the Ordinary Shares of the Company on the basis of 5 Holdco Distribution Shares for each 1 Ordinary Shares of the Company (fractional entitlements will be allocated at the discretion of the Liquidator).

Following the distribution of the Holdco Distribution Shares there will be no further value within the assets of the Company available for the Shareholders in the course of the Liquidation. The Board expect that the costs of the winding up will not be more than £15,000 and that there will be sufficient funds available to the Liquidator to enable the Liquidator to satisfy these costs and all other amounts owing by the Company. The distribution to Shareholders of the Shares of Holdco will not be reduced or affected by the payment of winding up costs and the Company's creditors.

The Company has produced audited accounts for the years ended on 31 December 2016. As Liquidator of a solvent company there is no statutory requirement for the Liquidator to investigate the affairs of the Company or the conduct of its Directors. He is however required to realise any assets of the Company, which could involve an investigation into the Company's accounting and other records.

It is likely that HM Revenue & Customs will require tax returns to be submitted in relation to the Company for the period up to the date of the winding up and these will need to be supported by accounts drawn from the accounting records of the Company.

If the proposal to put the Company into members' voluntary liquidation is not approved, the directors would intend to apply to the court for the Company to be wound up and, in these circumstances, the costs may not only affect the full distribution of the Shares of Holdco to Shareholders, but it might also cause a significant delay in such distribution. It is my view as the

sole director that this alternative would not give the same value to the Shareholders as the proposed members' voluntary winding up.

It is intended that each Shareholder will receive their Holdco Distribution Shares as a pro rata distribution based on their holdings in the Company. If you are in any doubt about your tax position in relation to the distribution of Holdco Distribution Shares in the course of the Liquidation for your Ordinary Shares or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

***IWS has applied for Tax clearance for the distribution of shares. This Distribution will not be completed until Tax clearance has been received***

The Company's register of members for the purposes of recording the Shareholders entitled to attend and vote at the GM and determining how many votes each such Shareholder may cast will be closed at 25<sup>th</sup> October 2018. Transfers received after that time will be returned to the person lodging them.

**GENERAL MEETING**

In order for the winding up to qualify as a members' voluntary winding up, the Company must pass a special resolution that the Company be placed into members' voluntary liquidation at a General Meeting and the director of the Company must make a statutory declaration of solvency stating that, having made a full investigation into the Company's affairs, we believe that the Company will be able to pay its debts in full within a specified period from the passing of the resolution ("Statutory Declaration of Solvency"). As the sole director I will be swearing the Statutory Declaration of Solvency shortly before the GM.

A notice convening a General Meeting of the Company to be held at 10 am on 02 November 2018 at the registered office of the Company at IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex, RM3 0HU is set out later in this document, together with a form of proxy to be used in connection with the GM.

Provided that the director has sworn the Statutory Declaration of Solvency before the GM commences, the Company will propose the following resolutions ("Resolutions") for Shareholders' approval at the GM.

**SPECIAL RESOLUTIONS**

1. That the Company be wound up voluntarily.
2. That the Liquidator be authorised to pay all creditors of the Company in full.
3. That the Liquidator be authorised to complete the Sale of IWS and to distribute the Holdco Distribution Shares to the Shareholders.
4. That the Liquidator be authorised to divide all or such part of the surplus assets of the Company as he shall think fit in specie amongst the members of the Company.

**ORDINARY RESOLUTIONS**

5. That Martin Armstrong of Turpin Barker Armstrong be and is hereby appointed Liquidator for the purposes of such winding up.
6. That the remuneration of the Liquidator be fixed on the basis of time spent by him and members of his staff in attending to matters arising both before and during the winding up of the Company plus VAT. That the Liquidator also be authorized to draw his category 2 disbursements plus VAT as detailed in the Guide to Fees circulated with the notice calling the meeting.

In order for a special resolution to be passed, the support of 75% of the Shareholders present and voting (in person or by proxy) is required. In order for an ordinary resolution to be passed, the support of 50% or more of the Shareholders present and voting (in person or by proxy) is required.

If the directors have not sworn the Statutory Declaration of Solvency before the GM commences, the Resolutions will not be proposed for Shareholders' approval.

Mr Martin Armstrong of Turpin Barker Armstrong, the proposed Liquidator, is a qualified insolvency practitioner with many years of experience.

**Action to be Taken**

The Form of Proxy for use by Shareholders at the General Meeting is enclosed with this Document. If you are unable to be present at the General Meeting, please complete and sign the Form of Proxy and return it to the Company's registered office at IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3, to be received as soon as possible and, in any event, by no later than 10 am 31 October 2018.

You are entitled to appoint a proxy to attend and to exercise all or any of your rights to vote and to speak at the General Meeting instead of you. However, the completion and return of the Form of Proxy will not prevent you from attending the General Meeting and voting in person if you wish to do so. Your attention is drawn to the notes to the Form of Proxy.

Your director believes that the Resolution being put to the Shareholders as described in this letter is in the best interests of the Company and its members as a whole. Accordingly, we recommend that you vote in favour of the Resolution to be proposed at the General Meeting.

Yours faithfully

**Alan Davis**  
Chairman

## INTERNATIONAL WATER SERVICES PLC

(the "Company")

(incorporated and registered in England and Wales with registered number 05388153)

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of International Water Services Plc will be held at 10 am on 02 November 2018 at IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3 0HU (the "**Meeting**") to consider, and if thought fit to pass the following resolutions of the Company be as to resolutions 1, 2, 3 and 4 as special resolutions and as to resolutions 5, and 6 as ordinary resolutions.

#### Special Resolutions

1. That the Company be wound up voluntarily
2. That the Liquidator be authorised to pay any class of creditors in full
3. That the Liquidator be authorised to exercise his powers in the winding up of the Company, without limiting or restricting the powers and authority vested in the Liquidator, in the course of the winding up of the Company
  - a. To transfer all of the issued shares of International Water Solutions Limited to IWater Group Limited for consideration to be satisfied by the payment of £550,000 and the allotment of 34,655,965 Ordinary Shares of £0.001 each in the capital of IWater Group Limited
  - b. To distribute the 34,655,965 Ordinary Shares of £0.001 each in the capital of IWater Group Limited allotted in exchange for the sale of shares of International water Solutions Limited to the members of the Company in proportion to their holdings of Ordinary Shares of the Company, (applying any fractional entitlements as the Liquidator may determine).
4. That the Liquidator be authorised to divide all or such part of the surplus assets of the Company as he shall think fit in specie amongst the members of the Company.

#### Ordinary Resolutions

5. That Martin Armstrong of Turpin Barker Armstrong be and is hereby appointed Liquidator for the purposes of such winding up.
6. That the remuneration of the Liquidator be fixed on the basis of time spent by him and members of his staff in attending to matters arising both before and during the winding up of the Company plus VAT. That the Liquidator also be authorized to draw his category 2 disbursements plus VAT as detailed in the Guide to Fees circulated with the notice calling the meeting.

Dated: 17 October 2018

By order of the Board

Alan Davis

Registered Office: IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3 0HU

## Notes:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out below and in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To be valid, a form of proxy and the power of attorney or other written authority, if any, under which it is signed, or an office or notarially certified copy in accordance with the Powers of Attorney Act 1971 of such power or written authority, must be delivered to IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3 0HU no later than 10 am on 31 October 2018 (or 48 hours before the time fixed for any adjourned meeting or, in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for taking the poll at which the proxy is to attend, speak and vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day and where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, at the meeting at which the poll was demanded).

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy complete and submit more than one proxy form and make it clear how many shares the proxy has voting rights over. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by you on the record date will result in the proxy appointment being invalid.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. Use of the proxy form does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
7. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the registrars of the Company, IWS House, 2A Bates Industrial Estate, Church Road, Romford Essex RM3 0HU (in the case of a member which is a company, the revocation notice must be executed in accordance with note 10 below).

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the registrars of the Company no later than 48 hours before the time fixed for the holding of the Meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and vote.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

8. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. In the case of a member which is a company, the form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.

11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a member provided that no more than one corporate representative exercises power over the same share.
12. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.