

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH ARTICLE 126 OF THE COMPANIES (JERSEY) LAW 1991 (the “Jersey Companies Law”). If you are in any doubt as to the action you should take, you are recommended to seek your own advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your shares in Old Regus, please forward this document, together with the accompanying documents (including the forms of proxy), at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

The distribution of this document in certain jurisdictions other than the United Kingdom and Jersey may be restricted by law. Accordingly, neither this document nor any advertisement may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. **This document does not constitute an invitation or offer to sell or exchange, or the solicitation of an invitation or offer to buy or exchange, any security or to become a member of IWG. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.**

REGUS PLC

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a société anonyme under number RCS Luxembourg B 141159)

Recommended proposals for
the introduction of a new Jersey incorporated holding company by means of a scheme of
arrangement under Article 125 of the Companies (Jersey) Law 1991

and

Notices of Court Meeting and Extraordinary General Meeting

Shareholders should read the whole of this document.

Your attention is drawn to the letter from the Chairman of Old Regus in Part 1 of this document, which contains the unanimous recommendation of your Board that you vote in favour of the Scheme at both the Court Meeting and the Extraordinary General Meeting and in favour of the other Proposals at the Extraordinary General Meeting. A letter from Investec explaining the Scheme is set out in Part 2 of this document.

Notices of the Court Meeting and the Extraordinary General Meeting, each of which will be held on 5 December 2016 are set out in Part 5 of this document. The Court Meeting will start at 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) and the Extraordinary General Meeting will start at 2:15 p.m. (Luxembourg time) (1:15 p.m. (London time)) (or as soon thereafter as the Court Meeting concludes or adjourns).

The action to be taken in respect of the Meetings is set out in the paragraph headed “Action to be taken” in Part 1 of this document. Shareholders will find enclosed with this document a BLUE form of proxy for use in connection with the Court Meeting and a WHITE form of proxy for use in connection with the Extraordinary General Meeting.

Whether or not you intend to attend the Meetings in person, please complete and sign each of the enclosed BLUE form of proxy and WHITE form of proxy in accordance with the instructions printed on them and return them to the Registrars, Capita, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received at least 48 hours before the time appointed for the relevant Meeting. If the BLUE form of proxy for the Court Meeting is not returned by the above time, it may be handed to the Chairman of the Court Meeting or the Registrars before the start of that Meeting. However, in the case of the Extraordinary General Meeting, unless the WHITE form of proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a BLUE form of proxy or a WHITE form of proxy will not prevent you from attending and voting in person at the Court Meeting, the Extraordinary General Meeting or any adjournment thereof if you so wish and are so entitled to attend.

A prospectus relating to IWG (the “**Prospectus**”), prepared in accordance with the Prospectus Rules of the UK Listing Authority made under section 73A of the FSMA, is expected to be made available in electronic form on the Regus Group’s website (www.regus.com/investors) on or around the date of this document after it has been filed with the FCA in accordance with the Prospectus Rules. A copy of the Prospectus may also be obtained from the date it is filed until admission free of charge by writing to the registered office of IWG (22 Grenville Street, St Helier, Jersey JE4 8PX) or the registered office of Old Regus (22 Grenville Street, St Helier, Jersey JE4 8PX) or by calling the Shareholder Helpline (on 0371 664 0321) (+44 (0) 371 664 0321 if you are calling from outside the UK), further details of which are included on page 7 of this document. A copy of the Prospectus may also be inspected from such date until admission at the registered offices of both IWG (22 Grenville Street, St Helier, Jersey JE4 8PX) and Old Regus (22 Grenville Street, St Helier, Jersey JE4 8PX) and at the offices of Slaughter and May (One Bunhill Row, London EC1Y 8YY).

Application will be made to the UK Listing Authority for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. It is expected that dealings in the Old Regus Ordinary Shares will continue until the close of business on 16 December 2016 and that admission of the IWG Ordinary Shares will become effective and trading in the IWG Ordinary Shares will commence on 19 December 2016.

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

The IWG Ordinary Shares have not been, and will not be, registered under the US Securities Act. The IWG Ordinary Shares will be issued in reliance on the exemption provided by section 3(a)(10) of the US Securities Act. Neither the SEC nor any US state securities commission has reviewed or approved this document or the Scheme. Any representation to the contrary is a criminal offence in the United States. See paragraph 9.1 of Part 2 of this document for further details.

Investec, which is authorised by the Prudential Regulatory Authority and regulated in the UK by the Prudential Regulatory Authority and the Financial Conduct Authority, is acting exclusively for Old Regus and IWG and no one else in connection with the Proposals and will not be responsible to anyone other than Old Regus and IWG for providing the protections afforded to its clients, for the contents of this document or for providing any advice in relation to this document and the Proposals.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by FSMA or the regulatory regime established thereunder, Investec does not accept any responsibility or liability whatsoever, and makes no representation or warranty, express or implied, in relation to

the contents of this Circular, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on behalf of it, Old Regus, IWG, the IWG Directors or any other person in connection with the Proposals or Admission, and nothing in this Circular shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Investec accordingly disclaims all and any liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Circular or any such statement.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain “forward-looking statements”, including statements about current beliefs and expectations of the Directors. In particular, the words “expect”, “anticipate”, “estimate”, “may”, “should”, “plans”, “intends”, “will”, “believe” and similar expressions (or in each case their negative and other variations or comparable terminology) can be used to identify forward-looking statements. These statements are based on the Board’s expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of Old Regus’s financial performance. Although the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward-looking statements involve known and unknown risks and uncertainties and speak only as of the date they are made. You are hereby cautioned that certain important factors could cause actual results, outcomes, performance or achievements of Old Regus or IWG or industry results to differ materially from those expressed or implied in forward-looking statements. These factors include, but are not limited to, those described in the “Risk Factors” section of the Prospectus, which is expected to be made available in electronic form on the Regus Group’s website (www.regus.com/investors).

Save as required by the FCA, the London Stock Exchange or applicable law, Old Regus undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Board’s expectations or to reflect events or circumstances after the date of this document.

CURRENCIES

All references to “pounds”, “pounds sterling”, “sterling”, “£”, “pence”, “penny”, “p” are to the lawful currency of the United Kingdom and all references to “US dollars”, “\$”, “US\$” or “cents” are to the lawful currency of the United States.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

1:00 p.m. (London time) / 2:00 p.m. (Luxembourg time) on 1 December 2016	Latest time for receipt by the Registrars of BLUE form of proxy from Old Regus Ordinary Shareholders for the Court Meeting (1)
1:15 p.m. (London time) / 2:15 p.m. (Luxembourg time) on 1 December 2016	Latest time for receipt by the Registrars of WHITE form of proxy from Old Regus Ordinary Shareholders for the Extraordinary General Meeting
6:00 p.m. (London time) / 7:00 p.m. (Luxembourg time) on 1 December 2016	Voting Record Time for the Court Meeting and the Extraordinary General Meeting (2)
1:00 p.m. (London time) / 2:00 p.m. (Luxembourg time) on 5 December 2016	Court Meeting
1:15 p.m. (London time) / 2:15 p.m. (Luxembourg time) on 5 December 2016	Extraordinary General Meeting (3), (4)

The following dates are indicative only (5)

10:00 a.m. (London time) / 11:00 a.m. (Luxembourg time) on 15 December 2016	Jersey Court Hearing to sanction the Scheme
16 December 2016	Last day of dealings in Old Regus Ordinary Shares (5)
6:00 p.m. (London time) / 7:00 p.m. (Luxembourg time) on 16 December 2016	Scheme Record Time (5)
19 December 2016	Scheme Effective Date (5)
8:00 a.m. (London time) / 9:00 a.m. (Luxembourg time) on 19 December 2016	Delisting of Old Regus Ordinary Shares, admission and listing of IWG Ordinary Shares, crediting of IWG Ordinary Shares in uncertificated form to CREST accounts and commencement of dealings in IWG Ordinary Shares on the London Stock Exchange's main market for listed securities (5)
at or around 12:00 p.m. (London time) / 1:00 p.m. (Luxembourg time) on 19 December 2016	IWG Reduction of Capital becomes effective
Within 10 Business Days of the Scheme becoming Effective	Dispatch of share certificates in respect of IWG Ordinary Shares in certificated form (5)

Notes:

- (1) BLUE forms of proxy for the Court Meeting not returned by this time may be handed to the Chairman or the Registrars at the Court Meeting prior to the vote being taken (to be valid, WHITE forms of proxy for the Extraordinary General Meeting must be lodged at least 48 hours (excluding non-working days) before the time appointed for the Extraordinary General Meeting).
- (2) If either the Court Meeting or the Extraordinary General Meeting is adjourned, the voting record time for the adjourned meeting will be 6:00 p.m. (London time) on the date falling two days (excluding non-working days) before the adjourned meeting.
- (3) Under Luxembourg law, the quorum in relation to the Extraordinary General Meeting is members representing at least 50 per cent. of the issued share capital (excluding shares which do not carry a right to attend and vote at

general meetings and treasury shares) present in person or by proxy. In the event that the Extraordinary General Meeting is adjourned, it may be reconvened on no less than 17 clear days' notice.

- (4) To commence at the time fixed or as soon thereafter as the Court Meeting concludes or is adjourned.
- (5) These times and dates are indicative only and will depend, amongst other things, on whether the Court Meeting and the Extraordinary General Meeting are adjourned for any reason, the date on which the Jersey Court sanctions the Scheme, the date on which the Act of Court issued by the Jersey Court is delivered to the Jersey Registrar of Companies for registration and / or the date on which the solvency statement made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law are registered by the Jersey Registrar of Companies.

The dates given are based on Old Regus's current expectations and may be subject to change. If the scheduled date of the Jersey Court Hearing to sanction the Scheme is changed, Old Regus will give notice of the change by issuing an announcement through a Regulatory Information Service. All Old Regus Ordinary Shareholders have the right to attend, in person or by counsel, to support or oppose the Jersey Court Hearing to sanction the Scheme.

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SUMMARY

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you are recommended to seek your own advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This document tells you about the proposals for:

- (a) the Scheme - a reorganisation of the Regus Group which will result in IWG, a new company incorporated in Jersey with its head office in Switzerland, becoming the holding company of the Regus Group;
- (b) the IWG Reduction of Capital, pursuant to which IWG will cancel the entire amount standing to the credit of IWG's share premium account and re-characterise the reserve arising as profits or retained earnings to support the payment of future dividends and share repurchases by IWG in the medium to long term; and
- (c) certain related matters, including proposals for IWG to adopt the Share Option Plan, the DSBP, the PSP and the CIP.

Old Regus Ordinary Shareholders should read the whole of this document and not just rely on this summary. This summary should not be regarded as a substitute for reading the whole document. If you have any further queries, please call our **Shareholder Helpline**, the number of which is below.

SHAREHOLDER HELPLINE TELEPHONE NUMBER:

Capita on +44 (0) 371 664 0321.

Calls are charged at the standard geographic rate and will vary by provider.

Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

To help you to understand the Proposals, Old Regus has prepared the summary set out below. **You should read the whole of this document and not rely solely on the summary set out below.**

1. Why is Old Regus proposing the Scheme?

If the Scheme is implemented, a new company, incorporated in Jersey and with its head office in Switzerland, will become the holding company of the Regus Group.

The new holding company will be called “IWG plc” (International Workplace Group). This change in name is to reflect the continuing progression of the Regus Group in its provision of a broad spectrum of flexible work solutions across multiple brands. It is also in recognition of the Board’s view of the broader market opportunities that the Regus Group can develop. However, the Regus Group will continue to use the Regus brand extensively, which has served it well for over 27 years.

It is expected that the Regus Group will continue to develop as an international business. Since the relocation of the Regus Group’s headquarters and place of central administration to Luxembourg in 2008 there have been a number of material changes in the way that the Regus Group operates and to the various regulatory frameworks that govern the business. The Board believes that the future growth of the Regus Group would now be supported by the relocation of the Regus Group’s headquarters to Switzerland.

As the Regus Group continues to develop worldwide there has been an increasing presence of senior management located in Switzerland. Significantly, in November 2015, the Regus Group appointed Dominik de Daniel to the position of Group Chief Financial Officer and Chief Operating Officer. Mr de Daniel lives in Switzerland and many of his direct and indirect reports are also based there. The Regus Group’s financial control, treasury and procurement functions are all now run from Switzerland and, as the business continues to centralise its key functions in order to achieve synergies of scale, the Board considers that this hub will continue to grow further.

The Board has also considered the current regulatory regime that governs Old Regus. Old Regus is incorporated in Jersey and has its place of central administration (head office) in Luxembourg. This means that both Jersey and Luxembourg company legislation apply to Old Regus. Whilst individually neither jurisdiction provides a particularly onerous regime, governance by two different regimes at the same time has become increasingly burdensome for the Regus Group to manage. In contrast, IWG, as a Jersey incorporated company having its head office in Switzerland, would not be governed by Swiss company law but only by Jersey company law. It is important to note that the Takeover Code will apply to IWG as it does to Old Regus. Accordingly, takeover bids and merger transactions of IWG, other transactions which have as their objective or potential effect obtaining or consolidating control of IWG, as well as partial offers for securities in IWG, will be regulated by the Takeover Panel.

In addition to the immediate benefits that the Regus Group will enjoy from changing its corporate headquarters, there continues to be some medium to long term uncertainty surrounding the future shape of the EU and in particular its increasingly complex legislative environment. As Switzerland is outside the EU, the Board considers that there may be advantages from being domiciled there.

2. Why is Old Regus implementing the Scheme?

The Scheme is a formal procedure under Article 125 of the Jersey Companies Law which is commonly used to carry out corporate reorganisations. It is an efficient means of effecting a share-for-share exchange. The Scheme requires the approval of Old Regus Ordinary Shareholders and the sanction of the Jersey Court. If the relevant approvals are obtained and the Scheme becomes effective, all Old Regus Ordinary Shareholders will be bound by the Scheme regardless of whether or how they voted.

3. What effect will the Scheme have on the Old Regus Share Schemes?

Under each of the plans set out at paragraph 6 of Part 3, options and awards will not vest or become exercisable as a consequence of the Scheme. Instead, it is expected that such options and awards will be exchanged for new options or awards over IWG Ordinary Shares of equivalent value and on the same terms by agreement with IWG.

IWG will adopt equivalent new share schemes which will be, in all material respects, in the same form as the relevant existing Old Regus Share Schemes.

The new options and awards will be granted by IWG under the IWG Share Schemes and will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested under the Old Regus Share Schemes and the same performance conditions will apply.

4. Why am I being sent this document?

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

5. Is there a prospectus relating to the IWG Ordinary Shares which I am being issued?

The Prospectus relating to the IWG Ordinary Shares, which contains prescribed information relating to IWG, will not be sent to Regus Shareholders but is expected to be made available in electronic form on the Regus Group's website (www.regus.com/investors) on or around the date of this document after it has been filed with the FCA in accordance with the Prospectus Rules. A copy of the Prospectus may also be obtained from the date it is filed until admission free of charge by writing to the registered office of IWG (22 Grenville Street, St Helier, Jersey JE4 8PX) or the registered office of Old Regus (22 Grenville Street, St Helier, Jersey JE4 8PX), or by calling the Shareholder Helpline (on 0371 664 0321) (+44 (0) 371 664 0321 if you are calling from outside the UK), further details of which are included on page 7 of this document. A copy of the Prospectus may also be inspected from such date until admission at the registered offices of both IWG (22 Grenville Street, St Helier, Jersey JE4 8PX) and Old Regus (22 Grenville Street, St Helier, Jersey JE4 8PX) and at the offices of Slaughter and May (One Bunhill Row, London EC1Y 8YY).

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

There are two meetings, being the Court Meeting and the Extraordinary General Meeting, which are being called for different purposes and which will be held on the same day.

The purpose of the Court Meeting is to seek the approval by Old Regus Ordinary Shareholders of the Scheme itself.

The Extraordinary General Meeting, which will be held immediately after the Court Meeting, is being called to enable Old Regus Ordinary Shareholders to approve various matters in connection with the Scheme, including the IWG Reduction of Capital and the Share Option Plan, the DSBP, the PSP and the CIP, each as described in Part 3 of this document.

The Court Meeting and the Extraordinary General Meeting will be held on 5 December 2016 at 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) and 2:15 p.m. (Luxembourg time) (1:15 p.m. (London time)) (or as soon thereafter as the Court Meeting concludes or adjourns), respectively in Luxembourg at 26 Boulevard Royal, L-2449, Luxembourg.

If you hold Old Regus Ordinary Shares, you are entitled and encouraged to attend the Meetings. If you do not attend, you are still entitled to vote at the meetings by appointing a proxy – see question 7 below.

7. Do I need to vote?

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

The resolutions at both the Court Meeting and the Extraordinary General Meeting will be decided by way of a poll. On a poll, each Old Regus Ordinary Shareholder present in person or by proxy will have one vote for each Old Regus Ordinary Share held. A number of resolutions in the notice of the Extraordinary General Meeting will be proposed as special resolutions and the Extraordinary General Meeting will be held before a public notary. **For each resolution to be passed at the first call of the Extraordinary General Meeting, a quorum of Old Regus Ordinary Shareholders representing at least 50 per cent. of the issued share capital must be present in person or by proxy and at least two-thirds of the votes cast must be in favour of each of the special resolutions.** For all other ordinary resolutions a simple majority of the votes cast must be in favour of each of the resolutions.

If you do not wish, or are unable, to attend the Court Meeting and/or the Extraordinary General Meeting you may appoint someone (known as a “proxy”) to act on your behalf and vote at the Court Meeting and/or the Extraordinary General Meeting. You may appoint your proxy by completing the BLUE form of proxy and the WHITE form of proxy and returning them in accordance with the instructions set out in paragraph 6 of Part 1 of this document and on the relevant form of proxy.

You are therefore strongly encouraged to complete, sign and return your BLUE form of proxy and WHITE form of proxy as soon as possible. You have been sent a BLUE form of proxy for the Court Meeting and a WHITE form of proxy for the Extraordinary General Meeting.

If you hold Old Regus Ordinary Shares in uncertificated form you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual ensuring that it is received by the Registrars (under CREST Participant ID RA10) by no later than 48 hours (excluding non-working days) before the time appointed for the relevant Meeting.

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

8. What is the IWG Reduction of Capital and why is it proposed?

The purpose of the IWG Reduction of Capital is to create profits or retained earnings in the accounts of IWG to support the payment of future dividends and share repurchases by IWG in the medium to long term. Distributions from these profits or retained earnings should be regarded for UK tax purposes as a dividend on receipt by UK shareholders and distributions paid out of qualifying capital contribution reserves (as described in paragraph 5.10 of Part 3) should not be subject to Swiss Federal withholding tax.

Pursuant to the IWG Reduction of Capital, it is proposed to cancel the entire amount standing to the credit of IWG's share premium account and to re-characterise the reserve arising as profits or retained earnings that will be available to IWG to be distributed as dividends or applied toward any other lawful purpose.

The necessary shareholder resolution for IWG to implement the IWG Reduction of Capital is expected to be passed by the IWG Initial Subscriber Shareholders shortly before the Scheme Effective Date, conditional upon the Scheme becoming effective. Approval of the IWG Reduction of Capital is also being sought from the Old Regus Ordinary Shareholders as one of the ordinary resolutions to be proposed at the Extraordinary General Meeting.

The IWG Reduction of Capital is conditional upon (among other things) the Jersey Registrar of Companies registering the solvency statement made in connection with the IWG Reduction of Capital by the IWG Directors and the minute showing the information required by the Jersey Companies Law.

IWG expects this registration to occur (and so for the IWG Reduction of Capital to become effective) on 19 December 2016, shortly after the Scheme has become effective.

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

When the Scheme becomes effective, you will receive one IWG Ordinary Share for each Old Regus Ordinary Share held at the Scheme Record Time (which is expected to be 6:00 p.m. (London time) (7:00 p.m. (Luxembourg time) on 16 December 2016). The register of members of IWG will be updated to reflect your shareholding on the Scheme becoming effective. If you hold your Old Regus Ordinary Shares in a CREST account, the IWG Ordinary Shares will be credited to your CREST account and if you hold your Old Regus Ordinary Shares in certificated form, share certificates will be sent to you in due course.

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

No. All IWG Ordinary Shares being issued in connection with the Scheme are being issued to Old Regus Ordinary Shareholders in return for their existing Old Regus Ordinary Shares. No additional payment is required.

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

Old Regus expects that your present dividend instructions will be continued in relation to IWG after the Scheme becomes effective, unless and until you revoke them. If you wish to change your instructions,

you should contact the Shareholder Helpline (on 0371 664 0321) (+44 (0) 371 664 0321 if you are calling from outside the UK), further details of which are included on page 7 of this document.

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

When the Scheme becomes effective, your holding of Old Regus Ordinary Shares will be replaced by an equivalent holding of IWG Ordinary Shares. **Thus, all your certificates for Old Regus Ordinary Shares held in certificated form will cease to be valid, and your share certificates for Old Regus Ordinary Shares should be destroyed.**

13. When will I receive share certificates for my IWG Ordinary Shares?

It is currently proposed that share certificates for IWG Ordinary Shares held in certificated form will be despatched within 10 Business Days of the Scheme becoming effective. If you hold your Old Regus Ordinary Shares in a CREST account, the IWG Ordinary Shares will be credited to your account on 19 December 2016.

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

There should generally be no tax liabilities for UK-resident Old Regus Ordinary Shareholders arising from the Scheme.

Details of the UK, Jersey and Swiss tax treatment of Regus Shareholders arising under the Scheme are set out in paragraph 5 of Part 3 of this document. Paragraph 5 of Part 3 is intended as a guide only.

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

15. What if I hold my Old Regus Ordinary Shares in an ISA?

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

If you do not currently hold Old Regus Ordinary Shares in an ISA, the IWG Ordinary Shares should qualify for inclusion in a stock and shares ISA, should you subsequently wish to hold your IWG Ordinary Shares in an ISA.

16. Do I need to take further action?

It is important that you vote at the Court Meeting and the Extraordinary General Meeting. You are strongly encouraged to complete, sign and return your forms of proxy as soon as possible. See question 7 above and the instructions set out in paragraph 6 of Part 12 of this document and on the relevant form of proxy.

17. What if I still have questions?

If you have read this document and still have questions, please call our Shareholder Helpline (on 0371 664 0321) (+44 (0) 371 664 0321 if you are calling from outside the UK), further details of which are set out at page 7 of this document.

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

PART 1 – LETTER FROM THE CHAIRMAN



Regus plc

(Incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a société anonyme under number RCS Luxembourg B 141159)

Registered Office:

22 Grenville Street
St Helier
Jersey JE4 8PX

Directors:

Douglas Sutherland
Mark Dixon
Dominik de Daniel
Lance Browne
Elmar Heggen
Florence Pierre
François Pauly
Nina Henderson

To the holders of Old Regus Ordinary Shares and, for information only, to holders of existing options granted under, and other participants in, the Old Regus Share Schemes.

Dear Shareholder,

Recommended proposals relating to the introduction of a new holding company

1. Introduction

On 3 November 2016, Old Regus announced details of the Scheme to insert a new holding company of the Regus Group, IWG, incorporated in Jersey and with its head office in Switzerland. IWG will be put in place through a Jersey Court sanctioned scheme of arrangement under Article 125 of the Jersey Companies Law. IWG will have its primary listing on the main market of the London Stock Exchange and, upon listing, is expected to be included in the FTSE's UK Index Series.

If the Scheme is approved and becomes effective, it will result in Old Regus Ordinary Shareholders holding IWG Ordinary Shares in the same proportions in which they hold Old Regus Ordinary Shares immediately prior to the Scheme becoming effective and in Old Regus becoming a wholly-owned

subsidiary of IWG. Under the Scheme, Old Regus Ordinary Shareholders at the Scheme Record Time will receive, in exchange for their Old Regus Ordinary Shares, IWG Ordinary Shares on the following basis:

for every one Old Regus Ordinary Share, one IWG Ordinary Share

Accordingly, immediately upon the Scheme becoming effective, an IWG Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they have as an Old Regus Ordinary Shareholder immediately prior to the Scheme becoming effective. IWG will have substantially the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date. Application will be made for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities.

The rights attaching to the IWG Ordinary Shares following the Scheme will be, for all practical purposes, the same as the rights attaching to the Old Regus Ordinary Shares.

The purpose of this document is to explain the Proposals and why your Board considers the Proposals to be in the best interests of Old Regus and its shareholders as a whole. **Your Board is unanimously recommending that you vote in favour of the Proposals as they all intend to do in respect of their entire holdings of Old Regus Ordinary Shares.** A summary of the action recommended to be taken is set out on pages 21 and 40 of this document and on the forms of proxy accompanying this document.

2. Reasons for the Proposals

2.1 Background

If the Scheme is implemented, a new company, incorporated in Jersey with its head office in Switzerland, will become the holding company of the Regus Group.

The new holding company will be called "IWG plc" (International Workplace Group). This change in name is to reflect the continuing progression of the Regus Group in its provision of a broad spectrum of flexible work solutions across multiple brands. It is also in recognition of the Board's view of the broader market opportunities that the Regus Group can develop. However, the Regus Group will continue to use the Regus brand extensively, which has served it well for over 27 years.

It is expected that the Regus Group will continue to develop as an international business. Since the relocation of the Regus Group's headquarters and place of central administration to Luxembourg in 2008 there have been a number of material changes in the way that the Regus Group operates and to the various regulatory frameworks that govern the business. The Board believes that the future growth of the Regus Group would now be supported by the relocation of the Regus Group's headquarters to Switzerland.

As the Regus Group continues to develop worldwide there has been an increasing presence of senior management located in Switzerland. Significantly, in November 2015, the Regus Group appointed

Dominik de Daniel to the position of Group Chief Financial Officer and Chief Operating Officer. Mr de Daniel lives in Switzerland and many of his direct and indirect reports are also based there. The Regus Group's financial control, treasury and procurement functions are all now run from Switzerland and, as the business continues to centralise its key functions in order to achieve synergies of scale, the Board considers that this hub will continue to grow further.

The Board has also considered the current regulatory regime that governs Old Regus. Old Regus is incorporated in Jersey and has its place of central administration (head office) in Luxembourg. This means that both Jersey and Luxembourg company legislation apply to Old Regus. Whilst individually neither jurisdiction provides a particularly onerous regime, governance by two different regimes at the same time has become increasingly burdensome for the Regus Group to manage. In contrast, IWG, as a Jersey incorporated company having its head office in Switzerland, would not be governed by Swiss company law but only by Jersey company law. It is important to note that the Takeover Code will apply to IWG as it does to Old Regus. Accordingly, takeover bids and merger transactions of IWG, other transactions which have as their objective or potential effect obtaining or consolidating control of IWG, as well as partial offers for securities in IWG, will be regulated by the Takeover Panel.

In addition to the immediate benefits that the Regus Group will enjoy from changing its corporate headquarters, there continues to be some medium to long term uncertainty surrounding the future shape of the EU and in particular its increasingly complex legislative environment. As Switzerland is outside the EU, the Board considers that there may be advantages from being domiciled there.

2.2 The IWG Reduction of Capital

The purpose of the IWG Reduction of Capital is to create profits or retained earnings in the accounts of IWG to support the payment of future dividends and share repurchases by IWG in the medium to long term. Distributions from these profits or retained earnings should be regarded for UK tax purposes as a dividend on receipt by UK shareholders and distributions paid out of qualifying capital contribution reserves (as described in paragraph 5.10 of Part 3) should not be subject to Swiss Federal withholding tax.

Pursuant to the IWG Reduction of Capital, it is proposed to cancel the entire amount standing to the credit of IWG's share premium account and to re-characterise the reserve arising as profits or retained earnings that will be available to IWG to be distributed as dividends or applied toward any other lawful purpose.

The IWG Reduction of Capital is conditional upon:

- (A) the passing of a resolution by the IWG Initial Subscriber Shareholders approving the IWG Reduction of Capital and the passing of the resolutions approving the Scheme and the IWG Reduction of Capital as set out in the notice of the Extraordinary General Meeting;
- (B) the IWG Ordinary Shares having been allotted and issued and registered in the names of the persons entitled to such IWG Ordinary Shares in IWG's register of members;
- (C) the Scheme becoming effective; and
- (D) the Jersey Registrar of Companies registering the solvency statement made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law.

The amount of the profits or retained earnings to be created by the IWG Reduction of Capital will depend upon the price at which IWG Ordinary Shares are issued by IWG pursuant to the Scheme. Such IWG Ordinary Shares will be issued at a price equal to the actual closing price of Old Regus Ordinary Shares on the last day of dealings in Old Regus Ordinary Shares (currently anticipated to be 16 December 2016).

Based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this document) and on the closing price of an Old Regus Ordinary Share of 247.50 pence on the same date, and assuming that no further Old Regus Ordinary Shares are issued or repurchased after 1 November 2016, the IWG Reduction of Capital will create profits or retained earnings of approximately £2,285,733,661.34 in the accounts of IWG and leave IWG with paid up share capital of approximately £9,272,753.19.

The necessary shareholder resolution for IWG to implement the IWG Reduction of Capital is expected to be passed by the IWG Initial Subscriber Shareholders shortly before the Scheme Effective Date, conditional upon the Scheme becoming effective. Approval relating to the IWG Reduction of Capital is being sought from the Old Regus Ordinary Shareholders as one of the resolutions to be proposed at the Extraordinary General Meeting.

The IWG Reduction of Capital is expected to become effective on or around 19 December 2016.

3. Outline of the Proposals

3.1 The Scheme

Under the Scheme, IWG will issue IWG Ordinary Shares to Scheme Shareholders in the ratio set out in paragraph 1 of Part 1 above in consideration for the transfer of the Scheme Shares to IWG.

3.2 IWG

IWG will have the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date.

Immediately upon the Scheme becoming effective, an IWG Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as they currently have as an Old Regus Ordinary Shareholder immediately prior to the Scheme becoming effective.

Further information regarding IWG is contained in the Prospectus which will be made available in electronic form on the Regus Group's website at www.regus.com/investors. Hard copies of the Prospectus are available on request by writing to Old Regus at its registered office or to the Registrars, at their offices at 12 Castle Street, St Helier, Jersey JE2 3RT.

3.3 Listing of IWG Ordinary Shares

Application will be made for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List of the UK Listing Authority and to be traded on the London Stock Exchange's main market for listed securities.

The last day of dealings in Old Regus Ordinary Shares is expected to be 16 December 2016. The last time for registration of transfers of Old Regus Ordinary Shares is expected to be the Scheme Record Time. It is expected that admission of IWG Ordinary Shares will become effective and that dealings will commence at 8:00 a.m. (London time) / 9:00 a.m. (Luxembourg time) on 19 December 2016.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Jersey Court's sanction of the Scheme. In the event of a delay, the application for the Old Regus Ordinary Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme takes effect.

3.4 Articles

Certain changes are proposed to the Old Regus Articles, subject to approval by Old Regus Ordinary Shareholders at the Extraordinary General Meeting, in connection with the Scheme. These are set out in new article 166, as set out in resolution 9 in the notice of the Extraordinary General Meeting.

In addition, IWG has adopted the IWG Articles pursuant to a resolution passed by the IWG Initial Ordinary Shareholders. Confirmatory approval for the adoption of the IWG Articles is being sought from the Old Regus Ordinary Shareholders as one of the ordinary resolutions to be proposed at the Extraordinary General Meeting.

There are a number of differences between the Old Regus Articles and the IWG Articles. These arise principally by reason of IWG not having its place of central administration (head office) in Luxembourg and not being subject to Luxembourg company law. The IWG Articles were adopted by IWG on 2 November 2016. All of the key differences between the Old Regus Articles and IWG Articles are explained in paragraph 2 of Part 3 of this document.

3.5 Corporate governance and investor protections

There will be no substantive changes to corporate governance and investor protection measures which apply to IWG as compared to those that currently apply to Old Regus. In particular, upon implementation of the Scheme, the Takeover Code will apply to IWG, and IWG will also be required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules. In addition, IWG intends to comply with the UK Corporate Governance Code and institutional shareholder guidelines to the same extent that Old Regus does currently.

3.6 Old Regus Share Schemes and IWG Share Schemes

Details of the effect of the Proposals on the Old Regus Share Schemes are set out in paragraph 6 of Part 3. Details of the IWG Share Schemes are set out in paragraph 7 of Part 3.

The Share Option Plan, the DSBP, the PSP and the CIP are substantively the same as the Old Regus Share Schemes. The Share Option Plan, the DSBP, the PSP and the CIP have been adopted by the IWG Initial Shareholders, subject to and conditional upon the passing of the ordinary resolutions approving the Share Option Plan, the DSBP, the PSP and the CIP as set out in the notice of the Extraordinary General Meeting and the Scheme becoming effective.

3.7 IWG Reduction of Capital

Pursuant to the IWG Reduction of Capital, it is proposed to cancel the entire amount standing to the credit of IWG's share premium account and to re-characterise the reserve arising as profits or retained earnings that will be available to IWG to be distributed as dividends or applied towards any other lawful purpose.

Details of the IWG Reduction of Capital are set out at paragraph 2.2 above and paragraph 2.3 of Part 2 of this document.

3.8 General

The Scheme will not be implemented unless certain approvals are obtained, including the sanction of the Jersey Court and the approval of the Scheme by the requisite majority of Old Regus Ordinary Shareholders at the Court Meeting, as well as the approval by the requisite majorities of Old Regus Ordinary Shareholders of the resolutions proposed at the Extraordinary General Meeting. The Court Meeting and the Extraordinary General Meeting will be held at 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) and 2:15 p.m. (Luxembourg time) (1:15 p.m. (London time)) or as soon thereafter as the Court Meeting concludes or adjourns, respectively, on 5 December 2016.

A full explanation of the Scheme is contained in Investec's explanatory letter in Part 2.

4. Taxation

Your attention is drawn to the general guidance on the tax position of Old Regus Ordinary Shareholders set out in paragraph 5 of Part 3 of this document.

Paragraph 5 of Part 3 is intended as a guide only.

5. Current trading and prospects

On 3 November 2016 Old Regus announced the following trading statement for the period ended 30 September 2016:

"The Group has generated revenue growth of 8.1% for the nine months to 30 September 2016 at constant currency, enjoying strong profit performance with excellent cash conversion. Importantly, post-tax cash returns on net growth investment have also increased further. Overall we are pleased with this result and remain confident of delivering a full year performance in line with management's expectations.

This year has been an important transitional period in the development of the Group. As previously announced we have implemented a new field structure and made significant progress towards our goals of cost leadership and achieving more capital-light growth.

In the three months ended 30 September 2016, Group revenue increased to £566.9m compared with £478.8m in the corresponding period last year, an increase of 3.8% at constant currency rates (up 18.4% at actual rates). For the nine months ended 30 September 2016, Group revenue increased to

£1,644.5m compared with £1,415.8m for the same period last year, an improvement of 8.1% at constant currency rates (up 16.2% at actual rates).

Group underlying operating profit performance has been strong and for the nine months ended 30 September 2016, in constant currency, remains consistent with the 30% improvement reported with the interim results. The operating profit at actual rates has benefitted further from prevailing exchange rates which have provided a tailwind on the translation of our results during the third quarter.

The Group's focus remains on building long-term shareholder value through delivering attractive returns from our existing business and continuing with the disciplined investment in new locations. Returns on our existing business have developed well and the returns to 30 September 2016 are ahead of those reported with our interim results, on a 12 month rolling basis. For those locations open on or before 31 December 2012 the returns are at record levels, driven by continued operational leverage.

Underlying cash generation has remained strong. For the nine months ended 30 September 2016 underlying cash generation has increased 52% year-on-year to £208.9m (nine months to September 2015: £137.8m), reflecting the strong profit performance.

During the third quarter we added 56 new locations to our global network with associated net growth capital investment of £43.1m. This investment included £12.9m spent on acquiring properties in which we will establish centres. As with previous property investments we expect strong returns. In the nine months ended 30 September 2016 the Group has added 169 new locations and net capex of £126.2m, representing over 2.4m sq. ft. of space added to the network, which now totals more than 47m sq. ft. globally. These new locations were predominately organic openings.

We have used this period as an opportunity to refresh some of our existing estate and in accordance with the CMA ruling have disposed of certain acquired locations in the UK. These factors have driven the closure of 54 locations in the year to date, which is a slightly higher level of closures than has been seen in recent years.

As at 30 September 2016, the Group had a total of 2,883 locations, with the total number of co-working seats / workstations (including non-consolidated) increasing to 467,507 (459,747 as at 30 June 2016).

The Group had net debt at 30 September 2016 of £158.1m, a decrease on the 30 June 2016 position of £173.8m, notwithstanding the £43.1m investment in the quarter in net growth capital expenditure and £7.8m on share repurchases. Achieving this reflects the continuation of a good profit performance which has converted strongly into cash.

2016 growth plans

We have continued to maintain our selective approach to growth during the third quarter and only to invest where we expect strong returns. Our pipeline of new openings remains solid, with a number of previously scheduled late 2016 openings now anticipated to open in early 2017 and the majority of the associated investment having been incurred in 2016. Accordingly, our visibility on net capital expenditure for the whole of 2016 is now approximately £150m, representing c240 locations and 3.4m sq. ft. of additional space.

Mature performance

Revenues for the three months ended 30 September 2016 from our mature business (centres opened on or before 31 December 2014, now comprising a total of 2,171 locations representing approximately 75% of our global portfolio), decreased 2.6% at constant currency to £481.0m (up 11.4% at actual exchange rates). This reflects some variation in market conditions across certain geographies and an element of cannibalisation from the enlarged Group network.

For the nine months ended 30 September 2016 mature revenues increased to £1,406.5m compared to £1,310.1m for the comparable period in 2015, broadly flat at constant currency (up 7.4% at actual rates). Based on this stable revenue performance together with the strong discipline in respect of overheads, operating profit and return on investment has been strong.

Year-on-year mature occupancy for the nine months ended 30 September 2016 reduced 0.7 percentage points on a like-for-like basis to 78.5%.

Summary

We are pleased with the continued strong profit, cash generation and returns performance of our business which remain in line with management expectations. Having anticipated an increase in global macro-economic uncertainty, we took specific actions early in the year to improve efficiencies across the business and our continued progress reflects those early actions.

We have continued to build our national networks globally, whilst maintaining our disciplined and flexible approach to investment throughout the economic cycle. Our investments are continuing to deliver attractive returns, well ahead of our cost of capital.

Looking forward to the remainder of 2016, we remain confident of delivering a full year performance in line with management's expectations."

6. Action to be taken

The Scheme requires approval by a majority in number of those Old Regus Ordinary Shareholders present and voting (either in person or by proxy) at the Court Meeting representing not less than three-fourths of the voting rights of the Old Regus Ordinary Shares voted by those Old Regus Ordinary Shareholders. To be effective, the Scheme also requires the passing of the resolutions at the Extraordinary General Meeting.

You will find enclosed with this document:

- a BLUE form of proxy for use by Old Regus Ordinary Shareholders in respect of the Court Meeting; and
- a WHITE form of proxy for use by Old Regus Ordinary Shareholders in respect of the Extraordinary General Meeting.

A reply-paid envelope for use in the UK is also enclosed for your convenience.

In order that the Jersey Court can be satisfied that the votes cast fairly represent the views of Old Regus Ordinary Shareholders, it is important that as many votes as possible are cast at the Court Meeting.

In addition, for each resolution to be passed at the first call of the Extraordinary General Meeting, a quorum of members representing at least 50 per cent. of the issued share capital must be present in person or by proxy. If a quorum is not present at the first call of the Extraordinary General Meeting, the meeting may be reconvened on no less than 17 clear days' notice. At the reconvened Extraordinary General Meeting, two members present in person or by proxy shall be a quorum. Old Regus Ordinary Shareholders are therefore urged to attend the Court Meeting and Extraordinary General Meeting in person or by proxy.

Whether or not you propose to attend in person at the meeting in question, you are requested to complete, sign and return the forms of proxy as soon as possible and in any event at least 48 hours (excluding non-working days) before the time fixed for the relevant meeting or any adjournment thereof (alternatively the BLUE form of proxy for the Court Meeting, but not the WHITE form of proxy for the Extraordinary General Meeting, may be handed to the Chairman of the Court Meeting or the Registrars immediately prior to the commencement of that Meeting). The completion and return of a form of proxy will not prevent you from attending and voting in person at the Court Meeting and Extraordinary General Meeting, if you so wish and are so entitled.

Further particulars of the Court Meeting and the Extraordinary General Meeting are contained in the explanatory letter from Investec contained in Part 2.

7. Overseas Shareholders

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom or Jersey, your attention is drawn to paragraph 9 of Part 2 for further details concerning the Scheme.

8. Financial advice

The Board has received financial advice in relation to the Proposals from Investec. In providing such advice to the Board, Investec has relied upon the Directors' commercial assessment of the terms of the Proposals.

9. Recommendation

The Board, having been so advised by Investec, considers the Proposals and their terms to be in the best interests of the shareholders and is unanimously recommending that you vote in favour of the Scheme at the Court Meeting and that you vote in favour of the resolutions proposed at the Extraordinary General Meeting. Your Board all intend to vote as above in respect of their entire holdings of Old Regus Ordinary Shares, being in aggregate 258,670,257 Old Regus Ordinary Shares, which represent approximately 27.89 per cent. of Old Regus's issued ordinary share capital as at 1 November 2016, the latest practicable date prior to publication of this document, and which represent approximately 27.89 per cent. of the votes attached to Old Regus Ordinary Shares in issue on the same date that could be cast at the Extraordinary General Meeting.

10. Further information

Your attention is drawn to:

- the explanatory letter from Investec in Part 2;
- the terms of the Scheme in Part 4; and
- the Notices of Meetings in Part 5.

Yours faithfully

Douglas Sutherland

Chairman

PART 2 – EXPLANATION OF THE SCHEME AND ITS EFFECTS

(IN COMPLIANCE WITH ARTICLE 126 OF THE JERSEY COMPANIES LAW)



Investec Bank plc
2 Gresham Street
London
EC2V 7QP

3 November 2016

To the holders of Old Regus Ordinary Shares and for information only, the holders of options granted under, and other participants in, the Old Regus Share Schemes.

Dear Shareholder,

Recommended proposals relating to the introduction of a new holding company to be effected by means of a scheme of arrangement

1. Introduction

On 3 November 2016, Old Regus announced details of the Proposals. If the Scheme is implemented, a new holding company of the Regus Group incorporated in Jersey, with its head office in Switzerland, IWG, will be put in place through a Jersey Court sanctioned scheme of arrangement under Article 125 of the Jersey Companies Law. IWG will have its primary listing on the main market of the London Stock Exchange and, upon listing, is expected to be included in FTSE's UK Index Series. Further details for the reasons for the Scheme are set out in paragraph 2 of the Chairman's Letter.

Following the implementation of the Scheme, the IWG Directors intend to adopt the existing progressive dividend policy of Old Regus.

If the Scheme is approved and becomes effective, it will result in holders of Old Regus Ordinary Shares becoming holders of IWG Ordinary Shares and in Old Regus becoming a wholly-owned subsidiary of IWG. IWG will have the same business and operations immediately after the Scheme Effective Date as Old Regus has immediately before the Scheme Effective Date. The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date.

The Scheme will, among other things, require the approval of Old Regus Ordinary Shareholders at the Court Meeting and the passing by Old Regus Ordinary Shareholders of resolutions at the Extraordinary General Meeting as explained in paragraph 3 below.

A description of the action recommended to be taken by Old Regus Ordinary Shareholders in relation to the Court Meeting and the Extraordinary General Meeting is set out in paragraph 17 below. The full text of the Scheme is set out in Part 4. The full text of each of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting is set out in Part 5.

The Board has recommended that the Old Regus Ordinary Shareholders vote in favour of the proposed Scheme at the Court Meeting and vote in favour of the resolutions to be proposed at the Extraordinary General Meeting.

It is expected that, if approved, the Scheme will become effective and that trading in the IWG Ordinary Shares will commence at 8:00 a.m. (London time) / 9:00 a.m. (Luxembourg time) on 19 December 2016.

2. Summary of the Proposals

2.1 The Scheme

Old Regus is proposing that a new holding company of the Regus Group, incorporated in Jersey and with its head office in Switzerland, IWG, be put in place through a Jersey Court sanctioned scheme of arrangement. If the Scheme is implemented, IWG will become the ultimate holding company for the Regus Group.

IWG will have its primary listing on the main market of the London Stock Exchange and, upon listing, is expected to be included in the FTSE's UK Index Series. There will be no substantive changes to corporate governance and investor protection measures which apply to IWG as compared to those that currently apply to Old Regus. In particular, upon implementation of the Scheme, the Takeover Code will apply to IWG, and IWG will also be required to comply with the Listing Rules and the Disclosure Guidance and Transparency Rules. In addition, IWG intends to comply with the UK Corporate Governance Code and institutional shareholder guidelines to the same extent that Old Regus does currently.

The principal steps involved in the Scheme are as follows.

Under the Scheme, all the Scheme Shares will be delisted and transferred to IWG on the Scheme Effective Date (which is expected to be 19 December 2016). In consideration for the transfer of the Scheme Shares, the Scheme Shareholders will receive, in respect of any Scheme Shares held as at the Scheme Record Time (expected to be 6:00 p.m. (London time) (7:00 p.m. (Luxembourg time) on 16 December 2016):

for every one Scheme Share transferred, one IWG Ordinary Share

With effect from the Scheme Effective Date, the holders of Old Regus Ordinary Shares will hold IWG Ordinary Shares in the same proportions in which they hold Old Regus Ordinary Shares immediately prior to the Scheme becoming effective and Old Regus will become a wholly-owned subsidiary of IWG. The rights attaching to the IWG Ordinary Shares will be substantially the same as those attaching to the existing Old Regus Ordinary Shares. Upon the implementation of the Scheme, an IWG Ordinary Shareholder will effectively have the same proportionate interest in the profits, net assets and dividends of the Regus Group as he or she currently has as an Old Regus Ordinary Shareholder.

The Board of Old Regus considered a number of factors in determining the most appropriate structure to establish its head office in Switzerland rather than Luxembourg, including "migrating" Old Regus to Switzerland and establishing IWG as a Swiss-incorporated company. These options gave rise to a number of complexities and disadvantages, including the need to comply with company legislation in

two jurisdictions. The Board concluded the most straight-forward and advantageous option, which would also protect Old Regus Ordinary Shareholders' existing rights, was to establish IWG as a Jersey-incorporated company. Corporate governance and investor protection measures will remain in essence as they were: the listing in London will be preserved; and the Takeover Code will apply to IWG as it currently does to Old Regus.

The assets and liabilities of the Regus Group immediately after the Scheme Effective Date will not substantially differ from the assets and liabilities it had before the Scheme Effective Date. The assets and liabilities of Old Regus will be the same upon completion of the Scheme.

The IWG Ordinary Shares will be issued by IWG at a price equivalent to the Closing Price of the Old Regus Ordinary Shares on the last day of dealings in those shares, which is expected to be 16 December 2016. As a result, an amount approximately equal to the market capitalisation of Old Regus as at 6:00 p.m. (London time) (7:00 p.m. (Luxembourg time)) on the last day of dealings in Old Regus Ordinary Shares will be credited to IWG's share premium account. As explained at paragraph 2.3 below (IWG Reduction of Capital) that amount will, pursuant to the IWG Reduction of Capital, be re-characterised as profits or retained earnings.

Dividends paid by Old Regus in respect of Old Regus Ordinary Shares are generally not subject to Luxembourg withholding tax at present. Similarly it is expected that dividends paid by IWG in respect of IWG Ordinary Shares will not be subject to Swiss Federal withholding tax, to the extent they are paid out of profits or retained earnings created as a result of the IWG Reduction of Capital (as described in paragraph 2.3 below). Further information is provided in paragraph 5.11 of Part 3 of this document.

IWG is not seeking to raise any capital from shareholders so there will be no proceeds of the Scheme.

A summary of the rights attaching to the IWG Ordinary Shares is set out in paragraph 3 of Part 3 of this document.

2.2 Old Regus Share Schemes and IWG Share Schemes

Details of proposals regarding holders of options granted under, and other participants in, the Old Regus Share Schemes are set out in paragraph 6 of Part 3. Details in respect of the IWG Share Schemes are also set out in paragraph 7 of Part 3.

Under each of the plans set out at paragraph 6 of Part 3, options and awards will not vest or become exercisable as a consequence of the Scheme. Instead, it is expected that such options and awards will be exchanged for new options or awards over IWG Ordinary Shares of equivalent value and on the same terms by agreement with IWG.

IWG will adopt equivalent new share schemes which will be, in all material respects, in the same form as the existing relevant Old Regus Share Schemes.

The new options and awards will be granted by IWG under the IWG Share Schemes and will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested under the Old Regus Share Schemes and the same performance conditions will apply.

2.3 IWG Reduction of Capital

The purpose of the IWG Reduction of Capital is to create profits or retained earnings in the accounts of IWG to support the payment of future dividends and share repurchases by IWG in the medium to long term. Distributions from these profits or retained earnings should be regarded for UK tax purposes as a dividend on receipt by UK shareholders and distributions paid out of qualifying capital contribution reserves (as described in paragraph 5.10 of Part 3) should not be subject to Swiss Federal withholding tax.

Pursuant to the IWG Reduction of Capital, it is proposed to cancel the entire amount standing to the credit of IWG's share premium account and to re-characterise the reserve arising as profits or retained earnings that will be available to IWG to be distributed as dividends or applied toward any other lawful purpose.

The IWG Reduction of Capital is conditional upon:

- (A) the passing of a resolution approving the IWG Reduction of Capital by the IWG Initial Subscriber Shareholders and the passing of the resolutions approving the Scheme and the IWG Reduction of Capital as set out in the notice of the Extraordinary General Meeting;
- (B) the IWG Ordinary Shares having been allotted and issued and registered in the names of the persons entitled to such IWG Ordinary Shares in IWG's register of members;
- (C) the Scheme becoming effective; and
- (D) the Jersey Registrar of Companies registering the solvency statement made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law.

The amount of the profits or retained earnings to be created by the IWG Reduction of Capital will depend upon the price at which IWG Ordinary Shares are issued by IWG pursuant to the Scheme. Such IWG Ordinary Shares will be issued at a price equal to the Closing Price of Old Regus Ordinary Shares on the last day of dealings in Old Regus Ordinary Shares (currently anticipated to be 16 December 2016).

Based on the issued share capital of Old Regus as at 1 November 2016 (being the latest practicable date prior to the publication of this document) and on the Closing Price of an Old Regus Ordinary Share of 247.50 pence on the same date, and assuming that no further Old Regus Ordinary Shares are issued or repurchased after 1 November 2016, the IWG Reduction of Capital will create profits or retained earnings of approximately £2,285,733,661.34 in the accounts of IWG and leave IWG with paid up share capital of approximately £9,272,753.19.

The necessary shareholder resolution for IWG to implement the IWG Reduction of Capital is expected to be passed by the IWG Initial Subscriber Shareholders shortly before the Scheme Effective Date, conditional upon the Scheme becoming effective. Approval of the IWG Reduction of Capital is being sought from the Old Regus Ordinary Shareholders as one of the resolutions to be proposed at the Extraordinary General Meeting.

The IWG Reduction of Capital is expected to become effective on or around 19 December 2016.

3. Conditions to and implementation of the Proposals

3.1 The Scheme

The Scheme will not become effective and binding unless:

- (i) the Scheme is approved by a majority in number, representing three-fourths in voting rights, of the holders of Old Regus Ordinary Shares present and voting, either in person or by proxy, at the Court Meeting;
- (ii) the resolutions set out in the notice of the Extraordinary General Meeting, which include certain matters in connection with the Scheme are passed by the requisite majorities of Old Regus Ordinary Shareholders at the Extraordinary General Meeting;
- (iii) the Scheme is sanctioned by the Jersey Court at the Jersey Court Hearing; and
- (iv) a copy of the order of the Jersey Court sanctioning the Scheme is delivered to the Jersey Registrar of Companies for registration,

together (the “**Conditions**”).

The Court Hearing (at which it is proposed that the Jersey Court sanctions the Scheme) is expected to be held on or around 15 December 2016. Old Regus Ordinary Shareholders who wish to oppose the Scheme will be informed by advertisement in a newspaper with national distribution in the United Kingdom of their right to appear in person, or be represented by counsel, at the Court Hearing.

In addition, the IWG Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, the following conditions have been satisfied:

- (i) the UK Listing Authority has agreed to admit (subject to the satisfaction of conditions (i) – (iv) above, save to the extent already satisfied) the IWG Ordinary Shares to be issued in connection with the Scheme to the Official List and its agreement has not been withdrawn prior to the Scheme Effective Date; and
- (ii) the London Stock Exchange has agreed to admit the IWG Ordinary Shares to be issued in connection with the Scheme to trading on its main market for listed securities and its agreement has not been withdrawn prior to the Scheme Effective Date.

If the Scheme is sanctioned by the Jersey Court and the other conditions to the Scheme have been satisfied, the Scheme is expected to become effective and dealings in the IWG Ordinary Shares to be issued pursuant to the Scheme are expected to commence, at 8:00 a.m. (London time) (9:00 a.m. (Luxembourg time)) on 19 December 2016.

If the Scheme has not become effective by 31 May 2017 (or such later date as the Jersey Court may allow), it will lapse, in which event the Scheme will not proceed, Old Regus Ordinary Shareholders will remain holders of Old Regus Ordinary Shares and the Old Regus Ordinary Shares will continue to be listed on the premium listing segment of the Official List and admitted on the main market of the London Stock Exchange.

The Scheme contains a provision for Old Regus and IWG jointly to consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Jersey Court may think fit to approve or impose. Old Regus has been advised by its legal advisers that the Jersey Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Old Regus Ordinary Shareholders unless Old Regus Ordinary Shareholders were informed of any such modification, addition or condition. If the Jersey Court does approve or impose a modification of, or addition or condition to, the Scheme which in the opinion of the Directors is such as to require consent of the Old Regus Ordinary Shareholders, the Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

The full text of the Scheme is set out in Part 4 and the full text of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting is set out in Part 5.

3.2 The IWG Reduction of Capital

The IWG Reduction of Capital is conditional upon:

- (A) the passing of a resolution approving the IWG Reduction of Capital by the IWG Initial Subscriber Shareholders and the passing of the resolutions approving the Scheme and the IWG Reduction of Capital as set out in the notice of the Extraordinary General Meeting;
- (B) the IWG Ordinary Shares having been allotted and issued and registered in the names of the persons entitled to such IWG Ordinary Shares in IWG's register of members;
- (C) the Scheme becoming effective; and
- (D) the Jersey Registrar of Companies registering the solvency statement to be made in connection with the IWG Reduction of Capital and the minute showing the information required by the Jersey Companies Law.

3.3 Employee share schemes

Details of proposals to be made to holders of options granted under, and other participants in, the Old Regus Share Schemes are set out in paragraph 6 of Part 3.

Under each of the plans set out at paragraph 6 of Part 3, options and awards will not vest or become exercisable as a consequence of the Scheme. Instead, it is expected that such options and awards will be exchanged for new options or awards over IWG Ordinary Shares of equivalent value and on the same terms by agreement with IWG.

The new options and awards will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested and the same performance conditions will apply.

Further information in relation to the IWG Share Schemes is set out in paragraph 7 of Part 3.

4. Effect of the Scheme

The effect of full implementation of the Scheme will be as follows:

- (A) instead of having its ordinary share capital owned by the Old Regus Ordinary Shareholders, Old Regus will become a wholly-owned subsidiary of IWG;
- (B) instead of owning Old Regus Ordinary Shares, each Scheme Shareholder (immediately upon the Scheme becoming effective) will come to own the same number of IWG Ordinary Shares as the number of Old Regus Ordinary Shares held by them immediately prior to the Scheme Effective Date; and
- (C) through its holding of Old Regus, IWG will come to own all of the business of the Regus Group.

The proportions of IWG Ordinary Shares which come to be held by Scheme Shareholders may nevertheless be affected by the exercise of outstanding options to subscribe for Old Regus Ordinary Shares pursuant to the Old Regus Share Schemes. However, even were the Scheme not to become effective, the proportions in which Old Regus Ordinary Shareholders would have held Old Regus Ordinary Shares would have been affected to the same extent by the exercise of equivalent rights over Old Regus Ordinary Shares.

The proportion of IWG Ordinary Shares held by Scheme Shareholders will also be subject to the exercise of options or the vesting of awards under the Share Option Plan, the DSBP, the PSP and the CIP, if approved at the Extraordinary General Meeting.

Immediately following the Scheme becoming effective, IWG will own no assets other than the ordinary share capital in Old Regus and nominal cash balances.

5. Taxation

Your attention is drawn to the general guidance on the tax position of Old Regus Ordinary Shareholders set out in paragraph 5 of Part 3 of this document.

Paragraph 5 of Part 3 is intended as a guide only and any Old Regus Ordinary Shareholders who are in any doubt as to their tax position, or who are resident for tax purposes outside of the United Kingdom, Jersey or Switzerland, are strongly advised to consult an appropriate independent professional adviser.

6. Memorandum and articles of association of Old Regus and IWG

It is proposed, as a special resolution to be proposed at the Extraordinary General Meeting, to amend the Old Regus Articles to ensure that any Old Regus Ordinary Shares issued under the Old Regus Share Schemes or otherwise between the time of the amendment to the Old Regus Articles and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend Old Regus's Articles so that any Old Regus Ordinary Shares issued to any person other than IWG or its nominee(s) at or after the Scheme Record Time will be automatically acquired by IWG on the same terms as under the Scheme. This will avoid any person (other than IWG or its nominee(s)) being left with Old Regus Ordinary Shares after dealings in such shares have ceased on the London Stock Exchange (which will occur at close of business on the business day before the Scheme becomes effective).

In addition, there are a number of differences between the Old Regus Articles and the IWG Articles. These arise principally by reason of IWG not having its place of central administration (head office) in

Luxembourg and not being subject to Luxembourg company law. The IWG Articles were adopted by IWG on 2 November 2016. Confirmatory approval of the IWG Articles is being sought from the Old Regus Ordinary Shareholders as an ordinary resolution to be proposed at the Extraordinary General Meeting.

A summary of the principal differences between the IWG Articles and the Old Regus Articles is set out in paragraph 2 of Part 3 of this document.

7. Directors and other interests

Dominik de Daniel was appointed as a director of IWG on 27 September 2016. Mr de Daniel will be the Chief Financial Officer and Chief Operating Officer of IWG. Douglas Sutherland and Mark Dixon were appointed as directors of IWG on 14 October 2016, and will be the Chairman and Chief Executive Officer of IWG respectively. Lance Browne, Elmar Heggen, Florence Pierre, François Pauly and Nina Henderson were appointed as directors of IWG on 14 October 2016 and will be non-executive Directors of IWG, with Lance Browne as the senior non-executive director. Each of the IWG Directors is an Old Regus Director. Each of the IWG Directors will enter into a new service agreement and/or letter of appointment on substantially the same terms to their existing arrangements with Old Regus.

The interests of the Old Regus Directors in the existing share capital of Old Regus as at the latest practicable date prior to publication of this document, and the interests of the IWG Directors in the share capital of IWG immediately after the Scheme becomes effective, are set out in paragraph 15 of Part 2. These interests will not change as a result of the Scheme, and the effect of the Scheme on the interests of the Directors does not differ from its effect on the like interests of other persons.

In common with other participants in the Old Regus Share Schemes, the Directors' awards under those schemes will be exchanged as set out in paragraph 6 of Part 3.

The new options and awards granted by IWG under the IWG Share Schemes will become exercisable or vest at the same time as the existing options or awards under the Old Regus Share Schemes would have become exercisable or vested and the same performance conditions will apply.

8. CREST

It is proposed that the IWG Ordinary Shares be made eligible for settlement in CREST, the paperless system for settlement of securities listed by the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities. Further information on the CREST settlement system is set out in paragraph 18 of Part VI of the Prospectus, a copy of which is expected to be made available in electronic form on the Regus Group's website at www.regus.com/investors and hard copies of which are available free of charge upon request by writing to Old Regus at its registered address or to the Registrars, Capita, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Information on listing, dealings, share certificates and settlement is set out in paragraph 10 below.

9. Overseas Shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

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

If, in respect of any Overseas Shareholder, IWG is advised that the allotment and issue of IWG Ordinary Shares would or might infringe the laws of any jurisdiction outside Jersey or the United Kingdom, or would or might require IWG to obtain any governmental or other consent or effect any registration, filing or other formality, IWG may determine that no IWG Ordinary Shares shall be allotted and issued to such shareholder but instead those IWG Ordinary Shares shall be allotted and issued to a nominee appointed by IWG as trustee for such shareholder, on terms that they shall be sold on behalf of such shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such shareholder. Alternatively, IWG may determine that the IWG Ordinary Shares shall be allotted and issued to that Overseas Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder (at the Overseas Shareholder's risk).

This document has been prepared for the purpose of complying with Jersey law and the rules of the UK Listing Authority 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 of jurisdictions outside Jersey.

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

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

9.1 United States

The IWG Ordinary Shares will not be, and are not required to be, registered under the US Securities Act and will be issued pursuant to the Scheme in reliance on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that Act. For the purpose of qualifying for the Section 3(a)(10) exemption with respect to the IWG Ordinary Shares issued pursuant to the Scheme, IWG will rely on the Jersey Court's sanctioning of the Scheme as an approval of the Scheme following a hearing on its fairness to Old Regus Ordinary Shareholders at which hearing all such Old Regus Ordinary Shareholders will be 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 or will be given to all such shareholders.

The Scheme relates to the shares of a Jersey company and is to be made by means of a scheme of arrangement provided for under the laws of Jersey. The Scheme is subject to the disclosure

requirements and practices applicable in Jersey to schemes of arrangement, which differ from the disclosure and other requirements of United States securities laws.

Both Old Regus and IWG are registered in Jersey. Directors and officers of Old Regus and IWG may be located outside the United States and, as a result, it may not be possible for Old Regus Ordinary Shareholders or IWG Ordinary Shareholders in the United States to effect service of process within the United States upon Old Regus or IWG or such other persons. A substantial portion of the assets of Old Regus and IWG and such other persons may be located outside the United States and, as a result, it may not be possible to satisfy a judgment against Old Regus or IWG or such other persons in the United States or to enforce a judgment obtained in United States courts against Old Regus or IWG or such other persons outside the United States.

The IWG Ordinary Shares will not be registered under the securities laws of any state of the United States, and will be issued pursuant to the Scheme in reliance on available exemptions from such state law registration requirements or the pre-emption of such requirements by the US Securities Act.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has reviewed, approved or disapproved of the IWG Ordinary Shares or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

US Shareholders should note that no appraisal or similar rights of dissenting shareholders are to apply in connection with the Scheme as none are required as a matter of Jersey law.

Old Regus Ordinary Shareholders who are citizens or residents of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme and in their particular circumstances.

10. Listing, dealings, share certificates and settlement

Application will be made to the UK Listing Authority for the IWG Ordinary Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the IWG Ordinary Shares to be admitted to trading on its main market for listed securities. The ISIN of the IWG Ordinary Shares will be JE00BYVQYS01.

If all the conditions to the Scheme are satisfied, Old Regus intends to seek the delisting of the Old Regus Ordinary Shares from the Official List with effect from the Scheme Effective Date.

The last day of dealings in Old Regus Ordinary Shares is expected to be 16 December 2016. The last time for registration of transfers of Old Regus Ordinary Shares is expected to be the Scheme Record Time.

It is expected that the IWG Ordinary Shares will be issued, admission will become effective and that dealings will commence on 19 December 2016.

ON THE SCHEME EFFECTIVE DATE, ALL CERTIFICATES REPRESENTING OLD REGUS ORDINARY SHARES WILL CEASE TO BE VALID AND BINDING IN RESPECT OF SUCH HOLDINGS AND SHOULD BE DESTROYED. DEFINITIVE SHARE CERTIFICATES FOR THE IWG ORDINARY SHARES OF OLD REGUS ORDINARY SHAREHOLDERS WHO HELD THEIR OLD

REGUS ORDINARY SHARES IN CERTIFICATED FORM ARE EXPECTED TO BE DESPATCHED WITHIN 10 BUSINESS DAYS AFTER THE SCHEME EFFECTIVE DATE. IN THE CASE OF JOINT HOLDERS, CERTIFICATES WILL BE DESPATCHED TO THE JOINT HOLDER WHOSE NAME APPEARS FIRST IN THE REGISTER. ALL CERTIFICATES WILL BE SENT BY PRE-PAID FIRST CLASS POST AT THE RISK OF THE PERSON ENTITLED THERETO.

Old Regus Ordinary Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date.

For Old Regus Ordinary Shareholders who hold their Old Regus Ordinary Shares in a CREST account, IWG Ordinary Shares are expected to be credited to the relevant CREST accounts on 19 December 2016. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The IWG Articles permit the holding of IWG Ordinary Shares under the CREST system. The Directors will apply for the IWG Ordinary Shares to be admitted to CREST with effect from admission of the IWG Ordinary Shares. Accordingly, settlement of transactions in IWG Ordinary Shares following admission may take place within the CREST system. CREST is a voluntary system and holders of IWG Ordinary Shares who wish to receive and retain share certificates will be able to do so.

IWG reserves the right to issue IWG Ordinary Shares to all shareholders in certificated form if, for any reason, it wishes to do so.

All mandates in force at the Scheme Record Time relating to payment of dividends on Old Regus Ordinary Shares and all instructions then in force relating to notices and other communications will, unless and until varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to IWG in relation to the corresponding holding of IWG Ordinary Shares.

11. Meetings and consents for implementation of the Proposals

The Scheme will require the approval of the Old Regus Ordinary Shareholders at the Court Meeting convened pursuant to an order of the Jersey Court, and the passing by Old Regus Ordinary Shareholders of the resolutions specified in the notice of the Extraordinary General Meeting at that meeting. Both of the Meetings will take place on 5 December 2016.

IWG will appear by counsel at the hearing to sanction the Scheme and will undertake to be bound by the Scheme.

The Scheme also requires a separate sanction from the Jersey Court. Notices of the Court Meeting and the Extraordinary General Meeting are contained in Part 5.

(A) Court Meeting

The Court Meeting will take place at 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) on 5 December 2016 pursuant to an order of the Jersey Court. At the Court Meeting, or at any adjournment thereof, the Old Regus Ordinary Shareholders will consider and, if thought fit, approve the Scheme.

Voting will be by poll at the Court Meeting and each Old Regus Ordinary Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Old Regus Ordinary Share

held. The statutory majority required to approve the Scheme at the Court Meeting is a majority in number of the Old Regus Ordinary Shareholders present and voting (either in person or by proxy) at the Court Meeting representing not less than three-fourths of the voting rights of the Old Regus Ordinary Shares voted by such Old Regus Ordinary Shareholders.

In order that the Jersey Court can be satisfied that the votes cast constitute a fair representation of the views of the Old Regus Ordinary Shareholders, it is important that as many votes as possible are cast at the Court Meeting. Old Regus Ordinary Shareholders are therefore urged to take the action referred to in paragraph 17 below.

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

(B) The Extraordinary General Meeting

The Extraordinary General Meeting will take place at 2:15 p.m. (Luxembourg time) (1:15 p.m. (London time)) or as soon thereafter as the Court Meeting concludes or adjourns on 5 December 2016. A number of resolutions in the notice of the Extraordinary General Meeting will be proposed as special resolutions and the Extraordinary General Meeting will be held before a public notary.

For each resolution to be passed at the first call of the Extraordinary General Meeting, a quorum of members representing at least 50 per cent. of the issued share capital must be present in person or by proxy. If a quorum is not present at the first call of the Extraordinary General Meeting, the meeting may be reconvened on no less than 17 clear days' notice. At the reconvened Extraordinary General Meeting, two members present in person or by proxy shall be a quorum. Old Regus Ordinary Shareholders are therefore urged to take the action referred to in paragraph 17 below.

At the Extraordinary General Meeting, or at any adjournment thereof, Old Regus Ordinary Shareholders will consider and, if thought fit, pass the resolutions set out in the notice of the Extraordinary General Meeting contained in Part 5. Voting will be by poll at the Extraordinary General Meeting and each Old Regus Ordinary Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Old Regus Ordinary Share held.

(i) *Special Resolutions*

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

- (A) approve the Scheme;
- (B) confirm the authority of the IWG Directors to convene a general meeting of IWG, other than at an annual general meeting, on not less than 14 clear days' notice; and
- (C) approve an amendment by Old Regus to the Old Regus Articles.

The majority required for the passing of the special resolutions is not less than two-thirds of the votes cast (in person or by proxy) at the Extraordinary General Meeting. Voting on the Special Resolutions will be by poll and not a show of hands.

(ii) Ordinary Resolutions

The ordinary resolutions set out in the notice of the Extraordinary General Meeting are proposed in order to:

- (A) confirm the adoption of the IWG Articles by IWG. A summary of the IWG Articles, and of the key differences between the IWG Articles and the Old Regus Articles is set out in paragraphs 2 and 3 of Part 3;
- (B) conditional upon the Scheme becoming effective, approve the IWG Reduction of Capital (a summary of which is set out in paragraph 2.3 above); and
- (C) confirm the adoption by IWG of the Share Option Plan, the DSBP, the PSP and the CIP described in paragraph 7 of Part 3 of this document.

The majority required for the passing of each Ordinary Resolution is a simple majority of the votes cast (in person or by proxy) at the Extraordinary General Meeting. Voting on the ordinary resolutions will be by poll and not a show of hands.

12. Authorities relating to IWG

The IWG Initial Ordinary Shareholders have already approved, among other matters:

- (A) the authority of the Directors to issue and allot IWG Ordinary Shares in connection with the implementation of the Scheme;
- (B) the authority of the Directors to allot IWG Ordinary Shares, in the manner and to the extent approved by Old Regus Ordinary Shareholders at the annual general meeting of Old Regus in 2016;
- (C) the authority of the Directors to allot IWG Ordinary Shares otherwise than in accordance with pre-emption rights, in the manner and to the extent approved by Old Regus Ordinary Shareholders at the annual general meeting of Old Regus in 2016;
- (D) the authority of the Directors to re-purchase IWG Ordinary Shares in the manner and to the extent approved by Old Regus Ordinary Shareholders at the annual general meeting of Old Regus in 2016;
- (E) the authority for the Directors of IWG to convene a general meeting of IWG, other than an annual general meeting, on not less than 14 clear days' notice;
- (F) the adoption of the IWG Articles;
- (G) the adoption by IWG of the IWG Share Schemes;

- (H) the adoption of the remuneration policy in the form set out in the directors' remuneration report in the annual report of Old Regus for the year ended 31 December 2015 as the remuneration policy of IWG, replicating the resolution passed by Old Regus Ordinary Shareholders at the 2016 annual general meeting of Old Regus;
- (I) the appointment and approval of KPMG Ireland as independent auditor of IWG to hold office until the conclusion of the next annual general meeting; and
- (J) the authority for the Directors to authorise and determine the remuneration of KPMG Ireland as approved independent auditor.

13. IWG facilities

On the Scheme Effective Date, IWG is expected to accede to the Regus Group's £550 million revolving credit facility and the £75 million bank guarantee and letter of credit facility (as may be amended or replaced).

14. Prospectus

The Prospectus relating to IWG which is required to be published to effect the introduction of the IWG Ordinary Shares to the premium listing segment of the Official List, is expected to be made available in electronic form on the Regus Group's website at www.regus.com/investors on or around the date of this document. Copies will be available up until admission on request, free of charge by writing to Old Regus at 22 Grenville Street, St Helier, Jersey JE4 8PX or the Registrars at 12 Castle Street, St Helier, Jersey JE2 3RT.

The Prospectus contains information including financial information in relation to the Regus Group, a business overview of the Regus Group, an operating and financial review in relation to the Regus Group and a section of additional information, including details of the remuneration and interests of the Directors, all of which will be relevant to IWG as the new holding company of the Regus Group.

15. Directors' interests

On the Scheme becoming effective, assuming that no Old Regus Ordinary Shares are purchased or sold by the Old Regus Directors (who are also the IWG Directors) after 1 November 2016 (being the latest practicable date prior to the publication of this document), and no Old Regus Ordinary Shares or IWG Ordinary Shares are issued or repurchased by Old Regus or IWG after 1 November 2016, the Directors will have the following beneficial interests in IWG Ordinary Shares by virtue of the effect of the Scheme on their Old Regus Ordinary Shares.

IWG Director	Number of Old Regus Ordinary Shares	Number of IWG Ordinary Shares	Percentage of voting rights attaching to IWG Ordinary Shares
Douglas Sutherland	400,000	400,000	0.04 per cent.
Mark Dixon	257,701,874	257,701,874	27.79 per cent.
Dominik de Daniel	422,589	422,589	0.05 per cent.
Lance Browne	14,994	14,994	0.002 per cent.
Nina Henderson	30,800	30,800	0.003 per cent.
François Pauly	100,000	100,000	0.01 per cent.

The interests in Old Regus Ordinary Shares of the Directors together represent approximately 27.89 per cent. of the voting rights attaching to Old Regus Ordinary Shares as at 1 November 2016 (being the latest practicable date prior to the publication of this document).

In addition to their having an interest in 258,670,257 Old Regus Ordinary Shares (in aggregate) as detailed above, certain of the Directors also have interests in Old Regus Ordinary Shares as at 1 November 2016 (being the latest practicable date prior to the publication of this document) as a result of their participation in the Old Regus Share Schemes. These interests were as follows:

Old Regus Co-Investment Plan

IWG Director	Interest in options and awards over Old Regus Ordinary Shares	Grant Date	Exercise date	Expiry date
Mark Dixon				
Matching shares	251,447	06/03/2013	06/03/2017	06/03/2023
Matching shares	251,447	06/03/2013	06/03/2018	06/03/2023
Investment shares	103,051	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,402	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2018	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2019	05/03/2024
Investment shares	132,326	04/03/2015	04/03/2018	04/03/2025
Matching shares	529,304	04/03/2015	04/03/2020	04/03/2025
TOTAL	1,679,779			

The Old Regus Co-Investment Plan was linked to the outcome of performance under the annual bonus and as a result, the potential reward was reliant entirely upon short-term performance. In order to provide a clearer focus on long-term performance and reduce complexity, no further awards have been made under the Old Regus Co-Investment Plan. Instead, awards have been granted under the Old Regus Performance Share Plan.

Old Regus Performance Share Plan

IWG Director	Interest in options and awards over Old Regus Ordinary Shares	Grant date	Vesting/exercise date	Expiry date
Mark Dixon				
PSP Shares	552,579	03/03/2016	03/03/2021	03/03/2026
Dominik de Daniel				
PSP Shares	485,600	03/03/2016	03/03/2021	03/03/2026

Old Regus Share Option Plan

There are no outstanding options held by any Directors under this plan.

Old Regus Long Term Incentive Plan

There are no outstanding options or awards held by any Directors under this plan.

Old Regus 2008 Value Creation Plan

There are no outstanding awards held by any Directors under this plan.

Old Regus Deferred Share Bonus Plan

No options or awards have been granted to any Directors under this plan.

Old Regus One Off Award Agreement

A one off conditional share award over 328,751 Old Regus Ordinary Shares was granted to Dominik de Daniel in November 2015 in order to facilitate his recruitment.

Interest in options and awards over Old Regus Ordinary Shares	Grant date	Vesting/exercise date	Expiry
328,751	02/11/2015	02/11/2020	02/11/2025

The above interests are based upon the interests of the Directors in Old Regus Ordinary Shares which: (a) have been notified by each Director to Old Regus pursuant to Chapter 3 of the Disclosure Guidance and Transparency Rules before 1 November 2016 (being the latest practicable date prior to the publication of this document); or (b) are interests of a connected person (within the meaning of the Disclosure Guidance and Transparency Rules) of a Director which have been notified to Old Regus by each connected person (within the meaning of the Disclosure Guidance and Transparency Rules) pursuant to Chapter 3 of the Disclosure Guidance and Transparency Rules before such date.

Save as set out above, no Director (nor any person connected with them) has any interests (beneficial or non-beneficial) in the share capital of Old Regus. Save as set out above, no Director (nor any person connected with them) holds an interest in any other securities of the Regus Group.

Save as set out above, none of the Directors had a beneficial interest in any contract to which Old Regus or IWG or another member of the Regus Group was a party during the financial year.

There are no outstanding loans or guarantees granted or provided by IWG or Old Regus or another member of the Regus Group for the benefit of any of the Directors.

16. Further information

Your attention is drawn to the letter from your Chairman in Part 1 and to the Scheme set out in Part 4.

Copies of:

- (A) the Old Regus Articles;
- (B) the IWG Articles;
- (C) the proposed amended articles of association of Old Regus;
- (D) the rules of the Share Option Plan, the DSBP, the PSP and the CIP;

- (E) this document;
- (F) the Prospectus; and
- (G) the forms of proxy for the Court Meeting and the Extraordinary General Meeting,

can be inspected at the offices of Old Regus's solicitors, Slaughter and May, at One Bunhill Row, London EC1Y 8YY and the registered office of Old Regus at 22 Grenville Street, St Helier, Jersey JE4 8PX during business hours on any day (excluding Saturdays, Sundays and public holidays) from the date of this document to the close of business on the Scheme Effective Date. Copies of these documents will also be available for inspection for a least 15 minutes prior to and during the Court Meeting and the Extraordinary General Meeting. This document and the Prospectus are also expected to be made available in electronic form on the Regus Group's website at www.regus.com/investors.

In the case of joint holders of Old Regus Ordinary Shares, one copy of this document is being delivered to the joint holder whose name appears first in the register. Further copies of this document and the Prospectus may be requested by joint holders other than the joint holder whose name appears first in the register by application in writing to the Company Secretary at 22 Grenville Street, St. Helier, Jersey JE4 8PX.

17. Action to be taken

Forms of proxy are enclosed as follows:

- (A) for the Court Meeting, a BLUE form of proxy; and
- (B) for the Extraordinary General Meeting, a WHITE form of proxy.

Whether or not you propose to attend the meetings in person you are requested, if you hold Old Regus Ordinary Shares, to complete and return the BLUE and WHITE forms of proxy. A number of resolutions in the notice of the Extraordinary General Meeting will be proposed as special resolutions and the Extraordinary General Meeting will be held before a public notary. This means that for each resolution to be passed at the first call of the Extraordinary General Meeting, a quorum of members representing at least 50 per cent. of the issued share capital must be present in person or by proxy and at least two-thirds of the votes cast must be in favour of the special resolutions.

Completed forms of proxy should be returned to the Registrars at their address, Capita, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to be received by the Registrars not later than 48 hours (excluding non-working days) before the time appointed for the relevant meeting. The return of the forms of proxy will not prevent you from attending either of the meetings and voting in person if you so wish and are so entitled. In each case, the forms and cards should be completed in accordance with the instructions printed on them.

The BLUE form of proxy in respect of the Court Meeting may also be handed to the Registrars or the Chairman at the Court Meeting before the start of the meeting. However, in the case of the Extraordinary General Meeting, the WHITE form of proxy will be invalid unless it is lodged so as to be received at least 48 hours (excluding non-working days) before the time appointed for the Extraordinary General Meeting.

If you hold your Old Regus Ordinary Shares in CREST, you can appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual. Your CREST Proxy Instruction must be received by the Registrars by 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) on 1 December 2016 for the Court Meeting and 2:15 p.m. (Luxembourg time) (1:15 p.m. (London time)) on 1 December 2016 for the Extraordinary General Meeting or if either of the meetings is adjourned, 48 hours (excluding non-working days) before the time appointed for the adjourned meetings.

Yours faithfully,

James Rudd

PART 3 – ADDITIONAL INFORMATION

1. Responsibility

The Old Regus Directors, whose names are set out in paragraph 4 of this Part 3, and Old Regus, whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Old Regus Directors and Old Regus, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. Summary of the principal differences between the Old Regus Articles and the IWG Articles

Old Regus is a company incorporated and registered in Jersey, with its place of central administration (head office) in Luxembourg and registered as a *société anonyme*. Accordingly, the Old Regus Articles contain a number of provisions which reflect applicable requirements or provisions of Luxembourg law. As IWG has its head office in Switzerland, rather than Luxembourg, these provisions are not contained in the IWG Articles. These provisions, and the other principal differences between the Old Regus Articles and the IWG Articles, are summarised below.

As IWG is incorporated and registered in Jersey, all of the provisions in the Old Regus Articles which reflect applicable requirements or provisions of Jersey law are also included in the IWG Articles. In addition, the Old Regus Articles contain certain provisions to enshrine certain rights which shareholders in a company listed on the London Stock Exchange would expect to have, and these provisions are also substantially included in the IWG Articles. The principal provisions of the IWG Articles are summarised in paragraph 3 of this Part 3.

Notwithstanding the differences between the IWG Articles and the Old Regus Articles outlined below, with effect from the Scheme Effective Date, the voting rights relating to the IWG Ordinary Shares will be substantially the same as the Old Regus Ordinary Shares and the IWG Ordinary Shares will rank *pari passu* for dividends in all respects with other fully paid IWG Ordinary Shares in issue on the Scheme Effective Date.

The following provisions are included in the Old Regus Articles, principally to reflect requirements or provisions of Luxembourg law or ensure Old Regus's place of central administration (head office) remained in Luxembourg:

- a maximum level of authorised but unissued share capital which can be allotted by the Board, with a requirement for that maximum level to be renewed by special resolution every five years;
- a provision which sets out the current issued share capital;
- provisions setting out restrictions in relation to purchase by Old Regus of its own shares;
- provisions relating to the waiver of the application of the pre-emption rights set out in Luxembourg law;

- provisions relating to the implementation of a scheme of arrangement and compulsory acquisition of shares (as a scheme of arrangement is not a concept under Luxembourg law);
- distinctions in voting between substantive and other resolutions;
- provisions reflecting the quorum requirements of Luxembourg law, namely that: the quorum in relation to extraordinary general meetings is members representing at least 50 per cent. of the issued share capital (excluding shares which do not carry a right to attend and vote at general meetings and treasury shares) present in person or by proxy; and, if this quorum is not met, the meeting must be dissolved and may be reconvened as if it were the original meeting except that the notice requirements in respect of the reconvened meeting are the sending of a notice of the meeting and the publication of an announcement in the Luxembourg Official Gazette and in a local Luxembourg newspaper 17 clear days before the reconvened extraordinary general meeting;
- provisions to the effect that: all general meetings be held in Luxembourg; that general meetings are, to the extent required by Luxembourg law, held before a Luxembourg public notary (who must also sign the minutes); and that notices convening general meetings must, in accordance with Luxembourg law, be announced in the Luxembourg Official Gazette and a local Luxembourg newspaper;
- a provision requiring 30 clear days' notice in writing (specifying the place, day and time of the meeting, the agenda and general nature of the business to be transacted) for all general meetings, or such shorter period as permitted by the Jersey Companies Law (as defined in the Old Regus Articles) and Luxembourg company law, and requiring the company to publish the convening notice by way of announcement not less than 30 clear days before the general meeting;
- a provision to the effect that at least five per cent. of net profits each year be allocated to an undistributable legal reserve until that reserve represents one tenth of the nominal value of the issued share capital;
- provisions allowing for the prorogation of general meetings in accordance with Luxembourg law (as the concept of adjournment under Luxembourg law is different to the concept of adjournment under Jersey law);
- provisions to the effect that the power of the Board to announce interim dividends is subject to certain conditions under Luxembourg law, as set out in the Old Regus Articles;
- provision requiring a specific date, time and location for annual general meetings, to comply with requirements under Luxembourg law;
- provisions relating to the addition of points to the general meeting agenda and the appointment of a bureau at each general meeting;
- provisions allowing for the deemed appointment of a proxy; and
- provisions regarding the location of IWG's general meetings, board committee meetings (save, in certain circumstances, for those relating to purely administrative matters), quorum requirements for such meetings, or the signing of written board resolutions,

These provisions have not been included in the IWG Articles.

The IWG Articles also differ from the Old Regus Articles in that they reflect changes in the Jersey Companies Law and the UK Companies Act 2006 (in the latter case, to the extent that provisions from that legislation were incorporated into the Old Regus Articles at the time they were adopted) which came into force after the Old Regus Articles were adopted. These include the following:

- under the Old Regus Articles, if Old Regus wishes to issue redeemable shares, it must include in the Old Regus Articles the terms and manner of redemption. Jersey legislation allows the directors of a company to determine such matters provided they are so authorised by the articles of association of a company and, accordingly, the IWG Articles contain such authorisation. The Directors of IWG would require the authority of IWG Ordinary Shareholders to issue any redeemable shares in the usual way;
- the Old Regus Articles authorise the Board to issue shares up to a prescribed level for the relevant period set out therein, subject to obtaining the relevant approval of shareholders in general meeting. The IWG Articles contain a substantially equivalent provision, save that the relevant period has been updated and will apply until 5 December 2021;
- updating the payment procedure to allow more flexibility for the Directors of IWG to announce and IWG to pay dividends, both to individual and joint holders of accounts;
- the Old Regus Articles allow Old Regus to sell Old Regus Ordinary Shares held by untraced shareholders (being shareholders who, for a period of 12 years or more, have not claimed three or more cash dividends, as defined in more detail in the Old Regus Articles) and hold the proceeds of such sale for the benefit of such untraced shareholders. As permitted by Jersey law, a company's articles may provide that, in such circumstances, the proceeds of such sale shall be forfeited to the company if they remain unclaimed for six years following the sale. This position is consistent with the position under the UK Companies Act 2006. The New Articles provide for this mechanism; and
- the Old Regus Articles incorporate provisions of the UK Companies Act 2006 in force at the time of adoption of the Old Regus Articles allowing shareholders to request, and Old Regus to send to such shareholders, summary financial statements (as defined in the Old Regus Articles). The relevant requirement under the UK Companies Act 2006 has now been repealed, and are therefore not included in the IWG Articles. Instead, the UK Companies Act 2006 provides that a company's shareholders may elect to receive, in place of a company's annual report and accounts, a strategic report of the company together with certain supplementary material, and requires the company to provide such documents upon the request being made in the prescribed manner. An article has been included in the IWG Articles to reflect these provisions.

In addition, the provisions in the Old Regus Articles relating to income access arrangements have not been included in the IWG Articles as those arrangements (originally put in place by Old Regus in 2008) are no longer used.

The IWG Articles also contain a provision enabling the Board to adopt such guidance as it may deem appropriate regarding the location of its meetings and other matters to reflect that the IWG head office is in Switzerland.

The memorandum of association of Old Regus also contains an objects clause which sets out the scope of the activities Old Regus is authorised to undertake, as required by Luxembourg law. This is drafted to give a wide scope. Under the Jersey Companies Law, companies incorporated in Jersey may have unrestricted objects and, accordingly, an objects clause is not included in the memorandum of association of IWG.

In addition, the opportunity has been taken to bring clearer language into the IWG Articles and in some areas to conform the language of the IWG Articles to that used in applicable legislation. Accordingly, there are a number of differences between the Old Regus Articles and the IWG Articles in respect of these provisions, as well as differences of a minor, technical or clarificatory nature.

The provisions of the IWG Articles are further described in paragraph 3 of this Part 3.

3. Summary of the IWG Articles

3.1 Limited Liability

The liability of IWG's members is limited to the amount, if any, unpaid on the shares in IWG held by them.

3.2 Share Rights

Subject to the Jersey Companies Law (as defined in the IWG Articles) and any rights attached to existing shares, shares may be issued with such rights and restrictions as IWG may by special resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. Such rights and restrictions shall apply as if they were set out in the IWG Articles. Redeemable shares may be issued, subject to any rights attached to existing shares and the Jersey Companies Law. The Board may determine the terms and conditions and the manner of redemption of any redeemable share so issued. Such terms and conditions shall apply to the relevant shares as if they were set out in the IWG Articles. Subject to the IWG Articles, any resolution passed by the shareholders and other shareholders' rights, the Board may decide how to deal with any shares in IWG.

3.3 Voting Rights

At any general meeting, all resolutions put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Votes are to be conducted in the following manner:

- on a show of hands every member present in person has one vote and every proxy present who has been duly appointed by one or more members will have one vote; and
- on a poll every member has one vote per share held by him and he may vote in person or by one or more proxies. Where he appoints more than one proxy, the proxies appointed by him taken together shall not have more extensive voting rights than he could exercise in person.

This is subject to any special terms as to voting which are given to any shares or on which shares are held.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

3.4 Restrictions

No member shall be entitled to vote at any general meeting or class meeting in respect of any share held by him if any call or other sum then payable by him in respect of that share remains unpaid or if a member has been served with a restriction notice (as defined in the IWG Articles) after failure to provide IWG with certain information concerning interests in those shares.

3.5 Dividends and Other Distributions

Subject to the Jersey Companies Law, IWG may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. Subject to the Jersey Companies Law, the Board may pay interim dividends, and also any fixed rate dividend, whenever the financial position of IWG, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it is not liable to holders of shares for losses arising from the payment of interim or fixed dividends on any other class of shares ranking *pari passu* with or after those shares.

The Board may withhold payment of all or any part of any dividends or other moneys payable in respect of IWG's shares from a person with a 0.25 per cent. or greater holding, in number or nominal value, of the shares of IWG or of any class of such shares (in each case, calculated exclusive of any shares held as treasury shares) (in this section, a "0.25 per cent. interest") if such a person has been served with a restriction notice (as defined in the IWG Articles) after failure to provide IWG with certain information concerning interests in those shares.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion of the period in respect of which the dividend is paid. Except as set out above, dividends may be declared or paid in any currency.

The Board may if authorised by an ordinary resolution of IWG offer any holders of ordinary shares (excluding any shares held by IWG as treasury shares) in respect of any dividend the right to elect to receive ordinary shares by way of scrip dividend instead of cash.

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and revert to IWG unless the Board decides otherwise.

The Board may decide on the way dividends are paid, including deciding on different ways of payment for different shareholders. If the Board has decided on different ways of payment, it may also give shareholders the option of choosing in which of these ways they would like to receive payment or it may specify that a particular way of payment will be used unless shareholders choose otherwise. If shareholders fail to provide the necessary details to enable payment of the dividend to them or if payment cannot be made using the details provided by the shareholder, the dividend will be treated as unclaimed.

IWG may stop sending cheques, warrants or similar financial instruments in payment of dividends by post in respect of any shares or may cease to employ any other means of payment, including payment by means of a relevant system, for dividends if either (i) at least two consecutive payments have remained uncashed or are returned undelivered or that means of payment has failed, or (ii) one payment remains uncashed or is returned undelivered or that means of payment has failed and reasonable inquiries have failed to establish any new postal address or account of the holder. Subject to the provisions of the IWG Articles, IWG must resume sending dividend cheques, warrants or similar financial instruments or employing that means of payment if the holder requests such resumption in writing.

3.6 Variation of Rights

Subject to the Jersey Companies Law, rights attached to any class of shares may be varied with the written consent of the holders of not less than two-thirds in nominal value of the issued shares of that class (calculated excluding any shares of that class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting (except an adjourned meeting) the quorum shall be two persons in person or by proxy.

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

3.7 Transfer of Shares

The shares are in registered form. Any shares in IWG may be held in uncertificated form and, subject to the IWG Articles, title to uncertificated shares may be transferred by means of a relevant system. Provisions of the IWG Articles do not apply to any uncertificated shares to the extent that such provisions are inconsistent with the holding of shares in uncertificated form, with the transfer of shares by means of a relevant system, with any provision of the Uncertificated Securities Order, legislation and rules relating to uncertificated shares or with IWG doing anything by means of a relevant system.

Subject to the IWG Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be signed by or on behalf of the transferor and (in the case of a partly paid or unpaid share) countersigned by the transferee.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

The Board can decline to register any transfer of any certificated share which is not a fully paid share. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer:

- is accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- is in respect of only one class of share; and

- if to joint transferees, is in favour of not more than four such transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the Uncertificated Securities Order (as defined in the IWG Articles) and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

The Board may decline to register a transfer of any of IWG's certificated shares by a person with a 0.25 per cent. interest if such a person has been served with a restriction notice (as defined in the IWG Articles) after failure to provide IWG with certain information concerning interests in those shares, unless the transfer is shown to the Board to be pursuant to an arm's length sale (as defined in the IWG Articles).

3.8 Sub-division of Share Capital

IWG may from time to time by altering its memorandum of association by special resolution:

- increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe; or
- alter its share capital in any manner permitted by the Jersey Companies Law.

3.9 General Meetings

The IWG Articles rely in part on the Jersey Companies Law provisions dealing with the calling of general meetings. Upon listing, IWG will be required to give at least 21 days' notice of any general meeting unless a special resolution reducing the period to not less than 14 days has been passed at any general meeting. Notice of a general meeting must be sent to every member who is entitled to receive it and every director. It must state the time and date and the place of the meeting and the general nature of the business to be dealt with at the meeting. In addition, a notice calling an annual general meeting must state that the meeting is an annual general meeting.

Each director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at any general meeting where he or she considers that this will assist in the deliberations of the meeting.

3.10 Directors

(A) *Number of directors*

The directors shall be not less than three and not more than 12 in number. IWG may by ordinary resolution vary the minimum and/or maximum number of directors.

(B) *Directors' shareholding qualification*

A director shall not be required to hold any shares in IWG.

(C) *Appointment of directors*

Directors may be appointed by IWG by ordinary resolution or by the Board.

The Board or any committee authorised by the Board may from time to time appoint one or more directors to hold any employment or executive office for such period and on such terms as they may determine and may also revoke or terminate any such appointment.

(D) *Retirement of directors*

At every annual general meeting all the directors shall retire from office and may offer themselves for re-appointment by the members.

(E) *Removal of directors by ordinary resolution*

IWG may by ordinary resolution remove any director before the expiration of his or her period of office.

(F) *Vacation of office*

The office of a director shall be vacated if:

- he or she resigns, or offers to resign and the Board resolves to accept such offer;
- he or she is removed by notice given by all of the other directors and all of the other directors are not less than three in number;
- he or she is or has been suffering from mental ill health or becomes a patient for the purpose of any statute relating to mental health and the Board resolves that his or her office be vacated;
- he or she is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for six consecutive months and the Board resolves that his or her office is vacated;
- he or she becomes bankrupt or compounds with his creditors generally;
- he or she is prohibited or disqualified by a law from being a director;
- he or she ceases to be a director by virtue of the Jersey Companies Law; or
- he or she is removed from office pursuant to the IWG Articles.

Where a director vacates his or her office for the reasons set out in the last two points above, the Board shall as soon as practicable appoint any person who is willing to act as a director to fill the vacancy.

If the office of a director is vacated for any reason, he or she must cease to be a member of any committee or sub-committee of the Board.

(G) *Alternate director*

Any director may appoint any other director or officer of IWG to be his or her alternate and may at his or her discretion remove such an alternate director. If the alternate director is not already a director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.

(H) *Proceedings of the Board*

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the directors in office at the time of meeting. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a director to be the chairman or a deputy chairman and may at any time remove him or her from that office. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

All or any of the members of the Board may participate in a meeting of the Board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and to be counted in the quorum.

The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons as it thinks fit, provided that the majority of persons on any committee or sub-committee must be directors. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in the IWG Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

(I) *Remuneration of directors*

Each of the directors shall be paid a fee at such rate as may from time to time be determined by the Board, but the aggregate of all such fees so paid to the directors shall not exceed £1,500,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of IWG. Any director who is appointed to any executive office shall be entitled to receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, either in addition to or in lieu of his or her remuneration as a director. In addition, any director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director, may be paid such extra remuneration as the Board or any committee authorised by the Board may determine. Each director may be paid his or her reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board, or committees of the Board or of IWG or any other meeting which as a director he or she is entitled to attend, and shall be paid all other costs and expenses properly and reasonably incurred by him or her in the conduct of IWG's business or in the discharge of his or her duties as a director. The aggregate of all expenses so paid to directors under this article shall not exceed

£1,500,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

(J) Pensions and gratuities for directors

The Board or any committee authorised by the Board may exercise the powers of IWG to provide benefits either by the payment of gratuities or pensions or by insurance or in any other manner for any director or former director or his or her relations, dependants or persons connected to him or her, but no benefits (except those provided for by the IWG Articles) may be granted to or in respect of a director or former director who has not been employed by or held an executive office or place of profit under IWG or any of its subsidiary undertakings or their respective predecessors in business without the approval of an ordinary resolution of IWG. The aggregate benefits so paid to directors under this article shall not exceed £750,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of IWG.

(K) Directors' interests

Prior approval by ordinary resolution by the Board is required for any payment for loss of office: (i) to be made to a director; (ii) to a director in connection with the transfer of any part of the company or its subsidiary; and (iii) to a director in connection with a share transfer in relation to shares in the company or a subsidiary resulting from a takeover bid.

Provided he or she has declared the nature and extent of his or her interest to the Board as required under the IWG Articles, a director may:

- (i) be party to, or otherwise interested in, any contract with IWG or in which IWG has a direct or indirect interest;
- (ii) hold any other office or place of profit with IWG (except that of auditor) in conjunction with his or her office of director for such period and upon such terms, including remuneration, as the Board may decide;
- (iii) act by himself or herself or through a firm with which he or she is associated in a professional capacity for IWG or any other company in which IWG may be interested (otherwise than as auditor);
- (iv) be or become a director or other officer of, or employed by or a party to a transaction or arrangement with, or otherwise be interested in any holding company or subsidiary company of IWG or any other company in which IWG may be interested; and
- (v) be or become a director of any other company in which IWG does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

A director shall not, by reason of his or her office be liable to account to IWG or its members for any benefit realised by reason of having an interest permitted as described above or by reason of having a conflict of interest authorised by the Board and no contract shall be liable to be avoided on the grounds of a director having any such interest.

(L) *Restrictions on voting*

No director may vote on or be counted in the quorum in relation to any resolution of the Board concerning his or her own appointment, or the settlement or variation of the terms or the termination of his or her own appointment, as the holder of any office or place of profit with IWG or any other company in which IWG is interested save to the extent permitted specifically in the IWG Articles.

Subject to certain exceptions set out in the IWG Articles, no director may vote on, or be counted in a quorum in relation to, any resolution of the Board in respect of any contract in which he or she has an interest and, if he or she does so, his or her vote shall not be counted.

IWG may by ordinary resolution suspend or relax to any extent the provisions relating to directors' interests or the restrictions on voting or ratify any transaction not duly authorised by reason of a contravention of such provisions.

(M) *Borrowing and other powers*

Subject to the IWG Articles and any directions given by IWG by special resolution, the business of IWG will be managed by the Board who may exercise all the powers of IWG, whether relating to the management of the business of IWG or not. In particular, the Board may exercise all the powers of IWG to borrow money, to guarantee, to indemnify, to mortgage or charge any of its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of IWG or of any third party. The Board must restrict the borrowings of IWG and exercise all voting and other rights or powers of control exercisable by IWG in relation to its subsidiaries so as to secure that the aggregate principal amount from time to time outstanding of all borrowings (as defined in the IWG Articles) by the Regus Group (exclusive of borrowings within the Regus Group) shall not at any time without the previous sanction of an ordinary resolution exceed an amount equal to three times the adjusted capital and reserves (as defined in the IWG Articles).

(N) *Indemnity of directors*

Subject to the IWG Articles and the Jersey Companies Law, every person who is, or has been, an officer of IWG shall be indemnified by IWG against liability and against all expenses reasonably incurred or paid by him or her in connection with any claim, action, suit or proceeding in which he or she becomes involved as a party or otherwise by virtue of his being or having been an officer and against amounts paid or incurred by him or her in the settlement thereof. IWG may purchase and maintain, for any officer or auditor, insurance against any such liability.

4. *IWG Directors*

4.1 The IWG Directors and their functions are as follows:

Name	Function
Douglas Sutherland	Chairman
Mark Dixon	Chief executive officer

Dominik de Daniel	Chief financial officer and chief operating officer
Lance Browne	Senior independent non-executive director
Elmar Heggen	Independent non-executive director
Nina Henderson	Independent non-executive director
Florence Pierre	Independent non-executive director
François Pauly	Independent non-executive director

4.2 All of the directors of IWG are also directors of Old Regus.

4.3 The senior managers of IWG are Mark Dixon and Dominik de Daniel, who are also directors of IWG. The functions of Mr. Dixon and Mr. de Daniel are set out above.

4.4 The business address of each of the IWG Directors is Dammstrasse 19, CH-6300, Zug, Switzerland.

4.5 Brief biographical details of the IWG Directors are as follows:

- ***Douglas Sutherland - Chairman***

Douglas (date of birth 7 June 1956, American, resident in Luxembourg) has served as a director of companies in multiple jurisdictions. He was chief financial officer of Skype during its acquisition by eBay, and was also chief financial officer of Secure Wave during its acquisition by PatchLink. Previously, he was an Arthur Andersen Partner with international management responsibilities. He was also the founding Chairman of the American Chamber of Commerce in Luxembourg. He was appointed a non-executive director of Old Regus on 27 August 2008 and chairman of the Regus Group on 18 May 2010. He was appointed as director of IWG on 14 October 2016.

- ***Mark Dixon - Chief executive officer***

Mark (date of birth 2 November 1959, British, resident in Monaco), chief executive officer and founder, is one of Europe's best known entrepreneurs. Since founding the Regus Group in Brussels, Belgium in 1989, Mark has achieved a formidable reputation for leadership and innovation. Prior to Regus, Mark established businesses in the retail and wholesale food industry. A recipient of several awards for enterprise, Mark has revolutionised the way business approaches its property needs with his vision of the future of work. He was appointed as director of IWG on 14 October 2016.

- ***Dominik de Daniel - Chief financial officer and chief operating officer***

Dominik (date of birth 7 October 1975, German, resident in Switzerland) served for over nine years as the chief financial officer of Adecco Group. He was also the Adecco Group's Head of Global Solutions and was responsible for global information management and for

Adecco Group's activity in China. Dominik was previously the chief financial officer at DIS AG, a German professional staffing company, before it was ultimately acquired by Adecco Group. He was appointed a director of Old Regus, and appointed as chief financial officer and chief operating officer of the Regus Group on 1 November 2015. He was appointed as director of IWG on 27 September 2016.

- ***Lance Browne – Senior independent non-executive director***

Lance (date of birth 8 June 1949, Irish, resident in China) previously held the positions of CEO and subsequently Chairman of Standard Chartered Bank (China) Ltd, as well as non-executive director of IMI plc, Senior Advisor to the City of London, Chairman of China Goldmines plc, and Director of Business Development at Powergen International. Lance is currently Chairman of Travelex (China), and a WS Atkins International Advisory Board member. Lance was appointed as director of Old Regus on 27 August 2008, and was appointed as director of IWG on 14 October 2016.

- ***Elmar Heggen – Independent non-executive director***

Elmar (date of birth 19 January 1968, German, resident in Luxembourg) has extensive management experience. Since 2006 he has been the Chief Financial Officer, Head of the Corporate Centre and a Member of the Executive Committee of the RTL Group, the leading European entertainment network. He was previously Vice President of Mergers and Acquisitions and Vice President of Strategy and Controlling at the RTL Group. Before joining RTL in 2000, Elmar was Vice President and General Manager of Schoeller Digital Imaging in the UK. Elmar was appointed as director of Old Regus on 1 June 2010 and was appointed as director of IWG on 14 October 2016.

- ***Nina Henderson – Independent non-executive director***

Nina (date of birth 6 July 1950, American, resident in America) has held a number of management and executive marketing positions in North America and internationally, including as Vice President of Bestfoods and President of Bestfoods Grocery. She has served as director of AXA Financial Inc., Royal Dutch Shell plc., Del Monte Food Company and Pactiv Corporation. Nina is currently a Director of CNO Financial Group (Bankers Life, Washington National and Colonial Penn insurance companies) and has been appointed as a non-executive director of Hikma Pharmaceuticals PLC with effect from 1 October 2016. Nina was appointed as director of Old Regus on 20 May 2014 and was appointed as director of IWG on 14 October 2016.

- ***Florence Pierre – Independent non-executive director***

Florence (date of birth 3 December 1951, French, resident in Belgium) has worked in Chicago, New York, Paris, and Brussels, and has over 30 years of experience in international corporate finance, having held senior positions at BNP, Financière Rothschild, Degroof Corporate Finance, 3i Infrastructure plc and her own M&A advisory boutique. She has also taught economics and finance, published books and articles on valuation and become a member of French entrepreneurship and innovation committees. Florence was

appointed as director of Old Regus on 21 May 2013 and was appointed as director of IWG on 14 October 2016.

- **François Pauly – Independent non-executive director**

François (date of birth 30 June 1964, Luxembourgish, resident in Luxembourg) has over 30 years of management experience in the banking sector. He previously served as Chief Executive and Chairman of the Management Board of Banque Internationale à Luxembourg until October 2014. He also held executive appointments at BIP Investment Partners S.A., Dexia Group and at Sal. Oppenheim jr. & Cie. S.C.A. François is Chairman of Compagnie Financière La Luxembourgeoise and holds different board mandates in Luxembourg, Belgium, Italy and Switzerland. François was appointed as director of Old Regus on 19 May 2015 and was appointed as director of IWG on 14 October 2016.

4.6 The details of those companies and partnerships outside the Regus Group of which the IWG Directors are currently directors or partners, or have been directors or partners at any time during the previous five years prior to the date of this document, are as follows:

Name of IWG Director	Current directorships and partnerships	Previous directorships and partnerships
Douglas Sutherland	Median Gruppe Sarl, Median Kliniken Sarl, Socrates Health Solutions Inc.	None
Mark Dixon	Estorn Limited	None
Dominik de Daniel	None	Adecco Group AG (Adecco SA prior to May 2016), DIS AG
Lance Browne	Travellex (China), WS Atkins International Limited	Standard Chartered Bank (China) Ltd, IMI plc, China Goldmines plc, Powergen International, China-Britain Business Council
Elmar Heggen	RTL Group SA, Atresmedia Corporacion de Medios, de Comunicacion SA, (Antena 3 Television, SA prior to May 2013) (Spain), M6-Metropole Television SA, Grupo Planeta De Agostini SL, SpotXchange Inc	UFA Film und Fernsehen GmbH, Felix Schoeller Digital Imaging
Nina Henderson	Hikma Pharmaceuticals plc, CNO Financial Group Inc, Henderson Advisory Consulting, Visiting Nurse Service of New York, the Foreign Policy Association, and a Trustee of Drexel University	Walter Energy Inc, AXA Financial Inc, BestFoods, Del Monte Foods Co, Royal Dutch Shell plc., and Pactiv Corporation
Florence Pierre	ESL Network	3i Infrastructure plc (3i Infrastructure Ltd prior to July 2008), BNP, Financière Rothschild, Degroof Corporate Finance

Name of IWG Director	Current directorships and partnerships	and	Previous directorships and partnerships
François Pauly	Compagnie Financière La Luxembourgeoise SA, Edmond de Rothschild CH and Luxembourg, Quilvest Wealth Management, Management Capitali SPA, Cobepa SA, Pharma w/Health Management Co SA, Castik Capital Sarl	La La	Banque Internationale a Luxembourg SA, Dexia Group SA, BIP Investment Partners SA, Luxair SA Luxembourg Stock Exchange (Bourse de Luxembourg SA)

4.7 Nina Henderson was a director of Walter Energy Inc. from February 2013 until 31 March 2016. Walter Energy Inc. filed for bankruptcy protection under United States law in July 2015 in Alabama, United States. Walter Energy Inc. was reorganised and emerged from bankruptcy on 31 March 2016. Assets were sold to various private companies.

4.8 None of the IWG Directors has at any time in the five years preceding the date of this document:

- (A) save as disclosed in paragraph 4.6 of this Part, been a director or partner of any company or partnership;
- (B) been convicted in relation to a fraudulent offence;
- (C) saved as disclosed in paragraph 4.7 of this Part, been associated with any bankruptcies, receiverships or liquidations while acting in the capacity of a member of the administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company;
- (D) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies); or
- (E) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

4.9 None of the IWG Directors has any family relationship with another IWG Director.

4.10 None of the IWG Directors has any potential conflicts of interest between their duties to IWG and their private interests and/or other duties.

5. Taxation

Jersey Taxation

The following summary of the anticipated treatment of IWG and holders of IWG Ordinary Shares (other than holders who are tax resident in Jersey) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. IWG Ordinary Shareholders should consult their professional advisers on the implications of

acquiring, buying, holding, selling or otherwise disposing of IWG Ordinary Shares under the laws of the jurisdictions in which they may be liable to taxation. IWG Ordinary Shareholders should be aware that tax laws, rules and practice and their interpretation may change.

5.1 Income tax

(A) *IWG*

Under the Income Tax (Jersey) Law 1961 (the “**Jersey Income Tax Law**”), IWG will be regarded as not resident in Jersey under Article 123(1) of the Jersey Income Tax Law if:

- its business is centrally managed and controlled outside Jersey in a country or territory where the highest rate at which any company may be charged to tax on any part of its income is 10 per cent. or higher; and
- the company is resident for tax purposes in that country or territory (under the tax legislation of that jurisdiction),

in which case IWG will not (except as noted below) be liable to Jersey income tax.

Under Jersey Income Tax Law, if IWG is regarded as resident in Jersey, it will fall under Article 123C of the Jersey Income Tax Law, in which case IWG (being neither a financial services company nor a specified utility company under Jersey Income Tax Law at the date hereof) will (except as noted below) be subject to Jersey income tax at a rate of 0 per cent.

IWG intends to be tax resident in Switzerland and therefore not regarded as resident in Jersey.

If IWG derives any income from the ownership, exploitation or disposal of land in Jersey or the trade of importing and supplying hydrocarbon oil in Jersey, such income will be subject to tax at the rate of 20 per cent. It is not expected that IWG will derive any such income.

(B) *Holders of IWG Ordinary Shares*

IWG will be entitled to pay dividends to holders of IWG Ordinary Shares without any withholding or deduction for or on account of Jersey tax. Holders of IWG Ordinary Shares (other than holders who are tax resident in Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such IWG Ordinary Shares.

5.2 Goods and services tax

IWG is an “international services entity” for the purposes of the Goods and Services Tax (Jersey) Law 2007 (the “**GST Law**”). Consequently, IWG is not required to:

- register as a taxable person pursuant to the GST Law;
- charge goods and services tax in Jersey in respect of any supply made by it; or
- pay goods and services tax in Jersey in respect of any supply made to it.

An annual election and fee will be required to be made for IWG for each calendar year to retain its “international services entity” status.

5.3 Stamp duty

No stamp duty is payable in Jersey on the issue or on any transfer of IWG Ordinary Shares otherwise than on death. Jersey does not levy any stamp duty on the acquisition, ownership, exchange or sale of shares between living persons.

Upon the death of a holder of IWG Ordinary Shares, a grant of probate or letters of administration will be required to transfer the IWG Ordinary Shares of the deceased person, except that where the deceased person was domiciled outside of Jersey at the time of death, IWG may (at its discretion) dispense with this requirement where the value of the deceased's movable estate in Jersey (including any IWG Ordinary Shares) does not exceed £10,000.

Upon the death of a holder of IWG Ordinary Shares, Jersey stamp duty will be payable on the registration in Jersey of a grant of probate or letters of administration, which will be required in order to transfer or otherwise deal with:

- (where the deceased person was domiciled in Jersey at the time of death) the deceased person's personal estate wherever situated (including any IWG Ordinary Shares) if the net value of such personal estate exceeds £10,000; or
- (if the deceased person was domiciled outside of Jersey at the time of death) the deceased person's personal estate situated in Jersey (including any IWG Ordinary Shares) if the net value of such personal estate exceeds £10,000.

Stamp duty of up to 0.75 per cent. is payable on the grant of probate or letters of administration in Jersey in respect of a deceased natural person: (i) who died domiciled in Jersey, on the value of the entire estate (including any interests in that estate); and (ii) otherwise, on the value of so much of the estate (including any interests in that estate), if any, as is situated in Jersey. The duty is capped at £100,000.

In addition, application and other fees may be payable.

5.4 EU Savings Directive

Save as regards Austria, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 (the “**Regulations**”) were suspended on 18 January 2016 pursuant to the Taxation (Agreements with European Union Member States) (Suspension of Regulations) (Jersey) Order 2016. The Regulations continue in effect until 31 December 2016 as regards Austria.

A paying agent established in Jersey that makes interest payments (as defined in the Regulations) to an individual beneficial owner resident in Austria prior to 1 January 2017 is obliged to communicate details of such payments to the Comptroller of Taxes in Jersey who will pass on such details to the tax authorities in Austria.

The system of automatic exchange of information regarding interest payments is implemented in Jersey by means of a bilateral agreement with Austria, the Regulations and Guidance Notes issued by the States of Jersey. Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, dividend payments to IWG Ordinary Shareholders by IWG and income realised by IWG Ordinary Shareholders upon the sale of IWG Ordinary Shares would not constitute interest payments for the purposes of the system and therefore IWG, nor any paying agent appointed by IWG in Jersey, would be obliged to communicate information to the Comptroller of Taxes in Jersey under these provisions in respect of such payments.

5.5 Jersey taxation consequences of the Scheme

No taxation will be payable in Jersey by IWG or IWG Ordinary Shareholders as a result of the implementation of the Scheme.

5.6 Jersey stamp duty consequences of the Scheme

No stamp duty will be payable in Jersey by IWG or IWG Ordinary Shareholders as a result of the implementation of the Scheme.

UK taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK law and on what is understood to be current HM Revenue & Customs published practice, both of which are subject to change at any time, possibly with retroactive effect.

The following paragraphs are not exhaustive and relate only to certain limited aspects of the UK taxation consequences of the Scheme and holding and disposing of IWG Ordinary Shares.

Unless otherwise expressly stated, the paragraphs below apply only to Old Regus Ordinary Shareholders (or IWG Ordinary Shareholders): (i) who are resident and, if individuals, domiciled in the UK for tax purposes, (ii) to whom split-year treatment does not apply, (iii) who hold their Old Regus Ordinary Shares (and will hold their IWG Ordinary Shares) as an investment (other than under an individual savings account (“ISA”) or a pension arrangement) and not as securities to be realised in the course of a trade, and (iv) who are the absolute beneficial owners of those shares and any dividends paid in respect of them.

In addition, these comments may not apply to certain classes of Old Regus Ordinary Shareholder or IWG Ordinary Shareholder such as dealers in securities, broker dealers, collective investment schemes and insurance companies, pension schemes, persons who are otherwise exempt from UK taxation and persons who have (or are deemed to have) acquired their Old Regus Ordinary Shares (or will acquire their IWG Ordinary Shares) by virtue of an office or employment (whether current, historic or prospective) or persons who are treated as holding their Old Regus Ordinary Shares or IWG Ordinary Shares as carried interest. Such Old Regus Ordinary Shareholders or IWG Ordinary Shareholders may be subject to special rules.

If you are in any doubt about your tax position or are subject to tax in a jurisdiction other than the UK, you should consult your own professional adviser without delay.

5.7 UK taxation consequences of the Scheme

(A) *UK capital gains tax and corporation tax on chargeable gains*

For the purposes of UK capital gains tax and corporation tax on chargeable gains (“**CGT**”), the transfer of the Old Regus Ordinary Shares and the issue of the IWG Ordinary Shares pursuant to the Scheme should be treated as an exchange of securities for the purposes of section 135 of the Taxation of Chargeable Gains Act 1992 (“**TCGA**”). Old Regus Ordinary Shareholders who do not hold (either alone or together with connected persons) more than five per cent. of, or of any class of, shares in or debentures of IWG by virtue of the Scheme should not be treated as having made a disposal or part disposal of his Old Regus Ordinary Shares for CGT purposes on implementation of the Scheme. Instead any chargeable gain or allowable loss which would otherwise have arisen on a disposal of such holder’s Old Regus Ordinary Shares should be “rolled over” into his IWG Ordinary Shares. As a result, the IWG Ordinary Shares should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as the Old Regus Ordinary Shares from which they are derived.

Old Regus Ordinary Shareholders who hold (alone, or together with connected persons) more than five per cent. of, or of any class of, shares in or debentures of IWG by virtue of the Scheme should not be treated as having made a disposal or part disposal of his Old Regus Ordinary Shares for CGT purposes on implementation of the Scheme and should be able to “roll over” any chargeable gain or allowable loss into his IWG Ordinary Shares as described above provided the Scheme (i) is effected for *bona fide* commercial reasons; and (ii) does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to CGT or corporation tax. If these conditions are not met, then such an Old Regus Ordinary Shareholder will be treated as receiving IWG Ordinary Shares in consideration for the transfer of his Old Regus Ordinary Shares and as having made a disposal of his Old Regus Ordinary Shares which may, depending on the individual circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. No application has been made to HMRC under section 138 TCGA for clearance that this condition will be met.

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

In practice, UK stamp duty should generally not need to be paid on an instrument transferring IWG Ordinary Shares or on the allotment and issue of IWG Ordinary Shares under the Scheme.

No UK SDRT will generally be payable in respect of any agreement to transfer Old Regus Ordinary Shares pursuant to the Scheme.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the Old Regus Ordinary Shares are not, and the IWG Ordinary Shares will not be, registered in a register kept in the UK by or on behalf of Old Regus or IWG (as applicable). Old Regus has confirmed that it does not, and IWG has confirmed that it does not intend to, keep such a register in the UK.

(C) *Transactions in securities*

Old Regus Ordinary Shareholders should note that Old Regus has been advised that the Old Regus Ordinary Shareholders should not suffer a counteracting tax assessment under the “transaction in securities” rules in section 733 of the Corporation Tax Act 2010 in relation to corporation taxpayers and

the provisions of Chapter I, Part 13 of the Income Tax Act 2007 in relation to income taxpayers by reference to the Scheme. However, no clearance has been sought from HMRC to the effect that these provisions will not apply.

5.8 IWG Reduction of Capital

The IWG Reduction of Capital should not have any UK tax consequences for IWG Ordinary Shareholders. It should be treated as a reorganisation of share capital of IWG and, accordingly, will not result in a disposal by any IWG Ordinary Shareholder of any of their IWG Ordinary Shares.

5.9 UK taxation consequences of disposing of IWG Ordinary Shares

A disposal (or deemed disposal) of IWG Ordinary Shares by an IWG Ordinary Shareholder may, depending on individual circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains.

(A) Individual IWG Ordinary Shareholders

No indexation allowance will be available to individual IWG Ordinary Shareholders on disposals of their IWG Ordinary Shares. However, the capital gains tax annual exemption (which is £11,100 for individuals in the 2016/2017 tax year) may be available to exempt any chargeable gain, to the extent that the exemption has not already been utilised.

With effect from 6 April 2016, capital gains will generally be charged at 10 per cent. to the extent that the total chargeable gains and, generally, total taxable income arising in a tax year, after all allowable deductions (including losses, the income tax personal allowance and the capital gains tax annual exempt amount), are less than the upper limit of the income tax basic rate band. To the extent that any chargeable gains (or part of any chargeable gains) arising in a tax year exceed the upper limit of the income tax basic rate band when aggregated with any such income (in the manner referred to above), capital gains tax will be charged at 20 per cent.

A IWG Ordinary Shareholder who is an individual and who is temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK taxation on a chargeable gain realised on the disposal or part disposal of IWG Ordinary Shares during the period when he is non-resident.

(B) Corporate IWG Ordinary Shareholders

For corporate shareholders only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of their IWG Ordinary Shares.

5.10 UK taxation of dividends

Dividends paid out of the profits or retained earnings created as a result of the IWG Reduction of Capital should comprise dividends for UK tax purposes.

(A) *Dividends paid by IWG on IWG Ordinary Shares*

Individual IWG Ordinary Shareholders who are within the charge to UK income tax

Finance Act 2016 changed the tax treatment of dividends paid to IWG Ordinary Shareholders who are individuals within the charge to UK income tax, with effect in relation to dividends paid on or after 6 April 2016. The following summary does not address the tax treatment of dividends paid before that date.

The tax treatment of dividends paid by IWG to individual IWG Ordinary Shareholders on or after 6 April 2016 is as follows.

- Dividends paid by IWG will not carry a tax credit.
- All dividends received by an individual IWG Ordinary Shareholder from IWG (or from other sources) will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividends from tax, form part of the IWG Ordinary Shareholder's total income for income tax purposes and will represent the top slice of that income.
- A nil rate of income tax will apply to the first £5,000 of taxable dividend income received by an individual IWG Ordinary Shareholder in a tax year (the "**Nil Rate Amount**"), regardless of what tax rate would otherwise apply to that dividend income.
- Any taxable dividend income received by an individual IWG Ordinary Shareholder in a tax year in excess of the Nil Rate Amount will be taxed at a special rate, as set out below.
- That tax will be applied to the amount of the dividend income actually received by the individual IWG Ordinary Shareholder (rather than to a grossed-up amount).

Where an IWG Ordinary Shareholder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will be subject to income tax:

- at the rate of 7.5 per cent., to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;
- at the rate of 32.5 per cent., to the extent that the Relevant Dividend Income exceeds the threshold for the higher rate of income tax but falls below the threshold for the additional rate of income tax; and
- at the rate of 38.1 per cent., to the extent that the Relevant Dividend Income exceeds the threshold for the additional rate of income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the IWG Ordinary Shareholder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the top slice of the IWG Ordinary Shareholder's total income for income tax purposes.

Corporate IWG Ordinary Shareholders within the charge to UK corporation tax

IWG Ordinary Shareholders within the charge to corporation tax which are “small companies” (for the purposes of UK taxation of dividends) will not generally be subject to tax on dividends from IWG if certain conditions are satisfied.

Other IWG Ordinary Shareholders within the charge to corporation tax will not be subject to tax on dividends from IWG so long as the dividends fall within an exempt class and certain conditions are met. In general: (i) dividends paid on non-redeemable shares that do not carry any present or future preferential rights to dividends or to the company’s assets on its winding up, and (ii) dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) and who is entitled to less than 10 per cent. of the profits available for distribution and would be entitled to less than 10 per cent. of the assets available for distribution on a winding-up, are examples of dividends that fall within an exempt class.

Credit for Swiss withholding tax

As noted in the paragraph on Swiss Federal withholding tax below, distributions made by IWG in respect of IWG Ordinary Shares out of its qualifying capital contribution reserves (including any such reserves created as a result of any additional shares issued) should not be subject to Swiss Federal withholding tax. Once cumulative distributions paid by IWG in respect of IWG Ordinary Shares exceed this threshold, they should be subject to Swiss Federal withholding tax at the current rate of 35 per cent. Where this arises, HM Revenue and Customs will generally give credit for any Swiss withholding tax withheld from the distribution and which is not recoverable e.g. under the Swiss – UK double-tax treaty from the Swiss tax authorities against UK income tax (or in the case of a corporate IWG Ordinary Shareholder in receipt of a non-exempt dividend, UK corporation tax) payable by IWG Ordinary Shareholders on the distribution.

(B) UK stamp duty and SDRT on transfers of IWG Ordinary Shares

In practice, UK stamp duty should generally not need to be paid on an instrument transferring IWG Ordinary Shares.

No UK SDRT will generally be payable in respect of any agreement to transfer IWG Ordinary Shares.

The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the IWG Ordinary Shares will not be registered in a register kept in the UK by or on behalf of IWG. IWG has confirmed it does not intend to keep such a register in the UK.

Switzerland Taxation

The following paragraphs summarise the position on Swiss tax for IWG Ordinary Shareholders and, where applicable, Old Regus Ordinary Shareholders. This is a general summary of certain Swiss tax consequences of the Scheme and ownership of the IWG Ordinary Shares. These discussions are based, as applicable, on the tax laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions of Switzerland as in effect on the date of this document which are subject to change (or subject to changes in

interpretations), possibly with retrospective effect. This is not a complete analysis of the potential tax effects relevant to the Scheme or owning IWG Ordinary Shares. Nor does the following summary take into account or discuss the tax laws of any jurisdiction other than Switzerland. It also does not take into account investors' individual circumstances. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of IWG Ordinary Shares or, where applicable, Old Regus Ordinary Shares. Investors are advised to consult their own tax advisors as to Swiss or other tax consequences of the Scheme and the acquisition, ownership and disposition of the IWG Ordinary Shares. Tax consequences may differ according to the provisions of different double taxation treaties and the investor's particular circumstances. The statements and discussion of Swiss taxes set out below are of a general nature and do not relate to persons in the business of buying and selling shares or other securities.

5.11 Withholding tax

On the basis that, as part of the Scheme, the Old Regus Ordinary Shares are transferred to IWG at market value, any repayment by IWG of (i) nominal share capital and (ii) additional paid-in capital / share premium up to the approximate market value of Old Regus at the time of the Scheme ("**qualifying capital contribution reserves**" (as recognised by the Swiss Federal Tax Administration)) should not be subject to Swiss Federal withholding tax (Verrechnungssteuer) ("**Withholding Tax**"). Any payment from the profits or retained earnings arising as a result of the IWG Reduction of Capital, which are also qualifying capital contribution reserves, should not be subject to Withholding Tax. Distributions paid by IWG will reduce the available amount of distributions that can be paid free of Withholding Tax. Therefore, once cumulative dividends and similar cash or in-kind distributions of profit and reserves made by IWG in respect of IWG Ordinary Shares, including stock dividends and the distribution of any liquidation proceeds, exceed the qualifying capital contribution reserves described above, they should be subject to Withholding Tax, imposed on the gross amount at the current rate of 35 per cent. To the extent additional shares are issued by IWG in the future, the value of the distributions which can be made free of Withholding Tax will be increased by an amount corresponding to the total nominal share capital and paid-in capital / share premium of the shares issued.

For distributions subject to Withholding Tax, IWG may only pay out 65 per cent. of the gross amount of any dividend and similar distributions to the holders of IWG Ordinary Shares. A portion equal to 35 per cent. of the gross amount of such dividends and similar distributions must be paid to the Swiss Federal Tax Administration within 30 days of the due date of the distribution. The repurchase of IWG Ordinary Shares by IWG may under certain circumstances (in particular, if the IWG Ordinary Shares are redeemed for subsequent cancellation, are not timely re-sold or are repurchased in excess of the limits as set out by Article 659 of the Swiss Code of Obligations) be taxed as a partial liquidation for Withholding Tax purposes with the effect that Withholding Tax at the current rate of 35 per cent. is due on the difference between the redemption price and nominal value of the redeemed IWG Ordinary Shares.

Swiss resident beneficiaries of taxable dividends and similar distributions in respect of the IWG Ordinary Shares are entitled to full subsequent relief of the Withholding Tax, either through a tax refund or tax credit against their income tax liability, if they duly report the underlying income in their tax returns or financial statements used for tax purposes, as the case may be, and if there is no tax avoidance. The same holds true in principle for foreign resident investors who hold IWG Ordinary Shares through a permanent establishment or a fixed place of business situated in Switzerland, as defined for Swiss tax

purposes and to the extent that applicable additional conditions as per Swiss tax law and / or practice are fulfilled by the respective foreign resident investors. Other non-Swiss resident beneficiaries of dividends and similar distributions in respect of IWG Ordinary Shares may be entitled to a partial or full credit of the Withholding Tax in accordance with any applicable double taxation convention between Switzerland and the beneficiary's country of tax residence ("**Tax Treaty**"). Besides these Tax Treaties, Switzerland has entered into an agreement with the European Community providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income. This agreement contains, in Article 15 (respectively the revised agreement expected to enter into force with effect from 1 January 2017 in Article 9), provisions on taxation of dividends which apply with respect to EU member states and for corporate investors.

On 1 January 2013, treaties on final withholding taxes entered into by Switzerland with the United Kingdom and Austria (each, a "**Contracting State**") came into force. The treaties require a Swiss paying agent (as defined in the treaties) to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (including dividend income), all as defined in the treaties, deriving from assets (including shares held in IWG) held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State, or (ii) if certain requirements are met, a domiciliary company (Sitzgesellschaft), an insurance company in connection with a so-called insurance wrapper (Lebensversicherungsmantel) or other individuals if the beneficial owner is an individual resident in a Contracting State. Under the treaty with the United Kingdom, the tax rate for individuals resident and domiciled in the United Kingdom is 35.6 per cent. on dividend income and 27 per cent. on capital gains, and, under the treaty with Austria, 27.5 per cent. for dividend income and capital gains. The flat-rate tax withheld substitutes the ordinary capital gains tax and income tax on the relevant capital gains and income items in the Contracting State where the relevant individual is tax resident, unless the individual elects for the flat-rate tax withheld to be treated as if it were a credit allowable against the income tax or, as the case may be, capital gains tax, due for the relevant tax year in the relevant Contracting State. Alternatively, instead of paying the flat-rate tax, such individual may opt for a disclosure of the relevant capital gains and income items to the tax authorities of the Contracting State where he or she is tax resident.

If an individual has not opted for disclosure and the flat-rate tax has been withheld by a Swiss paying agent on dividend income respectively a capital gain, the Swiss paying agent will — in accordance with the applicable bilateral treaty for the avoidance of double taxation between Switzerland and the Contracting State — in its own name and on behalf of the relevant holder of shares in IWG file with the Swiss federal tax authorities a request for the refund of the Withholding Tax deducted.

In the context of the repeal of the EU Savings Directive by the European Commission by Council Directive (EU) 2015/2060 of 10 November 2015 with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates), Switzerland and the European Community signed on 27 May 2015 an amendment protocol to the Agreement, which would introduce, if ratified, an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014, in lieu of the withholding system described in the two immediately preceding paragraphs, and expand the range of payments covered. The amendment is expected to enter into force on 1 January 2017. Subject to these conditions, the EU and Switzerland intend to collect account data from 2017 and exchange it from 2018 once the necessary Swiss implementing legislation enters into effect.

On 1 January 2017, Switzerland will introduce the automatic exchange of information (AEOI) also with certain non-EU countries (including Jersey) to prevent cross-border tax evasion.

5.12 Income and profit tax

Income tax for individuals

An individual who is a Swiss resident for tax purposes, or a non-Swiss resident holding IWG Ordinary Shares as part of a permanent establishment or a fixed place of business situated in Switzerland (as defined for Swiss tax purposes), receiving dividends and similar distributions (including liquidation proceeds; if held as private assets, only in excess of nominal value respectively qualifying capital contribution reserves) from IWG, has to include these distributions in his or her personal tax return and will be subject to federal, cantonal and communal income tax on any net taxable income for the respective tax period. Any repayment of nominal value and any repayment of qualifying share premium / qualifying capital contribution reserves paid by IWG will not be subject to federal, cantonal and communal income tax for Swiss resident individuals holding the shares as private assets. A privileged income taxation may apply for taxable dividends or similar distributions if a qualifying participation of at least 10 per cent. is held. On federal level, only 60 per cent. (if held as private assets) respectively 50 per cent. (if held as business assets) of income will be subject to federal income tax under the privileged income taxation, whereas on cantonal and communal income tax level the reduction differs, depending on the canton of residency of the respective individual.

Profit tax for legal entities

Legal entities resident in Switzerland or non-Swiss resident entities holding IWG Ordinary Shares as part of a Swiss permanent establishment are required to include all taxable distributions received on the IWG Ordinary Shares in their profit and loss statement relevant for profit tax purposes and will be subject to federal, cantonal and communal corporate profit tax on any net taxable earnings for such period. A Swiss corporation or co-operative, or a non-Swiss corporation or co-operative holding IWG Ordinary Shares as part of a Swiss permanent establishment may, under certain circumstances, benefit from taxation relief with respect to distributions (Beteiligungsabzug), provided such IWG Ordinary Shares represent at the time of the distribution at least 10 per cent. of the share capital or 10 per cent. of the profit and reserves respectively have a fair market value of at least CHF 1 million.

A holder of IWG Ordinary Shares who is not a resident of Switzerland for tax purposes will not be liable for any Swiss income or profit taxes on dividends and similar distributions with respect to the IWG Ordinary Shares, unless the IWG Ordinary Shares are attributable to a permanent establishment or a fixed place of business maintained in Switzerland by such non-Swiss resident.

5.13 Net worth and capital taxes

An individual who is a Swiss resident for tax purposes, or a non-Swiss resident holding IWG Ordinary Shares as part of a permanent establishment or fixed place of business situated in Switzerland, is required to include his or her IWG Ordinary Shares in his or her assets which are subject to cantonal and communal net worth taxes. No net worth tax is levied at the federal level.

Legal entities resident in Switzerland or non-Swiss resident legal entities with a Swiss permanent establishment are subject to cantonal and communal capital tax. The cantonal and communal capital

tax is levied on the basis of the taxable equity of the legal entities. No capital tax is levied at the federal level.

5.14 Taxes on capital gains upon disposal of IWG Ordinary Shares

Individuals

Individuals who are resident in Switzerland for tax purposes and hold IWG Ordinary Shares as part of his or her private assets (Privatvermögen) generally are exempt from Swiss federal, cantonal and communal taxes with respect to capital gains realised upon the sale or other disposal of IWG Ordinary Shares, unless such individuals are qualified as professional securities dealers (Wertschriftenhändler) for income tax purposes. Under certain circumstances, share sale proceeds of a private individual may be re-characterised into taxable dividend income. Upon repurchase of IWG Ordinary Shares by IWG, the portion of the repurchase price in excess of the nominal amount / qualifying capital contribution reserves may be classified as taxable income if the IWG Ordinary Shares repurchased are not re-sold within a six-year period, or if the IWG Ordinary Shares are repurchased for a capital reduction or are repurchased in excess of the limits as set out by Article 659 of the Swiss Code of Obligations. The six-year period is suspended as long as the repurchased IWG Ordinary Shares are reserved to cover obligations under convertible bonds, option bonds or employee stock option plans (maximum suspension for employee stock option plan is six years). Capital gains realised by an individual on IWG Ordinary Shares that are held as part of its business assets are subject to income taxation and potentially social security contributions. The same tax treatment applies to individuals who, for income tax purposes, are classified as professional securities dealers. A privileged income taxation may apply if a qualifying participation of at least 10 per cent., which was held for at least one year, is sold. On federal level, only 50 per cent. of income will be subject to federal income tax under the privileged income taxation, whereas on cantonal and communal income tax level, the reduction differs depending on the canton of residency of the respective individual.

Legal entities

Capital gains upon the sale or other disposal of IWG Ordinary Shares realised by legal entities resident in Switzerland for tax purposes or foreign legal entities holding IWG Ordinary Shares as part of a Swiss permanent establishment are generally subject to ordinary profit taxation. A Swiss corporation or cooperative, or non-Swiss corporation or cooperative holding IWG Ordinary Shares as part of a Swiss permanent establishment may, under certain circumstances, benefit from taxation relief on capital gains realised upon the disposal of IWG Ordinary Shares (Beteiligungsabzug), provided such IWG Ordinary Shares sold are held for at least one year and represent at the time of disposal at least 10 per cent. of the share capital or 10 per cent. of the profit and reserves respectively a fair market value of minimum CHF 1 million if the participation in IWG Ordinary Shares falls below the threshold of 10 per cent. of the IWG Ordinary Shares after a qualified disposal. The taxation relief only applies on the difference between the sales prices and the initial participation costs (Gestehungskosten).

Non-resident individuals and legal entities

Individuals and legal entities which are not Swiss residents for tax purposes and do not hold IWG Ordinary Shares as part of a Swiss business operation or a Swiss permanent establishment or fixed place of business situated in Switzerland are generally not subject to Swiss income or profit taxes on gains realised upon the disposal of the IWG Ordinary Shares.

5.15 Gift and inheritance taxes

The transfer of IWG Ordinary Shares may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a canton levying such taxes.

5.16 Federal stamp tax and stock exchange levy upon transfer of IWG Ordinary Shares

The transfer of any IWG Ordinary Shares may be subject to a federal transfer stamp tax (Umsatzabgabe) at a current rate of up to 0.30 per cent, if such transfer occurs through or with a Swiss or Liechtenstein bank or securities dealer as defined in the Swiss Federal Stamp Tax Act and no exemption applies.

Capital contributions into IWG, other than pursuant to the Scheme, may be subject to 1 per cent. federal stamp issuance tax.

5.17 Swiss Corporate Tax Reform III ("CTR III")

On 17 June 2016, the Swiss government published draft legislation for the CTR III. In the course of the CTR III, the Swiss privileged taxation schemes (such as holding and mixed companies) will be abolished and replaced by various internationally accepted countermeasures (e.g. tax exempt step-up, general reduction of cantonal corporate income tax rates, notional interest deduction etc.). Since the privileged income taxation on taxable dividends and similar distributions out of qualifying participations of at least 10 per cent. held as private assets needs to be increased to at least 60 per cent. on cantonal / communal level (as already applicable on federal level) in case a canton intends to introduce the notional interest deduction, certain IWG Ordinary Shareholders might be affected by the CTR III.

Due to the fact that there is a referendum, i.e. there will be a public vote, it is expected that the new law will only enter into force by 2018/19.

5.18 Swiss taxation consequences of the Scheme

No taxation will be payable in Switzerland by IWG or by Swiss resident IWG Ordinary Shareholders exchanging Old Regus Ordinary Shares previously held as private assets as a result of the implementation of the Scheme.

Old Regus Ordinary Shareholders with tax-residence in Switzerland and holding the Old Regus Ordinary Shares as part of the business assets and non-Swiss resident shareholders holding Old Regus Ordinary Shares as part of a permanent establishment or a fixed place of business situated in Switzerland (as defined for Swiss tax purposes) may realise taxable income leading to Swiss income taxation upon the implementation of the Scheme (depending on the specific circumstances of each case).

5.19 Swiss stamp duty consequences of the Scheme

No stamp duty will be payable in Switzerland by IWG or IWG Ordinary Shareholders as a result of the implementation of the Scheme.

6. Old Regus Shares Schemes

6.1 Options or awards over Old Regus Ordinary Shares

As at 1 November 2016 (being the latest practicable date prior to the publication of this document), inclusive of the options granted to IWG Directors disclosed above, employees and former employees of the Regus Group hold options or awards over the Old Regus Ordinary Shares set out below.

Old Regus Co-Investment Plan

IWG Director	Number of Old Regus Ordinary Shares subject to options/awards	Grant date	Vesting / exercise date	Expiry date
Matching shares	220,788	18/03/2008	05/03/2017	18/03/2018
Matching shares	353,909	23/03/2009	05/03/2017	23/03/2019
Matching shares	251,447	06/03/2013	06/03/2017	06/03/2023
Matching shares	251,447	06/03/2013	06/03/2018	06/03/2023
Investment shares	103,051	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,402	05/03/2014	05/03/2017	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2018	05/03/2024
Matching shares	137,401	05/03/2014	05/03/2019	05/03/2024
Investment shares	132,326	04/03/2015	04/03/2018	04/03/2025
Matching shares	529,304	04/03/2015	04/03/2020	04/03/2025
TOTAL	2,254,476			

Old Regus Performance Share Plan

Grant date	Number of Old Regus Ordinary Shares subject to options/awards	Vesting/exercise date	Expiry date
03/03/2016	1,038,179	03/03/2021	03/03/26

Old Regus Share Option Plan

Grant date	Actual exercise price per share	Number of Old Regus Ordinary Shares subject to options	Earliest date	Exercise	Expiry date
23/03/2010	£1.01	111,968	23/03/2013		23/03/2020
28/06/2010	£0.75	25,750	28/06/2013		26/06/2020
01/09/2010	£0.69	4,062	01/09/2013		01/09/2020
01/04/2011	£1.15	963,732	01/04/2014		01/04/2021
30/06/2011	£1.10	1,652,650	30/06/2014		30/06/2021
13/06/2012	£0.85	4,410,828	13/06/2015		13/06/2022
12/06/2013	£1.56	3,970,261	12/06/2016		12/06/2023
18/11/2013	£1.92	25,000	18/11/2016		17/11/2023
18/12/2013	£1.95	1,000,000	18/12/2016		17/12/2023
20/05/2014	£1.87	299,200	20/05/2017		19/05/2024
05/11/2014	£1.86	10,579,265	05/11/2017		04/11/2024
19/05/2015	£2.51	280,000	19/05/2018		18/05/2025
22/12/2015	£3.22	1,154,646	22/12/2018		22/12/2025
29/06/2016	£2.73	444,196	29/06/2019		29/06/2026
28/09/2016	£2.58	216,643	28/09/2019		28/09/2026
Total		25,138,201			

Old Regus Long Term Incentive Plan

There are no outstanding options or awards under this plan.

Old Regus 2008 Value Creation Plan

There are no outstanding awards under this plan.

Old Regus Deferred Share Bonus Plan

No options or awards have been granted under this plan.

One off award to Dominik de Daniel

A one off conditional share award over 328,751 Old Regus Ordinary Shares was granted to Dominik de Daniel in November 2015 in order to facilitate his recruitment.

Interest in options and awards over Old Regus Ordinary Shares	Grant date	Vesting/exercise date	Expiry
328,751	02/11/2015	02/11/2020	02/11/2025

6.2 Effect of the Proposals on the Old Regus Share Schemes

Under each of the plans set out at paragraph 6 of Part 3, options and awards will not vest or become exercisable as a consequence of the Scheme. Instead, it is expected that such options and awards will be exchanged for new options or awards over IWG Ordinary Shares of equivalent value and on the same terms by agreement with IWG.

IWG will adopt equivalent new share schemes which will be, in all material respects, in the same form as the relevant existing Old Regus Share Schemes.

The new options and awards will be granted by IWG under the IWG Share Schemes and will become exercisable or vest at the same time as the existing options or awards would have become exercisable or vested under the Old Regus Share Schemes, and the same performance conditions will apply.

7. IWG Share Schemes

The following is a summary of the main provisions of the IWG Share Schemes. The Share Option Plan, the DSBP, the PSP and the CIP have been adopted by the IWG Initial Shareholders, subject to and conditional upon the passing of the ordinary resolution approving the same as set out in the notice of the Extraordinary General Meeting and the Scheme becoming effective. The operation of each scheme will be governed by the rules of that scheme.

7.1 The IWG Share Option Plan (the “Share Option Plan”)

The Share Option Plan will be, in all material respects, in the same form as the existing Old Regus Share Option Plan. The following terms apply to the Share Option Plan:

Administration

Overall responsibility for the operation and administration of the scheme will be vested in the Remuneration Committee.

The sub-schemes

The scheme is divided into a number of sub-schemes as follows:

- a share option scheme which has been designed to permit the grant of tax-favoured options under the Income Tax (Earnings and Pensions) Act 2003;
- a share option scheme which is not so designed and which therefore allows options to be granted above the limit required by the Income Tax (Earnings and Pensions) Act 2003;
- a share option scheme which has been designed to permit the grant of tax-favoured options in the US;
- a share option scheme which has been designed to permit the grant of options to non-executive directors;
- a share appreciation rights scheme under which participants are entitled to a cash payment calculated by reference to the value of shares. For the purposes of the limits on an individual's participation, such rights will be treated as options;
- a share option scheme which has been designed to permit the grant of options in France; and
- a share option scheme which has been designed to permit the grant of options in Switzerland.

The Remuneration Committee may set up further sub-schemes, including ones for employees working overseas.

Eligibility

Participants in the scheme will be selected by the Remuneration Committee. Participants will be limited to employees and directors of the Regus Group and their family members or family trusts.

Options

Options will entitle the holder to acquire IWG Ordinary Shares. Options may either be options to subscribe for IWG Ordinary Shares to be issued by IWG or options to purchase existing IWG Ordinary Shares from an employee benefit trust (the “**Employee Trust**”).

Options may be granted either by IWG or by the trustee of the Employee Trust.

Options will be personal to the participant and may not be transferred except, with the consent of the committee, to family members or a family trust. No payment will be required for the grant of an option.

Timing

Options may be granted from time to time as the Remuneration Committee may decide.

Exercise price

The exercise price may not be less than an amount equal to the market value of an IWG Ordinary Share, determined in accordance with the Taxation of Chargeable Gains Act 1992, for the dealing day immediately preceding the date of grant or, where options are granted pursuant to an invitation, the date of the invitation.

Individual limit

The maximum number of IWG Ordinary Shares over which an employee may be granted an option on any date under the tax-favoured share option scheme will be limited so that the aggregate cost of exercise does not exceed the relevant statutory limit (currently £30,000).

Scheme limit

The scheme will be subject to the limit that on any date, the aggregate nominal amount of IWG Ordinary Shares in respect of which options may be granted may not, when added to the nominal amount of IWG Ordinary Shares allocated in the previous 10 years under all employee share schemes of the Regus Group, exceed 10 per cent. of the equity share capital of IWG.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit, as if they were IWG Ordinary Shares.

For these purposes, IWG Ordinary Shares are allocated when rights to acquire or obtain them are granted and otherwise when they are issued. Rights which lapse, by reason of non-exercise or otherwise, cease to count. No account is taken of IWG Ordinary Shares which are acquired by purchase rather than by subscription except where such IWG Ordinary Shares were first issued to an Employee Trust for the purpose of satisfying a participant's rights. No account is taken of IWG Ordinary Shares which an employee purchases at market value using his own funds.

Options may not be granted over more than 10 million IWG Ordinary Shares, minus the number of Old Regus Ordinary Shares over which options were granted under the equivalent section of the existing Old Regus Share Option Plan prior to the Scheme Effective Date, under that part of the scheme which allows for the grant of tax-favoured options to participants in the US.

No options will be granted after the tenth anniversary of the date on which the Share Option Plan is adopted.

Performance targets

Options may be granted subject to a performance target which, in normal circumstances, will be measured over a period of not less than three years. The achievement of the performance target will normally be a condition precedent to the right of exercise. The Remuneration Committee may set different targets from year to year. The performance target need not be the same for each type of option

or for all participants. The Remuneration Committee may also change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Remuneration Committee, materially easier or more difficult to satisfy than it was when the option was first granted. A summary of the performance targets for options granted to the executive Directors of IWG will be disclosed in the annual report each year.

Exercise of options

Options will normally be exercisable in whole or in part not earlier than three years and not later than ten years after grant and only if and to the extent that they have vested (that is, the performance target has been met).

Termination of employment

If the participant dies, his personal representatives may exercise his options granted under the tax-favoured part of the scheme. If a participant ceases to be employed within the Regus Group for any reason other than cause, the participant may exercise his options to the extent the performance target is satisfied within six months of the cessation date, and otherwise to the extent the Remuneration Committee so decides in the 42 months following the termination of his employment. If a participant ceases to be employed in circumstances where his employer was entitled to terminate his employment for cause, his options will lapse unless the Remuneration Committee decides otherwise.

Change of control

In the event of a change of control, a scheme of arrangement between IWG and its shareholders or a liquidation of IWG, unvested options may only be exercised if and to the extent that the Remuneration Committee so decides dependent on the proportionate satisfaction of the performance condition (taking into account the length of the period which has expired). In the event of a change of control of IWG, participants may surrender their options in return for substitute options over shares in the acquiring company.

Listing

Application will be made for admission to the Official List of IWG Ordinary Shares issued under the Share Option Plan and for permission to trade in those IWG Ordinary Shares. IWG Ordinary Shares issued on the exercise of options will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior to the date of allotment. IWG will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options to subscribe for IWG Ordinary Shares.

Variation of capital

In the event of a variation in the share capital of IWG or in such other circumstances as the Board considers appropriate, it may adjust options in such manner as it determines to be appropriate. Tax-favoured options may only be adjusted if there is a variation in the share capital and with the prior approval of HM Revenue and Customs.

Benefits non-pensionable

Benefits under the scheme will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee may make such amendments to the scheme and to any option as may be necessary or desirable to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Regus Group.

Except as described above or for amendments designed to ease the administration of the scheme or to correct clerical errors, no amendment which is to the advantage of employees or participants may be made to those provisions dealing with eligibility, exercise price, individual or scheme limits, the change of control provisions, the terms of options or the adjustment of options without the prior approval of IWG in general meeting.

7.2 The IWG Deferred Share Bonus Plan (the "DSBP")

The DSBP will be, in all material respects, in the same form as the existing Old Regus Deferred Share Bonus Plan. The DSBP is a discretionary plan that will be offered to selected employees employed within the Regus Group. The following terms apply to the DSBP:

Administration

The Remuneration Committee will administer the DSBP.

Eligibility

Any employee (including an executive director) of a Regus Group company, a percentage of whose bonus has been deferred as determined by the Remuneration Committee will be eligible to receive an award under the DSBP.

Structure of awards

The Remuneration Committee may grant any of two types of awards:

- an option; or
- a conditional award.

A percentage of any annual bonus paid to an employee by IWG will be in deferred shares and may be subject to an option or award under the DSBP as decided by the Remuneration Committee. The options and awards will vest/become exercisable after three years, subject to continued employment but no further performance targets. The other half will be paid in cash following the relevant year end. If the Remuneration Committee decides to grant an option, it will determine the option price (if any) provided that the Remuneration Committee may reduce or waive such option price on or before the exercise of the option (so that the option is a nil cost option).

Grant of options and awards

Options and awards are granted at the discretion of the Remuneration Committee. Any option or award cannot be granted later than the tenth anniversary of the adoption of the DSBP. The options and awards may be granted at any time during this period subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of IWG, the Takeover Code, or any other relevant UK or overseas regulation or enactment.

Dividend Equivalents

Dividend equivalents are granted at the discretion of the Remuneration Committee. A dividend equivalent reflects the dividends that would have been paid on vested shares subject to the option or award between the grant date and the vesting/exercise date. The Remuneration Committee will decide how the value of the dividends will be calculated and whether the dividend equivalent will be paid in cash or in shares. The dividend equivalent will be paid as soon as possible after vesting/exercise and will be made subject to such deductions on account of tax or similar liabilities as may be required by law.

Overall limits

The total number of IWG Ordinary Shares over which the options or awards may be granted will, together with shares already in issue under the DSBP and any other employees' share plan adopted by IWG, not exceed 10 per cent. of the number of IWG Ordinary Shares in issue on the date of grant, when added to the number of IWG Ordinary Shares already issued or remaining issuable under such plans during the preceding ten years. For executives of IWG participating in any IWG discretionary share plans this limit shall be five per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were IWG Ordinary Shares.

Exercise of an Option

An option will normally vest on the third anniversary of the date of grant (the "**Normal Vesting Date**").

Following vesting, an employee may exercise his option before either the tenth anniversary of the date of the grant or at any earlier date as determined by the Remuneration Committee.

An option may be exercised in whole or in multiples of 1,000 shares by the giving of notice to IWG in a form prescribed by the Remuneration Committee, together with the appropriate remittance (if any). When this is satisfied, IWG will allot and issue, or cause to be transferred, shares according to the employee's entitlement as soon as possible, subject to any arrangements in order to satisfy the employee's tax liability. Any unexercised option will lapse on the tenth anniversary of the date of the grant.

Vesting of an award

A conditional share award will vest on the third anniversary of the date of grant. IWG will allot and issue, or cause to be transferred IWG Ordinary Shares according to the employee's entitlement as soon as

possible after vesting, subject to any arrangements that have been made in order to satisfy the employee's tax liability.

Cash alternative

The Remuneration Committee may decide to grant an employee an award of cash in substitution for the employee's right to acquire vested shares under the DSBP. Any such award of cash will be equal to the market value of the number of IWG Ordinary Shares as determined on the day the conditional share award vests or the option is exercised and will be made subject to such deductions on account of tax or similar liabilities as may be required by law.

Cessation of employment

If an employee ceases to be employed within the Regus Group before the Normal Vesting Date, then any option or award shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death. In such circumstances an option or award normally vests based on the time served on the date the employee ceases to be employed or the Normal Vesting Date. An option will be exercisable for a period of 12 months from the date the employee ceases to be employed or the normal vesting date, and will lapse at the end of this period.

If an employee ceases to be employed within the Regus Group after the Normal Vesting Date, then any option shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death. In such circumstances an option will continue to be exercisable for a period of 12 months from the date of cessation, after which it will lapse if not exercised.

Change of control and other events

When any of the following events occur all conditional share awards will vest and all options will become exercisable for a period of one month. The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily, an application made for a declaration of *désastre* in respect of IWG, or a summary or compulsory winding up of IWG.

There are provisions for options and awards to be cancelled in exchange for new replacement options and awards over shares in the acquiring company (or a company with control of it) with the acquiring company's agreement.

Lapse of options and awards

Any existing options and awards will lapse on any of the following events:

- cessation of employment, unless the Remuneration Committee decides otherwise;
- change of control at the end of a period to exercise options as determined by the Remuneration Committee;

- the transfer, assignment, charge or disposal (except on an employee's death to the employee's personal representatives) of the option;
- the tenth anniversary of the date of grant of the option;
- the relevant employee being adjudicated as bankrupt; or
- the expiry of a period during which the option remains exercisable.

Listing

Application will be made for admission to the Official List of IWG Ordinary Shares issued under the DSBP and for permission to trade in those IWG Ordinary Shares. IWG Ordinary Shares issued under the plan will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior the date of the allotment. IWG will at all times keep available, where necessary for issue, sufficient authorised and unissued IWG Ordinary Shares to satisfy outstanding options to subscribe for IWG Ordinary Shares.

Variation of capital

If a variation of capital takes place then the Remuneration Committee may decide to adjust the number of IWG Ordinary Shares subject to an award, any option price applying to the options and the number of IWG Ordinary Shares which may be delivered, in such a manner and with effect from such date as the Remuneration Committee may consider to be appropriate.

Malus and clawback

The Remuneration Committee may decide in its absolute discretion to reduce or cancel an unvested option or award or clawback a vested award if it decides the following:

- there is reasonable evidence of misbehaviour or material error by the employee;
- there was a material misstatement in the audited financial results of IWG or a material downturn in IWG's financial performance or the business unit in which the employee is employed; or
- there was an error in the information or assumptions on which the award was granted.

If the Remuneration Committee exercises this discretion, it will confirm its decision in writing to the employee, and the option will be cancelled or deemed to have been granted over a lower number of shares and the vesting of the conditional share award and the exercise of the option will be by reference to this reduced number of IWG Ordinary Shares.

The Remuneration Committee may also reduce the number of IWG Ordinary Shares subject to an option or award under the DSBP to give effect to a clawback provision contained in any other incentive plan operated by any other member of the Regus Group.

Benefits non-pensionable

Benefits under the DSBP will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee has the power to amend the DSBP and the terms of any awards from time to time provided that:

- no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, limits, the basis for determining a participant's entitlement to shares and the rights in relation to a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any Regus Group company); and
- no alteration shall be made which would materially disadvantage participants without the prior consent of the majority of the number of participants who respond to notification by IWG of such alteration.

7.3 The IWG Performance Share Plan (the "PSP")

The PSP will be, in all material respects, in the same form as the existing Old Regus Performance Share Plan. The PSP is a discretionary plan that will be offered to selected employees of any Regus Group company.

The scheme is divided into a sub-scheme which provides for a cash conditional award to be awarded to an employee. The award will not confer any right on the employee to receive shares, but provides for a cash sum to be delivered to the employee on the vesting date. The Remuneration Committee will determine whether a cash conditional award is payable.

The following terms apply to the PSP:

Administration

The Remuneration Committee will administer the PSP.

Eligibility

Any employee (including an executive director) of a Regus Group company will be eligible to receive an award under the PSP.

Structure of awards

The Remuneration Committee may grant any of two types of awards:

- an option; or
- a conditional award.

The options and awards vest/become exercisable on the fifth anniversary from the date of grant or such other period as the Remuneration Committee decides. The options and awards are subject to performance against predetermined targets (measured after three years) which are set by the Remuneration Committee and communicated at the time of grant.

If the Remuneration Committee decides to grant an option, it will determine the option price (if any) provided that such option price may be reduced or waived on or before the exercise of the option (so that the option is a nil cost option).

Grant of options and awards

Options and awards are granted at the discretion of the Remuneration Committee. Any option or award cannot be granted later than the tenth anniversary of the adoption of the PSP. The options and awards may be granted at any time during this period subject to obtaining any approval or consent required under the Listing Rules, any relevant share dealing code of IWG, the Takeover Code, or any other relevant UK or overseas regulation or enactment.

Dividend Equivalents

Dividend equivalents are granted at the discretion of the Remuneration Committee. A dividend equivalent reflects the dividends that would have been paid on vested shares subject to the award between the grant date and the vesting date. The Remuneration Committee will decide how the value of the dividends will be calculated and whether the dividend equivalent will be paid in cash or in shares or reinvested. The dividend equivalent will be paid as soon as possible after vesting/exercise and will be made subject to such deductions on account of tax or similar liabilities as may be required by law.

Overall limits

The total number of IWG Ordinary Shares over which the options or awards may be granted will, together with shares already in issue under the PSP and any other employees' share plan adopted by IWG, not exceed 10 per cent. of the number of IWG Ordinary Shares in issue on the date of grant, when added to the number of IWG Ordinary Shares already issued or remaining issuable under such plans during the preceding ten years. For executives of IWG participating in any IWG discretionary share plans this limit shall be five per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were IWG Ordinary Shares.

Individual limits

The maximum total market value of IWG Ordinary Shares over which options or awards under the PSP may be granted to an employee is 250 per cent. of that employee's salary. However, if the Remuneration Committee decides that exceptional circumstances exist in relation to the retention and recruitment of an employee, then the maximum total value of the IWG Ordinary Shares over which the options or awards may be granted to an employee will be 300 per cent. of his salary.

Exercise of an Option

An option will vest on the later of the fifth anniversary of the date of grant and the date on which the Remuneration Committee determines whether or not any performance conditions imposed on the vesting of the option have been satisfied (the “**Vesting Date**”).

Following the Vesting Date, an employee may exercise his option at any time before the tenth anniversary of the date of the grant or at such earlier date as determined by the Remuneration Committee.

An option may be exercised in whole or in multiples of 1,000 shares by the giving of notice to IWG in a form prescribed by the Remuneration Committee, together with the appropriate remittance (if any). When this is satisfied, IWG will allot and issue, or cause to be transferred, shares according to the employee's entitlement as soon as possible, subject to any arrangements in order to satisfy the employee's tax liability. Any unexercised options will lapse on the tenth anniversary of the date of the grant.

Vesting of a Conditional Share Award

A conditional share award will vest on the later of the fifth anniversary of the date of grant and the date on which the Remuneration Committee determines whether or not any performance conditions imposed on the vesting of the award have been satisfied. IWG will allot and issue, or cause to be transferred IWG Ordinary Shares according to the employee's entitlement as soon as possible after vesting, subject to any arrangements that have been made in order to satisfy the employee's tax liability.

Performance Targets

Options and awards may be granted subject to a performance target which, in normal circumstances, will be measured over a period of not less than three years. The Remuneration Committee may set different targets from year to year. The performance target need not be the same for each type of option or award or for all participants. The Remuneration Committee may also change the performance target from time to time if events happen which make it fair and reasonable to do so but not so as to make the performance target, in the opinion of the Remuneration Committee, materially easier or more difficult to satisfy than it was when the award was first granted.

Cash Alternative

The Remuneration Committee may decide to grant an employee an award of cash in substitution for the employee's right to acquire vested shares under the PSP. Any such award of cash will be equal to the market value of the number of IWG Ordinary Shares as determined on the day the conditional share award vests or the option is exercised, and will be made subject to such deductions on account of tax or similar liabilities as may be required by law. Alternatively, the Remuneration Committee may decide to apply all or part of the cash award to subscribe for or purchase IWG Ordinary Shares on behalf of the employee, having made such deductions on account of tax or similar liabilities as may be required by law.

Cessation of employment

If an employee ceases to be employed within the Regus Group before the vesting/exercise date, then all options and awards shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death. In such circumstances an option or award normally vests based on the time served on the date the employee ceases to be employed or the vesting/exercise date. An option will be exercisable for a period of 12 months from the date the employee ceases to be employed or the vesting/exercise date, and will lapse at the end of this period.

If an employee ceases to be employed within the Regus Group after the vesting/exercise date for any reason other than cause, the participant may exercise his options to the extent the performance target is satisfied within six months of the cessation date, after which it will lapse.

If an employee ceases to be employed within the Regus Group after the vesting/exercise date in circumstances where his employer was entitled to terminate his employment for cause for cause, his options will lapse immediately.

Change of control and other events

When any of the following events occur, all conditional share awards will vest and all options will become exercisable for a period of one month. The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily, an application made for a declaration of *désastre* in respect of IWG, or a summary or compulsory winding up of IWG. The Remuneration Committee may decrease the number of IWG Ordinary Shares that will vest by applying any performance conditions imposed on the vesting of the option or award and applying pro rata reduction to the number of IWG Ordinary Shares based on the period of time after the date of grant and ending on the early vesting date relative to the length of the five year holding period.

There are provisions for options and awards to be cancelled in exchange for new replacement options and awards over shares in the acquiring company (or a company with control of it) with the acquiring company's agreement.

Lapse of options and awards

Any existing options and awards will lapse on any of the following events:

- cessation of employment, unless the Remuneration Committee decides otherwise;
- change of control at the end of a period to exercise an option as determined by the Remuneration Committee;
- the transfer, assignment, charge or disposal (except on an employee's death to the employee's personal representatives) of the option;
- the tenth anniversary of the date of grant of the option or award;

- the relevant employee being adjudicated as bankrupt; or
- the expiry of a period during which the option remains exercisable.

Listing

Application will be made for admission to the Official List of IWG Ordinary Shares issued under the PSP and for permission to trade in those IWG Ordinary Shares. IWG Ordinary Shares issued under the plan will rank equally in all respects with existing IWG Ordinary Shares except for rights attaching to IWG Ordinary Shares by reference to a record date prior the date of the allotment. IWG will at all times keep available, where necessary for issue, sufficient authorised and unissued IWG Ordinary Shares to satisfy outstanding options to subscribe for IWG Ordinary Shares.

Variation of capital

If a variation of capital takes place then the Remuneration Committee may decide to adjust the number of IWG Ordinary Shares subject to an option or award, any option price applying to the options and the number of IWG Ordinary Shares which may be delivered, in such a manner and with effect from such date as the Remuneration Committee may consider to be appropriate.

Malus and clawback

The Remuneration Committee may decide in its absolute discretion to reduce or cancel an unvested option or award or clawback an exercised/vested option or award if it decides the following:

- there is reasonable evidence of misbehaviour or material error by the employee;
- there was a material misstatement in the audited financial results of IWG or a material downturn in IWG's financial performance or the business unit in which the employee is employed;
- there was an error in the information or assumptions on which the award was granted; or
- there was an error in the assessment of the extent to which the performance conditions were satisfied.

If the Remuneration Committee exercises this discretion, it will confirm its decision in writing to the employee, and the option will be cancelled or deemed to have been granted over a lower number of shares. The vesting of the conditional share award and the exercise of the option will be by reference to this reduced number of IWG Ordinary Shares.

The Remuneration Committee may also reduce the number of IWG Ordinary Shares subject to an option or award under the PSP to give effect to a clawback provision contained in any other incentive plan operated by any other member of the Regus Group.

Benefits non-pensionable

Benefits under the PSP will not form part of a participant's remuneration for pension purposes.

Amendments

The Remuneration Committee has the power to amend the PSP and the terms of any options or awards from time to time provided that:

- no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, limits, the basis for determining a participant's entitlement to shares and the rights in relation to a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any Regus Group company or to any performance conditions subject to the awards provided it is not materially less difficult to satisfy than the original performance condition); and
- no alteration shall be made which would materially disadvantage participants without the prior consent of the majority of the number of employees who respond to notification by IWG of such alteration.

7.4 The IWG Co-Investment Plan (the “CIP”)

The CIP will be, in all material respects, in the same form as the existing Old Regus Co-Investment Plan.

The following terms apply to the CIP:

Administration

The Remuneration Committee will administer the CIP.

Eligibility

Any employee of a Regus Group company with a minimum period of six months' continuous service with a Regus Group company (or such other period as determined by the Remuneration Committee) will be eligible to receive awards under the CIP at the discretion of the Remuneration Committee.

Structure of awards

The Remuneration Committee may grant any of three types of award:

1. an award of investment shares (“**Investment Shares**”);
2. an award of matching shares (“**Matching Shares**”); and/or
3. an LTIP award (an “**LTIP Award**”).

The Remuneration Committee may grant any of the awards as conditional shares or as nil cost options. It is, however, intended that the CIP will only be used to grant awards to replace outstanding awards under the Old Regus Co-Investment Plan.

Grant of awards

Awards are granted at the discretion of the Remuneration Committee. Any award cannot be granted later than the tenth anniversary of the adoption of the CIP. Awards may be granted at any time during this period, except in any period in which the eligible employee is prohibited from dealing in shares.

Overall limits to awards

The total number of IWG Ordinary Shares over which awards of Matching Shares or LTIP Awards may be granted shall, together with IWG Ordinary Shares already issued under the CIP and any other IWG share plan during the preceding 10 years, not exceed 10 per cent. of the number of IWG Ordinary Shares in issue on the date of grant of the award. For awards granted to executive directors of IWG this limit will be five per cent.

Shares in Old Regus which were issued under share plans of Old Regus prior to the Scheme Effective Date will count towards this limit as if they were IWG Ordinary Shares.

Awards of Investment Shares will not be satisfied by any subscription or transfer of treasury shares. For the other awards, if they are satisfied by the transfer of treasury shares then the Remuneration Committee will decide whether these will be treated as shares for the purposes of the overall limits above.

Individual limits to the granting of awards

The maximum value of an award of Matching Shares which may be granted to any employee in any calendar year cannot exceed 200 per cent. of that employee's base salary.

The maximum value of an LTIP Award which can be granted to any employee in any calendar year cannot exceed 100 per cent. of that employee's base salary.

An award of Investment Shares will be based on a bonus target achieved under an annual bonus plan operated by IWG on such terms and conditions as the Remuneration Committee shall determine.

Release of awards

Any award of Investment Shares, Matching Shares or LTIP Award will be released at the end of a holding period, subject to the satisfaction of performance requirements and any other terms and conditions applicable to the award. The 'holding period' will be a period set by the Remuneration Committee during which the employee must generally remain employed within the Regus Group. The Remuneration Committee can determine any performance requirements or conditions that must normally be satisfied before any award may be released.

Prior to the release of any award, or the exercise of the award in the case of a nil cost option, the employee will not be entitled to any voting rights or rights to receive dividends in respect of the IWG Ordinary Shares to be awarded.

On cessation of employment or change of control of IWG there may be an earlier date of release (see below).

Cessation of employment

If an employee who has received an award ceases to be employed within the Regus Group for any reason, the following rules will apply:

- (A) Investment Shares – the proportion of any award of Investment Shares which has not already been released on the leaving date will be released, in proportion to the relevant holding period completed on the date of cessation (unless the Remuneration Committee in its absolute discretion determines otherwise). The remainder of the Investment Shares which have not been released shall lapse.
- (B) Matching Shares or LTIP Award – any award of Matching Shares or LTIP Awards that have not been released will lapse (unless the Remuneration Committee in its absolute discretion determines otherwise for reasons including, amongst others, injury, disability, retirement, redundancy and death). If the Remuneration Committee decides that awards will be released on cessation, then the proportion of any award released will be dependent on the proportionate satisfaction of the performance requirements (if any) and the proportion of the relevant holding period completed on the date of cessation. The remainder of the Matching Shares or LTIP Awards which have not been released shall lapse.

Change of control of IWG and other events

In the event of a change of control, a scheme of arrangement or a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily in IWG the following shall occur:

- (A) any award of Investment Shares shall be released.
- (B) any award of Matching Shares or LTIP Awards shall be released, the proportion of any such awards released being dependent on the degree of satisfaction of the performance requirements on such date and (in the Remuneration Committee's discretion) the length of any holding period completed.

If IWG merges with another company or any of the businesses of the group are demerged, the Remuneration Committee shall have discretion as to whether to release or adjust any reward.

If an acquiring company has obtained control an awardholder may, by agreement with the acquiring company, cancel any existing award in exchange for a new award. The new award shall be over shares in the acquiring company (or a company which has control of the acquiring company), shall be granted by the acquiring company and shall be on identical terms to the old award. The new award will be treated as having been acquired on the same date as the old award.

On a summary or compulsory winding up of IWG all awards shall be released.

Lapse of awards

Any existing award will lapse on any of the following events:

- (A) to the extent that it is not otherwise exercisable (as described above), on a cessation of employment or change of control;
- (B) when it is determined that performance requirements or other terms are not satisfied;
- (C) the tenth anniversary of the date of grant of the award;
- (D) the relevant participant being adjudicated as bankrupt; or
- (E) in the case of a nil cost option, the expiry of the period during which the award remains exercisable as determined by the Remuneration Committee.

Variation of capital

If a variation of capital takes place then the number of IWG Ordinary Shares subject to any award and the terms and conditions applying to such awards may be adjusted in such a manner and with effect from such date as the Remuneration Committee may determine to be appropriate and as the auditors of IWG shall have confirmed in writing to be in their opinion fair and reasonable.

Amendments

The Remuneration Committee shall have the power to amend the plan from time to time provided that:

- (A) no amendment can be made to the advantage of participants in respect of the provisions governing eligibility, equity dilution, share utilisation and individual participation limits and adjustments following a variation of capital without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any group company); and
- (B) except for amendments to comply with securities, exchange control or taxation laws or other relevant regulations, no alteration shall be made which would materially affect any subsisting rights of participants without the prior consent of the majority of the number of participants who respond to notification by IWG of such alteration.

Benefits non-pensionable

No benefit under the CIP shall be pensionable.

7.5 One Off Award granted to Dominik de Daniel (the “DD Award”)

The following terms apply to the DD Award:

Eligibility

The DD Award applies only to Dominik de Daniel. The original award was granted by Old Regus to facilitate the recruitment of Dominik de Daniel as chief financial officer and chief operating officer of Old

Regus. Following the implementation of the Scheme, IWG will grant a new and equivalent award to Dominik de Daniel over IWG Ordinary Shares.

Structure of award

The award is a conditional share award over 328,751 IWG Ordinary Shares.

The award vests on the fifth anniversary from the date of grant. The award is subject to performance against predetermined targets which are set by the Remuneration Committee and communicated at the time of grant.

Dividend Equivalents

Dominik de Daniel has no voting rights or rights to receive dividends in respect of the IWG Ordinary Shares subject to the award prior to any vesting of the award.

Vesting of the Award

The award will vest on 2 November 2020 or earlier where there is a change of control or a takeover or other corporate event which results in the award vesting earlier subject to whether the Remuneration Committee determines whether or not any performance conditions imposed on the vesting of the award have been satisfied. IWG will allot and issue, or cause to be transferred IWG Ordinary Shares according to the employee's entitlement as soon as possible after vesting, subject to any arrangements that have been made in order to satisfy the employee's tax liability.

Cessation of employment

If Dominik de Daniel ceases to be employed within the Regus Group before the vesting date, then the award shall lapse unless the Remuneration Committee in its absolute discretion decides otherwise for reasons including, amongst others, injury, disability, retirement, redundancy, the transfer of his office or employment outside the Regus Group and death. In such circumstances an award normally vests based on the time served on the date the employee ceases to be employed or the vesting date.

Change of control and other events

When any of the following events occur, the award will vest. The relevant events are a change of control, a scheme of arrangement which amounts to such a change, a person becoming bound or entitled to acquire IWG Ordinary Shares compulsorily, an application made for a declaration of *désastre* in respect of IWG, or a summary or compulsory winding up of IWG. The Remuneration Committee may decrease the number of IWG Ordinary Shares that will vest by applying any performance conditions imposed on the vesting of the award and applying pro rata reduction to the number of IWG Ordinary Shares based on the period of time after the date of grant and ending on the early vesting date relative to the length of the five year holding period.

There are provisions for awards to be cancelled in exchange for new and equivalent replacement awards over shares in the acquiring company, granted by the acquiring company (or a company with control of it) with the acquiring company's agreement.

Lapse of options and awards

The award will lapse immediately if Dominik de Daniel attempts to transfer, assign, charge or otherwise dispose of his award or any interest he has in it (except on his death to his personal representatives). The award shall lapse immediately if Dominik de Daniel is declared bankrupt.

Variation of capital

If a variation of capital takes place then the Remuneration Committee may decide to adjust the number of IWG Ordinary Shares subject to the award, in such a manner as the Remuneration Committee may consider to be appropriate.

Malus and clawback

The Remuneration Committee may decide in its absolute discretion to reduce or cancel an unvested award or clawback a vested award if it decides the following:

- there is reasonable evidence of misbehaviour or material error by the employee;
- there was a material misstatement in the audited financial results of IWG or a material downturn in IWG's financial performance or the business unit in which the employee is employed;
- there was an error in the information or assumptions on which the award was granted; or
- there was an error in the assessment of the extent to which the performance conditions were satisfied.

If the Remuneration Committee exercises this discretion, it will confirm its decision in writing to the employee, and the award will be cancelled or deemed to have been granted over a lower number of shares. The vesting of the conditional share award will be by reference to this reduced number of IWG Ordinary Shares.

Benefits non-pensionable

Benefits under the DD Award will not form part of Dominik de Daniel's remuneration for pension purposes.

Amendments

The Remuneration Committee has the power to amend the DD Award Agreement and the terms of the award from time to time provided that no amendment can be made to the advantage of Dominik de Daniel in respect of the basis of determining his entitlement to, and the terms of, IWG Ordinary Shares or cash provided without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the plan, to take account of a change of legislation, to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the plan or for any Regus Group company or to any performance conditions subject to the awards provided it is not materially less difficult to satisfy than the original performance condition).

7.6 The Employee Trust

The schemes may, as described above, be operated in conjunction with one or more Employee Trusts. Each such trust will be a general discretionary trust whose beneficiaries will include employees of the Regus Group and their dependants. There are currently no existing Employee Trusts operated by Old Regus, and it is not currently anticipated that any such trusts will be established by IWG for the purpose of operating alongside the employee share schemes.

8. Investec

Investec has given and not withdrawn its written consent to the issue of this document and the references to its name in the form and context in which it is included.

In accordance with customary practice in providing financial advice Investec has not provided legal or taxation advice in relation to the Scheme.

9. Costs and expenses

The total costs payable in connection with the Proposals and admission is estimated to amount to approximately £2.5 million (exclusive of any UK value added tax).

PART 4 – SCHEME OF ARRANGEMENT

(under Article 125 of the Companies (Jersey) Law 1991)

IN THE ROYAL COURT OF JERSEY

File No. 2016/298

between

Regus plc

and

the Scheme Shareholders (as hereinafter defined)

Preliminary

- (A) In this scheme of arrangement, references to Clauses are references to clauses of this scheme of arrangement and the following expressions shall, unless inconsistent with the subject or context, bear the following meanings:

Business Day	means a day (other than a Saturday or a Sunday) on which banks are open for business in London and Jersey other than solely for trading and settlement in euro;
Court Meeting	means the meeting of Old Regus Ordinary Shareholders convened by order of the Jersey Court pursuant to Article 125 of the Jersey Companies Law for the purpose of considering and, if thought fit, approving this Scheme, or any adjournment thereof;
CREST	means the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear;
Euroclear	means Euroclear UK and Ireland Limited, the operator of CREST;
Extraordinary General Meeting	means the extraordinary general meeting of Old Regus convened for 2:15 p.m. (Luxembourg time) / 1:15 p.m. (London time) on 5 December 2016 or if later, as soon as possible after the conclusion or adjournment of the Court Meeting;
Holder	means a registered holder and includes any person entitled by transmission;
IWG	means IWG plc, a public limited company incorporated in Jersey with registered number 122154;

IWG Ordinary Shares	means the ordinary shares of 1 penny each in the capital of IWG in issue following the Scheme Effective Date;
Jersey Companies Law	means Companies (Jersey) Law 1991;
Jersey Court	means the Royal Court of Jersey;
Jersey Registrar of Companies	means the Registrar of Companies in Jersey;
Old Regus	means Regus plc, a public limited company incorporated in Jersey with registered number 101523;
Old Regus Ordinary Shares	means ordinary shares of one pence each in the capital of Old Regus in issue prior to the Scheme Effective Date;
Overseas Shareholders	means a Scheme Shareholder with a registered address in, or who is a citizen of, any jurisdiction outside the United Kingdom or Jersey;
Scheme	means this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Jersey Court;
Scheme Effective Date	means the date on which the Scheme becomes effective in accordance with Clause 6.1;
Scheme Effective Time	means the time at which this Scheme becomes effective on the Scheme Effective Date;
Scheme Record Date	means the Business Day immediately preceding the Scheme Effective Date;
Scheme Record Time	means 6:00 p.m. (London time) on the Scheme Record Date;
Scheme Shareholder	means a holder of Scheme Shares;
Scheme Shares	<ul style="list-style-type: none"> • all Old Regus Ordinary Shares in issue at the date of the Scheme and remaining in issue at the Scheme Record Time; • all (if any) additional Old Regus Ordinary Shares in issue at the Voting Record Time and remaining in issue at the Scheme Record Time; • all (if any) further Old Regus Ordinary Shares which may be in issue at or after the Voting Record Time and immediately before the confirmation by the Jersey Court of the Scheme in respect of which the original or any subsequent holders shall

be bound by the Scheme or in respect of which the original or any subsequent holders shall have agreed in writing to be so bound, and remaining in issue at the Scheme Record Time,

but excluding any Old Regus Ordinary Shares held by IWG; and

Voting Record Time 6:00 p.m. (London time) on the day which is two days (excluding non-working days) prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 p.m. (London time) on the day which is two days (excluding non-working days) before the day of such adjourned meeting.

- (B) The authorised share capital of Old Regus as at the date of this Scheme is £80,000,000 divided into 8,000,000,000 Old Regus Ordinary Shares of one penny each, of which 927,275,319 are in issue and fully paid up (excluding treasury shares).
- (C) IWG was incorporated and registered in Jersey on 27 September 2016 under the Jersey Companies Law as a private company limited by shares under the name “Galena Holdings Limited” with registered number 122154. Its name was changed to IWG plc and it was re-registered as a public company pursuant to special resolutions passed on 27 October 2016. The authorised share capital of IWG as the date of this Scheme is £80,000,000 divided into 8,000,000,000 ordinary shares of one penny each of which two are issued and fully paid. IWG does not hold any Old Regus Ordinary Shares.
- (D) IWG has agreed to appear by counsel at the hearing to sanction the Scheme and to undertake to the Jersey Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

The Scheme

1. Transfer of the Scheme Shares

- (A) Upon and with effect from the Scheme Effective Time, the Scheme Shares shall be transferred to IWG and/or its nominee(s) with full title guarantee, free from all liens, equities, charges, encumbrances and other interests, and together with all rights at the Scheme Effective Time or thereafter attached thereto, including the right to receive and retain all dividends and other distributions (if any).
- (B) For the purposes of the Scheme, the Scheme Shares shall be transferred by means of a form or forms of transfer (each, an “**Instrument of Transfer**”), and to give effect to such transfer any person may be appointed by IWG and/or its nominee(s) to execute any such Instrument of Transfer of, any Scheme Shares and every instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders if the Scheme Shares thereby transferred.
- (C) Pending the transfer of the Scheme Shares pursuant to sub-clauses 1(A) and 1(B) of this Scheme each Scheme Shareholder irrevocably appoints IWG (or its nominee(s)) as its attorney

and agent to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares.

2. Consideration for the transfer of Scheme Shares

In consideration of the transfer of the Scheme Shares to IWG and/or its nominee(s) pursuant to Clause 1, IWG shall (subject to the provisions of Clause 3) allot and issue (credited as fully paid) IWG Ordinary Shares to the Scheme Shareholders on the following basis:

one IWG Ordinary Share for each Scheme Share held at the Scheme Record Time

3. Allotment and issue of IWG Ordinary Shares

IWG Ordinary Shares to be issued pursuant to Clause 2 shall rank in full for all dividends or distributions made, paid or declared after the Scheme Effective Date on the ordinary share capital of IWG.

- (A) As soon as reasonably practicable, and in any event within five (5) Business Days of the Scheme Effective Date, IWG shall:
- (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, allot and issue all the IWG Ordinary Shares which it is required to allot and issue, and shall by not later than 10 Business Days after the Scheme Effective Date, send by post to the allottees of the allotted and issued IWG share certificates in respect of such shares;
 - (ii) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, IWG shall procure that CREST is instructed to cancel the entitlement to Scheme Shares of each of the Scheme Shareholders concerned and to credit to the appropriate stock account in CREST of the Scheme Shareholder concerned such shareholder's entitlement to IWG Ordinary Shares; provided that IWG reserves the right to settle all or part of the said consideration referred to in this sub-clause 3(A)(ii) for all or any Scheme Shareholders in the manner referred to in sub-clause 3(A)(i) if for any reason it wishes to do so.
- (B) The provisions of Clause 3 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 Shareholders, IWG is advised that the allotment and issue of IWG Ordinary Shares pursuant to this Clause would or might infringe the laws of any jurisdiction outside the United Kingdom or Jersey or would or might require IWG to obtain or observe any governmental or other consent or effect any registration, filing or other formality with which IWG is unable to comply or which IWG regards as unduly onerous, then IWG may in its sole discretion determine that:
- (i) IWG Ordinary Shares shall not be allotted and issued to such Overseas Shareholder under this Clause but shall instead be allotted and issued to a nominee appointed by IWG, 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 the sale and the net proceeds of such sale shall (after the deduction of all expenses

and commissions, including on amounts in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or creating any assured payment obligation to such Overseas Shareholder in accordance with the provisions of Clause 3. None of Old Regus, IWG, any nominee referred to in this Clause (3)(B)(i) or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss or damage arising as a result of the timing or terms of any such sale; or

- (ii) such IWG Ordinary Shares shall be sold, in which event the IWG Ordinary Shares shall be allotted and issued to such holder and IWG shall appoint a person to act pursuant to this Clause 3(B)(ii) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which IWG has made such 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 amounts in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or creating an assured payment obligation to such Overseas Shareholder in accordance with the provisions of Clause 3. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give instructions and do all such things which he may consider necessary or expedient in connection with such sale. None of Old Regus, IWG, any appointee referred to in this sub-clause (3)(B)(ii) or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss or damage arising as a result of the timing or terms of any such sale.
- (C) All deliveries of cheques or certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of Old Regus 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) and none of Old Regus or IWG or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any cheques or certificates sent in accordance with this Clause 3(C), which shall be sent at the risk of the person or persons entitled thereto.
- (D) Not later than five (5) Business Days following the sale of any relevant IWG Ordinary Shares pursuant to Clause 3(B), IWG shall procure that the nominee or appointee, as the case may be, shall account for the cash payable by despatching to the persons respectively entitled thereto cheques by post.
- (E) In respect of any payments made through CREST, IWG shall ensure that an assured payment obligation is created in accordance with the CREST assured payment arrangements. The creation of such an assured payment obligation shall be a complete discharge of IWG's obligations under this Scheme with reference to the payments made through CREST.
- (F) All cheques shall be made payable to the person or persons to whom, in accordance with the foregoing provisions of this Clause 3, the envelope containing the same is addressed, and the encashment of any such cheque shall be a complete discharge of IWG's obligations under this Scheme with reference to the payments made through CREST.

- (G) The preceding sub-clauses of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.

4. Certificates representing Scheme Shares

- (A) With effect from and including the Scheme Effective Date, all certificates representing holdings of Scheme Shares shall cease to be valid in respect of such holdings and the holders of such shares should destroy all certificates in relation to Old Regus.
- (B) With effect from and including the Scheme Effective Date, Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. As regards certificated Scheme Shares, appropriate entries will be made in the register of members of IWG with effect from the Scheme Effective Date to reflect the transfer of the Scheme Shares.

5. Mandates

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

6. Scheme Effective Date

- (A) The Scheme shall become effective as soon as the Order(s) of the Jersey Court sanctioning the Scheme under Article 125 of the Jersey Companies Law shall have been duly delivered to the Jersey Registrar of Companies for registration.
- (B) Unless the Scheme shall have become effective on or before 31 May 2017 or such later date, if any, as Old Regus and IWG may agree and the Jersey Court may allow, it shall lapse.

7. Modification

Old Regus and IWG may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme or to any condition which the Jersey Court may think fit to approve or impose.

8. Costs

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

9. Governing law

The Scheme is governed by Jersey law and subject to the jurisdiction of the courts of Jersey.

Dated: 3 November 2016

PART 5 – NOTICES OF MEETINGS

Notice of Court Meeting

IN THE ROYAL COURT OF JERSEY

File No. 2016/298

IN THE MATTER OF REGUS PLC

and

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991

NOTICE IS HEREBY GIVEN that by an Order dated 27 October 2016 made in the above matters the Court has granted permission for a meeting (the “**Court Meeting**”) to be convened of the holders of the ordinary shares of one penny each (hereinafter called the “**Old Regus Ordinary Shares**”) in Regus plc (hereinafter called the “**Company**”) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between the Company and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) and that such meeting will be held at 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) at 26 Boulevard Royal, L-2449 Luxembourg on 5 December 2016 at which place and time all the holder of the said shares are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to Article 125 of the Companies (Jersey) Law 1991 are incorporated in the document of which this Notice forms part.

Holders of Old Regus Ordinary Shares entitled to vote at the Court Meeting may vote in person or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A blue form of proxy for use at the Court Meeting is enclosed herewith.

It is requested that forms of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) be lodged with the Registrars of the Company, Capita Registrars (Jersey) Limited c/o Capita Asset Services, at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 48 hours, excluding any day that is a non-business day, before the time appointed for the Court Meeting but, if forms are not so lodged, they may be handed to the Registrars or the Chairman before the start of the Court Meeting. A reply-paid envelope for use in the UK is also enclosed for your convenience. Alternatively shareholders wishing to appoint a proxy electronically should do so by visiting www.capitashareportal.com and following the instructions.

The Company, pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those shareholders registered in the register of members of the Company as at 6:00 p.m. on 1 December 2016 (or, in the case of adjournment, as at 6:00 p.m. on the date two days (excluding non-working days) preceding the date of the adjourned meeting) shall be entitled to attend

and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

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

By the said Order, the Jersey Court has appointed Douglas Sutherland or, failing him, Mark Dixon, or failing him any other director to act as Chairman of the court meeting and has directed the chairman to report the result thereof to the Jersey Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Jersey Court. The hearing of the application for sanction of the Scheme of Arrangement by the Jersey Court will be held on 15 December 2016 at 11:00 a.m. (Luxembourg time) (10:00 a.m. (London time)) at the Royal Court of Jersey, which is located at the Royal Court Buildings, Royal Square, St Helier, Jersey JE1 1BA. Holders of Old Regus Ordinary Shares have a right to appear and be heard at this hearing, in person or through counsel to support or oppose the sanctioning of the Scheme of Arrangement.

NOTE FOR CREST MEMBERS

Electronic proxy appointment through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting 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 message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s agent RA10 (Capita) at 12 Castle Street, St Helier, Jersey JE2 3RT by 2:00 p.m. (Luxembourg time) (1:00 p.m. (London time)) on 1 December 2016 (or 48 hours preceding the date and time for any adjourned meeting, excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in article 34 of the Uncertificated Securities Order.

Mourant Ozannes

Advocates and Solicitors for the Company as to matters of Jersey law

Dated 3 November 2016

Notice of Extraordinary General Meeting

Regus plc

(registered in Jersey under the Companies (Jersey) Law 1991 with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a société anonyme under number RCS Luxembourg B 141159)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Regus plc (the “**Company**”) will be held at 2:15 p.m. (Luxembourg time) (1:15 p.m. London time) on 5 December 2016 at 26 Boulevard Royal, L-2449 Luxembourg (or as soon as possible after the meeting of the Company’s ordinary shareholders convened for 5 December 2016 by order of the Jersey Court pursuant to Article 125 of the Companies (Jersey) Law 1991 (the “**Jersey Companies Law**”) has been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, as special resolutions in respect of resolutions 1, 8 and 9, and as ordinary resolutions in respect of the other resolutions, in each case before a public notary:

1. That, subject to and conditional upon the passing of all the other resolutions in this agenda (“**Agenda**”), the scheme of arrangement between the Company and the holders of the Company’s ordinary shares subject thereto, in its original form or with or subject to any modification, addition or condition approved or imposed by the Jersey Court (the “**Scheme**”), be approved and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect.
2. That, subject to and conditional upon the passing of all the other resolutions in the Agenda, IWG plc’s articles of association adopted by IWG plc, the principal terms of which are set out in the circular posted to shareholders on or around 3 November 2016 and available at www.regus.com/investors, be approved.
3. That, subject to and conditional upon the passing of all the other resolutions in the Agenda, the amount standing to the credit of IWG plc’s share premium account (including the amount arising upon the allotment and issue of IWG plc’s ordinary shares pursuant to the Scheme) on the date on which the Scheme becomes effective be cancelled and such amount be credited to a reserve of profit to be available to IWG plc to be: (i) distributed by IWG plc from time to time as dividends in accordance with the Jersey Companies Law; or (ii) applied by IWG plc from time to time toward any other lawful purpose to which such a reserve may be applied.
4. That, subject to and conditional upon the passing of all the other resolutions in this Agenda, the IWG plc Share Option Plan, adopted by IWG plc, the principal terms of which are set out in the circular sent to shareholders on or around 3 November 2016 and available at www.regus.com/investors, be approved.
5. That, subject to and conditional upon the passing of all the other resolutions in this Agenda, the IWG plc Deferred Share Bonus Plan, the principal terms of which are set out in the circular sent to shareholders on or around 3 November 2016 and available at www.regus.com/investors, adopted by IWG plc, be approved.

6. That, subject to and conditional upon the passing of all the other resolutions in this Agenda, the IWG plc Performance Share Plan, adopted by IWG plc, the principal terms of which are set out in the circular sent to shareholders on or around 3 November 2016 and available at www.regus.com/investors, be approved.
7. That, subject to and conditional upon the passing of all other resolutions in this Agenda, the IWG plc Co-Investment Plan, adopted by IWG plc, the principal terms of which are set out in the circular sent to shareholders on 3 November 2016 and available at www.regus.com/investors, be approved.
8. That, subject to and conditional upon the passing of all other resolutions in this Agenda, any general meeting of IWG plc other than an annual general meeting, may be called on not less than 14 clear days' notice.
9. That, subject to and conditional upon the passing of all other resolutions in this Agenda, with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 166:

“Shares not subject to Scheme of Arrangement

- (A) In this article only, the references to the “Scheme” are to the scheme of arrangement between the Company and the holders of Scheme Shares (as defined in the Scheme) (with or subject to any modification, addition or condition approved or imposed by the Jersey Court) for the introduction of IWG plc as the new parent company of the Company, and terms defined in the Scheme shall have the same meanings in this article.
- (B) Notwithstanding any other provision of the articles of association, if the Company issues any ordinary shares on or after the date of the adoption of this article and prior to the Scheme Record Time (as defined in the Scheme), such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of such shares shall be bound by the Scheme accordingly. For the purpose of this article, a “business day” means a day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London and Jersey are generally open for normal business.
- (C) If any ordinary shares are issued to any person (a “new member”) (other than to IWG plc or its nominee(s)) at or after 6:00 p.m. (London time) on the business day immediately preceding the date on which the Scheme becomes effective in accordance with its terms, they will, provided that the Scheme has become effective and that IWG plc is a member of the Company, be immediately transferred to IWG plc and/or its nominee(s) in consideration of and conditional upon the issue to the new member of the same number of ordinary shares in IWG plc as such member would have received under the Scheme had such shares been subject to the Scheme.
- (D) The number of IWG plc ordinary shares to be issued or transferred to the new member under this article may be adjusted by the directors of the Company in such manner as the Company's auditors may determine on any reorganisation or material alteration of the share capital of either the Company or of IWG plc or any other return of value to

holders of IWG plc ordinary shares, provided always that any fractions of IWG plc ordinary shares shall be disregarded and shall be aggregated and sold for the benefit of IWG plc.

- (E) To give effect to any transfer required by this article, the Company may appoint any person to execute and deliver as transferor a form or instructions of transfer on behalf of the new member in favour of IWG plc and/or IWG plc's nominee(s) and to agree for and on behalf of the new member to become a member of IWG plc. Pending the registration of IWG plc as the holder of any shares in the Company to be transferred pursuant to this article, IWG plc shall be empowered to appoint a person to act as attorney on behalf of each holder of any share in accordance with such directions as IWG plc may give in relation to any dealings with or disposal of such shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of IWG plc but not otherwise.
- (F) If the Scheme shall not have become effective by the date referred to in clause 6(B) of the Scheme (or such later date (if any) as IWG plc and the Company may agree and the Jersey Court may allow), this article shall be of no effect."

By Order of the Board
Tim Regan
Company Secretary

Registered Office:
22 Grenville Street
St Helier
Jersey JE4 8PX

Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Extraordinary General Meeting and the Court Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita on +44 (0) 371 664 0321 between 9:00 a.m. and 5:30 p.m. each business day.
2. To be valid the form of proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority) must be lodged with the Registrars, Capita Registrars (Jersey) Limited c/o PXS 34 Beckenham Road, Beckenham, Kent, BR3 4TU, by hand (during normal business hours only) at Capita, PXS 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not later than 2:15 p.m. (Luxembourg time) (1:15 p.m. London time) on 1 December 2016 (or 48 hours (excluding non-working days)) preceding the date and time for any adjourned meeting). A reply-paid envelope for use in the UK is also enclosed for your convenience. Alternatively shareholders wishing to appoint a proxy electronically should do so by visiting www.capitashareportal.com and following the instructions.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 11 to 14 below) will not prevent a shareholder attending the Extraordinary General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under Article 62 of the Company's articles of association to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
6. The Company, pursuant to Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, specifies that only those shareholders registered in the register of members of the Company as at 6:00 p.m. on 1 December 2016 (or, in the case of adjournment, as at 6:00 p.m. on the date two days (excluding non-working days) preceding the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after such time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

7. In the case of joint shareholders, the vote of the first named in the register of members of the Company who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
8. A shareholder which is a corporate member and which wishes to be represented at the meeting by a person with authority to speak and vote (a corporate representative) must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company.
9. Any member attending the Extraordinary General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. Shareholders have certain rights to request that the Company add an item to the agenda of the Extraordinary General Meeting or to provide a draft resolution to be proposed at the Extraordinary General Meeting. To be valid, such a request must be received by the Company at its head office (26 Boulevard Royal, L-2449 Luxembourg) not later than 1 December 2016 and must meet certain other requirements. Further information regarding the other requirements that must be met for shareholders to exercise these rights can be found in Article 60 and Article 63 of the Company's articles of association, which are available on the Company's website at www.regus.com.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting 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.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent RA10 by 2:15 p.m. (Luxembourg time) (1:15 p.m. London time) on 1 December 2016 (or 48 hours (excluding non-working days) preceding the date and time for any adjourned 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 the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Article 34 of the Companies (Uncertificated Securities) (Jersey) Order 1999.
15. Voting on all resolutions will be conducted by way of a poll rather than a show of hands.
16. Copies of:
 - (A) the Company's articles of association;
 - (B) the Company's articles of association as proposed to be amended pursuant to Resolution 9;
 - (C) the IWG plc's articles of association;
 - (D) the draft rules of the IWG plc Share Option Plan, the IWG plc Deferred Share Bonus Plan, the IWG plc Performance Share Plan and the IWG plc Co-Investment Plan;
 - (E) the circular sent to shareholders on or around 3 November 2016; and
 - (F) the prospectus published on or around 3 November 2016 in connection with the Scheme,

are available for inspection on the Company's website at www.regus.com, at the offices of Slaughter and May, the Company's solicitors, at One Bunhill Row, London EC1Y 8YY and at the Company's registered office at Regus plc, 22 Grenville Street, St Helier, Jersey JE4 8PX during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this notice until close of business on the date on which the Scheme becomes effective in accordance with its terms, expected to be 19 December 2016, and will also be available for inspection at the place of the Extraordinary General Meeting for at least 15 minutes before, and during, the Extraordinary General Meeting.

PART 6 – DEFINITIONS

The following definitions apply throughout this document (except in Part 4 which contains separate definitions) unless the context requires otherwise:-

“admission” or “listing”	admission of IWG Ordinary Shares to the premium listing segment of the Official List in accordance with the Listing Rules and the admission of the IWG Ordinary Shares to trading by the London Stock Exchange on its main market for listed securities in accordance with the Standards;
“Business Day”	any day other than a Saturday or Sunday or public holiday on which banks are open for business in London, Luxembourg or Jersey other than solely for the purposes of trading and settlement in Euro;
“Capita”	Capita Registrars (Jersey) Limited, which operates under the trading name of Capita Asset Services;
“CIP”	the meaning given in paragraph 7.4 of Part 3 of this document;
“Closing Price”	the closing, middle market quotation of a relevant share, as published in the daily official list of the London Stock Exchange;
“Corporate Governance Code”	the UK Corporate Governance Code of the Financial Reporting Council dated April 2016;
“Court Meeting”	the meeting of Old Regus Ordinary Shareholders to be held on 5 December 2016 by order of the Jersey Court pursuant to Article 125 of the Companies (Jersey) Law 1991, notice of which is set out on pages 97-99 of this document and any adjournment of that meeting;
“CREST”	the computerised system for the paperless settlement of sales and purchases of securities and the holding of uncertificated securities operated by Euroclear;
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;
“DD Award”	the meaning given in paragraph 7.5 of Part 3 of this document;
“Directors” or “Board”	the directors of Old Regus or the directors of IWG, from time to time, as the context requires;
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules produced by the FCA pursuant to FSMA;

“DSBP”	the meaning given in paragraph 7.2 of Part 3 of this document;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“EU”	the European Union, first established by the treaty made at Maastricht on 7 February 1992;
“Extraordinary General Meeting”	the extraordinary general meeting of Old Regus to be held at 2:15 p.m. (Luxembourg time) (1:15 p.m. (London time)) on 5 December 2016, or as soon thereafter as the Court Meeting concludes or adjourns, notice of which is set out on pages 100 – 105 of this document and any adjournment of that meeting;
“FCA”	the United Kingdom Financial Conduct Authority;
“FSMA”	the Financial Services and Markets Act 2000 as amended;
“FTSE UK Index Series”	the UK series of the FTSE Actuaries Share Indices;
“Investec”	Investec Bank plc;
“ISA”	the meaning given to it in the UK Taxation section of Part 3;
“IWG”	IWG plc, a public company limited by shares, incorporated and existing in Jersey with registered number 122154 and registered office at 22 Grenville Street, St. Helier, Jersey JE4 8PX, and having its head office in Switzerland;
“IWG Articles”	the memorandum and articles of association of IWG;
“IWG Directors”	the directors of IWG whose names appear on page 31 of the Prospectus;
“IWG Initial Ordinary Shareholders”	Dominik de Daniel and Jürgen Fuhrmann;
“IWG Ordinary Shareholder”	a holder for the time being of IWG Ordinary Shares;
“IWG Ordinary Shares”	the ordinary shares of one penny each in the share capital of IWG;
“IWG Reduction of Capital”	the proposed reduction of share premium in IWG as described in paragraph 2.2 of Part 1 of this document;
“IWG Share Schemes”	the Share Option Plan, the DSBP, the PSP, the CIP and the DD Award;

“Jersey Companies Law”	the Companies (Jersey) Law 1991;
“Jersey Court”	the Royal Court of Jersey;
“Jersey Court Hearing”	the hearing to sanction the Scheme;
“Jersey Registrar of Companies”	Jersey Financial Services Commission Companies Registry;
“Listing Rules”	the listing rules of the UK Listing Authority made under Part VI of FSMA, as amended from time to time;
“London Stock Exchange”	the London Stock Exchange plc;
“Meetings”	the Court Meeting and the Extraordinary General Meeting, and “Meeting” means either of them;
“Official List”	the official list of the UK Listing Authority;
“Old Regus”	Regus plc, a public limited company incorporated in Jersey with registered number 101523 and having its place of central administration (head office) in Luxembourg and accordingly being registered as a <i>société anonyme</i> under number RCS Luxembourg B 141159;
“Old Regus Articles”	the articles of association of Old Regus at the date of this document;
“Old Regus Share Schemes”	the Old Regus Share Option Plan, the Old Regus Co-Investment Plan, the Old Regus Value Creation Plan, the Old Regus Deferred Share Bonus Plan, the Old Regus Performance Share Plan and Dominik de Daniel’s one off award;
“Old Regus Ordinary Shareholder”	a holder for the time being of Old Regus Ordinary Shares;
“Old Regus Ordinary Shares”	the ordinary shares of one penny each in the share capital of Old Regus;
“Overseas Shareholders”	Old Regus Ordinary Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom or Jersey;
“PRA”	means the United Kingdom Prudential Regulatory Authority;

“Proposals”		the proposals relating to the Scheme, the approval of the IWG Reduction of Capital and the adoption of the Share Option Plan, the DSBP, the PSP and the CIP and (in each case) related matters, as described in this document;
“Prospectus”		the prospectus dated on or around 3 November 2016 relating to IWG and the IWG Ordinary Shares proposed to be issued in connection with the Scheme and prepared in accordance with the Prospectus Rules and the Listing Rules;
“Prospectus Rules”		the prospectus rules made by the UK Listing Authority under Part VI of FSMA;
“PSP”		the meaning given in paragraph 7.3 of Part 3 of this document;
“Registrars”		Capita (Registrars) Jersey Limited;
“Regus Group”		Old Regus and its subsidiary undertakings, or following the Scheme becoming effective, IWG and its subsidiary undertakings, as the context may require;
“Scheme”		the scheme of arrangement pursuant to Article 125 of the Jersey Companies Law set out on pages 90-96 of this document in its present form or with or subject to any modification, addition or condition approved or imposed by the Jersey Court;
“Scheme Date”	Effective	the date on which the Scheme becomes effective in accordance with its terms, expected to be 19 December 2016;
“Scheme Date”	Record	the Business Day immediately preceding the Scheme Effective Date;
“Scheme Time”	Record	6:00 p.m. (London time) (7:00 p.m. (Luxembourg time)) on the Scheme Record Date;
“Scheme Shareholder”		a holder of Scheme Shares;
“Scheme Shares”		<ul style="list-style-type: none"> all Old Regus Ordinary Shares in issue at the date of the Scheme and remaining in issue at the Scheme Record Time; all (if any) additional Old Regus Ordinary Shares in issue at the Voting Record Time and remaining in issue at the Scheme Record Time; all (if any) further Old Regus Ordinary Shares which may be in issue at or after the Voting Record Time and immediately before the confirmation by the Jersey Court of the Scheme in respect of which the original or any subsequent holders shall be bound by the Scheme or in respect of which

the original or any subsequent holders shall have agreed in writing to be so bound, and remaining in issue at the Scheme Record Time,

but excluding any Old Regus Ordinary Shares held by IWG;

“SEC”	the US Securities and Exchange Commission;
“Share Option Plan”	the meaning given in paragraph 7.1 of Part 3 of this document;
“Standards”	the current edition of the Admission and Disclosure Standards produced by the London Stock Exchange;
“Takeover Code”	the UK City Code on Takeovers and Mergers;
“Takeover Panel”	the UK Panel on Takeovers and Mergers;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Companies Act 2006”	the United Kingdom Companies Act 2006 (as enacted at the date of adoption of the IWG Articles, whether or not in force);
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity as competent authority for the purpose of Part VI of the Financial Services and Markets Act 2000;
“Uncertificated Securities Order”	the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time (as applicable);
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US Securities Act”	the US Securities Act of 1933;
“US Shareholders”	Old Regus Ordinary Shareholders with registered addresses in the United States, its territories and possessions; and
“Voting Record Time”	6:00 p.m. (London time) (7:00 p.m. (Luxembourg time)) on the day which is two days (excluding non-working days) prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6:00 p.m. (London time) (7:00 p.m. (Luxembourg time)) on the day which is two days (excluding non-working days) before the day of such adjourned meeting.