



THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE UNSURE ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ALL OF YOUR SHARES IN AIR PARTNER PLC, PLEASE SEND THIS CIRCULAR AND ACCOMPANYING DOCUMENTS TO THE PURCHASER OR TRANSFEREE, OR TO THE PERSON WHO ARRANGED THE SALE OR TRANSFER, SO THAT THEY CAN GIVE THEM TO THE PURCHASER OR TRANSFEREE.

7 November 2012

Dear Shareholder

Air Partner plc Annual General Meeting, 7 December 2012

This document sets out the arrangements for the Annual General Meeting (“**AGM**”) of Air Partner plc (“**the Company**”).

The AGM will be held at our headquarters offices, near Gatwick Airport, at 9.30am on Friday 7 December 2012. The formal Notice appears in full on Page 2 of this Circular, followed by relevant notes and explanations.

The current Air Partner Share Option Scheme 2003 (“the 2003 Scheme”) expires for the purposes of new grants on 18 July 2013, ten years after its adoption by shareholders. It is proposed to replace the 2003 Scheme with a new scheme to be known as the Air Partner Share Option Scheme (2012) (“the 2012 Scheme”) which would permit the granting of both options approved by HM Revenue and Customs (“HMRC”) within the current statutory £30,000 limit and unapproved options, subject to performance conditions. Any subsisting options under the 2003 Scheme would remain fully protected but no further options would be granted under the 2003 Scheme from the date the 2012 Scheme is approved by Shareholders. Details of the 2012 Scheme are set out in Appendix 1.

It is also proposed to introduce a new Long Term Share Incentive Plan (“LTIP”) as an alternative long term incentive for main board executive directors and other senior employees, details of which are set out in Appendix 2 as well as an Employee Benefit Trust (“EBT”), details of which are set out in Appendix 3.

Under the current arrangements the Company has authority to issue up to 20% of the Company’s issued share capital to satisfy options granted under employee share schemes in any rolling ten year period. It is proposed to reduce this to 10% of the issued share capital under all employee share schemes (including the proposed 2012 Scheme and the LTIP) by utilising the proposed EBT to acquire shares in the market. In order to facilitate this process in compliance with current institutional guidelines it is recommended that the EBT initially be permitted to acquire up to 10% of the issued share capital by market purchase.

We understand that many shareholders will be unable to attend the AGM in person. Shareholders may ensure that their views are counted by appointing a proxy, either by submitting a hard copy Proxy Form or by lodging proxy votes electronically through CREST or at www.capitashareportal.com.

The directors of the Company consider that all the resolutions set out in the Notice of AGM are in the best interests of the Company and its members as a whole and unanimously recommend that shareholders should vote in favour of all the proposed resolutions.

Richard Everitt
Chairman

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (“AGM”) of Air Partner Plc (the “Company”) will be held at 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA at 9.30 am on Friday 7 December 2012.

You will be asked to consider and, if thought fit, to pass Resolutions 1 to 14 below, which will be proposed as ordinary resolutions and resolutions 15 to 18, which will be proposed as special resolutions:

Ordinary business

- 1 To receive the audited accounts of the Company, the directors’ reports and the auditor’s report for the year ended 31 July 2012.
- 2 To approve payment of a final dividend for the year to 31 July 2012 of 12.7 pence per share.
- 3 To approve the directors’ remuneration report for the year ended 31 July 2012.
- 4 To re-elect Richard Everitt as a director of the Company.
- 5 To re-elect Mark Briffa as a director of the Company.
- 6 To re-elect Gavin Charles as a director of the Company.
- 7 To re-elect Andrew Wood as a director of the Company.
- 8 To re-elect Anthony Mack as a director of the Company.
- 9 To re-elect Charles Pollard as a director of the Company.
- 10 To re-appoint Deloitte LLP as auditor to the Company to hold office until the conclusion of the next AGM and to authorise the directors to set the auditor’s remuneration.
- 11 THAT, in substitution for all previous authorities, the directors be generally and unconditionally authorised, pursuant to Section 551 of the Companies Act 2006 (the “Act”), to exercise all powers of the Company to allot shares and to grant rights to subscribe for shares and convert securities into shares up to a maximum nominal amount of £171,023; such authority to expire at the conclusion of the next AGM, save that the Company may before such expiry make an offer or agreement which would or might require the allotment of shares or grant of rights to be made after such expiry and the directors may allot shares or grant rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
- 12 THAT the Air Partner Share Option Scheme (2012) (the principal terms of which are summarised in Appendix 1 in the attached circular and the Rules of which are produced to the meeting and for the purpose of identification initialled by the Chairman thereof) be and it is hereby approved and adopted and that the Directors be authorised to do all acts which they may consider expedient for the purpose of carrying the same into effect including the making of any amendments necessary or desirable to secure the approval of HM Revenue and Customs pursuant to Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003.
- 13 THAT the Air Partner Long Term Share Incentive Plan (the principal terms of which are summarised in Appendix 2 in the attached circular and the Rules of which are produced to the meeting and for the purpose of identification initialled by the Chairman thereof) be and it is hereby approved and adopted and that the Directors be authorised to do all acts which they may consider expedient for the purpose of carrying the same into effect.
- 14 THAT the Air Partner Employee Benefit Trust (the principal terms of which are summarised in Appendix 3 in the attached circular and the Trust Deed for which is produced to the meeting and for the purpose of identification initialled by the Chairman thereof) be and it is hereby approved and adopted and that the Directors be authorised to do all acts which they may consider expedient for the purpose of carrying the same into effect.

Special resolutions

- 15 THAT the directors be generally empowered under Sections 570 and 573 of the Act to make allotments of equity securities (within the meaning of Section 560 of the Act) for cash, either pursuant to the authority given in resolution 11 above or by way of the sale of treasury shares, as if Section 561 of the Act did not apply, provided that the power conferred by this resolution shall be limited to:
- (i) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them; subject only to such exclusions or other arrangements as the directors may consider necessary to deal with fractional entitlements or legal or practical problems; and
 - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £25,653

and this power, unless renewed, shall expire at the end of the next AGM, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

- 16 THAT the Company be generally and unconditionally authorised for the purpose of Section 701 of the Act to make market purchases (as defined in Section 693 (4) of the Act) of ordinary shares of 5 pence each in the capital of the Company (“ordinary shares”) provided that:
- (i) the maximum number of ordinary shares hereby authorised to be purchased is 1,026,139;
 - (ii) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 5 pence per share, being the nominal amount thereof;
 - (iii) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of: 5% above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System (SETS);
 - (iv) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next AGM, save that the Company may before such expiry make a contract or agreement to make a market purchase of its own ordinary shares which will or may be executed wholly or partly after the expiry of such authority and the directors may purchase such shares as if the authority conferred hereby had not expired.
- 17 THAT a general meeting of the Company other than an AGM may be called on not less than 14 clear days’ notice.
- 18 THAT the Company adopt new Articles of Association as set out in the form produced to the meeting, and initialled by the Chairman for the purposes of identification, in substitution for and to the exclusion of all existing Articles of Association of the Company.

By order of the Board



Graeme Manning ACIS
Company Secretary
Air Partner plc
7 November 2012

Registered office: 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA.
Registered in England and Wales, no. 980675

Please read the following notes and the explanation of the resolutions before deciding how to vote.

Notes

1. Only shareholders on the Company's register of members at 6.00pm on 5 December 2012 shall be entitled to attend, speak and vote at the AGM in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the adjourned meeting is 11am on the day before the date fixed for the adjourned meeting.
2. A shareholder entitled to attend, speak and vote at the AGM may appoint one or more proxies to exercise those rights on his/her behalf, provided that each proxy is appointed to exercise the voting rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. Completion of a Proxy Form will not prevent you from attending and voting in person. A proxy can only be appointed using the procedures set out in these notes and the notes to the Proxy Form. No other means of appointment will be accepted.

Appointment of a proxy does not preclude you from attending and voting at the meeting in person. However, if you do so, the proxy previously appointed will not be able also to attend, speak or vote on your behalf.

3. Voting on all resolutions will be conducted by way of a poll rather than on a show of hands. Although all shareholders are encouraged to come to the AGM and engage with the Company, we understand that many cannot do so. Calling a poll on each resolution allows all proxy votes cast to be counted and reported.
4. To appoint a proxy please use the Proxy Form provided with each copy of the Annual Report sent out by post or download a Proxy Form from our website www.airpartner.com/en-GB/Investors/Shareholder-Information/AGM-Information/

Alternatively, you may appoint your proxy electronically, by logging on to Capita Registrars' website at www.capitashareportal.com. You will need your investor code or IVC number. This is printed on dividend stationery and share certificates or can be obtained by contacting Capita Registrars. Full details of the procedure are given on the website.

5. To be valid, the Proxy Form, together with the power of attorney or other authority under which it is signed (if any) or a duly certified copy of the authority, or validated electronic proxy voting instructions, must be received at the offices of the Company's Registrars **by 9.30am on 5 December 2012**. If you wish to put your proxy form in an envelope, please use the following mailing address: Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

To be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via <https://www.euroclear.com/site/public/EUI>).

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given for a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Registrars ID (RA10) **by 9.30am on 5 December 2012** or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Capita Registrars are 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.

7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
9. Shareholders may use the proxy form or electronic proxy voting arrangements to vote in one of three ways: "for", "against" or "vote withheld". Please note that a "vote withheld" has no legal effect and will count neither for nor against a resolution when proxy votes are counted on each resolution.
10. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
11. You can change your proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time has passed will be disregarded. If you submit more than one valid proxy appointment, the latest valid appointment received before the cut-off time for the receipt of proxies will take precedence.

12. An electronic proxy appointment may be revoked completely by sending an authenticated CREST message or by accessing your account at www.capitashareportal.com and instructing the removal of your proxy vote. In the case of written proxy instructions submitted on a Proxy Form, you will need to inform the Company by sending a signed written statement, clearly stating your intention to revoke your proxy appointment to Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Any revocation notice must be received by Capita Registrars **no later than 9.30am on 5 December 2012.**
13. The right to appoint a proxy does not extend to a "Nominated Person", that is, someone to whom this notice is sent because they have been nominated to enjoy information rights, under section 146 of the Act. A Nominated Person may have a right to be appointed (or to have someone else appointed) as a proxy entitled to attend, speak and vote at the AGM, under an agreement between him/her and the member who nominated him/her.

If a Nominated Person does not have a right to be appointed, or to have someone else appointed, as a proxy, or does not wish to exercise such a right, he or she may still have the right, under an agreement between him/herself and the member who nominated him/her, to give instructions to the member as to the exercise of voting rights. Nominated Persons should contact the member who nominated them for further information on these matters.
14. All members and all proxies attending the meeting have the right to ask questions relating to the business of the meeting, and to have those questions answered unless:
 - (i) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or
 - (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.
15. As at 24 October 2012 (being the last practicable day before publication of this Notice) the Company's issued share capital was 10,261,393 ordinary shares of 5p each, each carrying one vote. The total number of voting rights in the Company as at 24 October 2012 is therefore 10,261,393.
16. In the case of a joint shareholding, the vote of the first named holder shown on the register of members, whether tendered in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
17. Copies of directors' service contracts and non-executive directors' letters of appointment will be available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection for at least 15 minutes prior to and during the meeting itself.
18. Copies of this Notice, the annual accounts and all information required by section 311A of the Companies Act 2006 together with details of any members' statements, members' resolutions and members' items of business received after the date of this notice and required to be published on a website by section 527 of the Act, will be published on our website: www.airpartner.com/Investors/Shareholder-Information/AGM-Information/
19. Members representing 5% or more of the total voting rights of all the members or at least 100 persons (being either members who have a right to vote at the Meeting and hold shares on which there has been paid up an average sum, per member, of £100 or persons satisfying the requirements set out in section 153(2) of the Act) may:
 - (a) require the Company, under Section 338 of the Act, to give notice of a resolution which may properly be moved at the meeting. Any such request, which must comply with section 338(4) of the Act, must be received by the Company no later than 6 weeks before the date fixed for the meeting;
 - (b) require the Company, under Section 338A of the Act, to include a matter (other than a proposed resolution) in the business to be dealt with at the meeting. Any such request, which must comply with Section 338A(3) of the Act, must be received by the Company no later than 6 weeks before the date fixed for the meeting; and
 - (c) require the Company, under Section 527 of the Act, to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act. The business which may be dealt with at the AGM includes any statement that the Company has been required to publish on a website under Section 527 of the Act.
20. You may not use any electronic address provided either in this notice of the AGM or in any related documents (including the Chairman's Letter and Proxy Form) to communicate with the Company for any purposes other than those expressly stated.
21. Where a shareholder (or shareholders) wish to request the Company to:
 - circulate a resolution to be proposed at the Meeting;
 - include a matter of business to be dealt with at the Meeting; or
 - publish audit concerns

such request must be made by means of a hard copy request signed by the shareholder or shareholder(s) and stating the full name(s) and address(es) of the shareholder(s). The request must be sent to the Company Secretary, Air Partner plc, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA so as to be received no later than 6 weeks before the date fixed for the meeting.

Explanation of the resolutions to be proposed at the AGM

Resolution 1 is a standard resolution. Company law requires that the statutory accounts each year are laid before the Company in general meeting. The accounts are accompanied by the directors' report, the directors' report on remuneration and the report of the independent auditor.

Resolution 2 will, if passed, confirm approval for the payment of a final dividend. The directors have proposed a final dividend of 12.7 pence per share, to be paid on Friday 14 December 2012 to shareholders on the register on 16 November 2012.

Resolution 3 requests approval of the directors' remuneration report which appears on pages 36 to 41 of the annual report. The report is also available online. This is an advisory vote and votes cast against approval of the directors' remuneration report will not invalidate the annual report and accounts as a whole.

Resolutions 4-9 seek approval for the reappointment of directors. In accordance with best practice in corporate governance, all the remaining directors are standing for re-election. The biographies of these directors, which appear in the Annual Report, are repeated here for easy reference.

Richard Everitt (63)

Independent Non-Executive Chairman

Richard qualified as a solicitor, rising to the position of Director of BAA plc with responsibility for strategy and regulatory matters following its privatisation. He subsequently became Chief Executive of National Air Traffic Services in 2001 and, since December 2004, has been Chief Executive of the Port of London Authority. Richard was appointed as Non-Executive Chairman on 9 February 2012 succeeding Aubrey Adams.

Mark Briffa (47)

CEO

Mark started his career with Air Partner as a Commercial Jets broker in 1996 and joined the Board in 2006 as Chief Operating Officer, becoming CEO in April 2010. He has direct experience of air charter broking and wide knowledge of the private aviation sector worldwide, built up over more than 20 years' experience in the industry.

Gavin Charles (47)

CFO

Gavin qualified as a chartered accountant with Ernst & Young and has more than 20 years' experience, having served as Finance Director in a number of UK and international companies. He was UK Finance Director of Miele Company Ltd before joining Air Partner as CFO in June 2010.

Tony Mack (63)

Non-Executive Director

Tony is the son of Air Partner's founder and first joined the family business in 1970, becoming Managing Director in 1979. He was appointed as Executive Chairman in 1985 and led the initial flotation of Air Partner shares on the London Stock Exchange, before stepping back into a non-executive role in 2008. His knowledge and experience of private aviation are unequalled within Air Partner and he personifies the link between the Group's modern international presence and its founding principles of value and service.

Andrew Wood (61)

Senior Independent Non-Executive Director

Andrew joined the Board in June 2011 and has taken over from Richard Everitt as Chairman of the Audit Committee. He was formerly group finance director of BBA Aviation plc from 2001 to 2010 and of Racal Electronics Group from 1995 to 2000. A chartered management accountant, Andrew also serves as a non-executive director and Chairman of the Audit Committee of both Berendsen plc and Lavendon Group plc. Andrew chairs the Remuneration, Audit and Nominations Committee.

Charles (Chuck) Pollard (55)

Independent Non-Executive Director

Chuck brings to Air Partner over 20 years' experience of the international non-scheduled airline industry as the former CEO of OmniAir International and World Airways. He is a director of Allegiant Travel Company, a US low cost air carrier listed on NASDAQ and AirCastle Limited, an aircraft leasing and finance company listed on the New York Stock Exchange. He has served as a non-executive director since July 2009.

The Board believes that the continued presence of long serving members of the Board, including Richard Everitt and Tony Mack, has provided an important sense of stability and continuity through, the Company's 51st year of operations. All directors remain independent in thought and judgement and the Board has no hesitation in recommending the re-election of all directors by shareholders.

Resolution 10 seeks the reappointment of Deloitte LLP; who were appointed for the first time last year following a competitive audit tender process, as independent auditor to the Company and requests authority for the directors to set the auditor's remuneration. The Board is careful that the auditor's independence should not be compromised and the Audit Committee takes responsibility for reviewing the performance of the auditor and making recommendations about the scope of their work and fee proposals. The Audit Committee has recommended to the Board that the appointment of Deloitte LLP should be renewed for a further year until the conclusion of the next general meeting at which accounts will be laid before the members, ie the AGM in 2013.

Resolution 11 is proposed as an ordinary resolution and replaces a similar resolution passed at last year's AGM. It asks for authority to be given to the directors to allot shares, or grant rights to subscribe for, or convert securities into shares, up to a maximum nominal amount of £171,023. This equates to 3,420,464 ordinary shares or approximately one third of the ordinary share capital currently in issue and is in line with institutional shareholder recommendations. The directors have no present intention of exercising this authority but wish to retain the flexibility provided by this resolution. The authority, if granted, would expire at the end of the next AGM.

Resolution 12 seeks approval for the Air Partner Share Option Scheme (2012)

Resolution 13 seeks approval for the Air Partner Long Term Share Incentive Plan

Resolution 14 seeks approval for the Air Partner Employee Benefit Trust

Further explanation for resolutions 12, 13 and 14 are contained in Appendix 1, 2 and 3 of this circular.

Resolution 15 will be proposed as a special resolution, requiring a majority of 75% of those voting to be in favour. If the directors wish to allot equity securities for cash (which, within the meaning of Section 560 of the Act, also includes selling treasury shares) they are required to offer those equity securities first to current shareholders in proportion to their existing holdings. This resolution requests authority for disapplication of pre-emption rights in connection with a rights issue or offering in favour of ordinary shareholders and, outside those circumstances, up to a nominal value of £25,653. This amount is within the limits advised by institutional investors, being just less than 5% of the Company's issued share capital as at 24 October 2012, being the last practicable day before publication of this Notice of Annual General Meeting.

The authority, if granted, would supersede a similar resolution passed last year and would expire at the end of the AGM in 2013.

The Board does not intend to issue new shares equivalent to more than 7.5% of the issued share capital of the Company in any rolling three-year period. As at 24 October 2012, the Company held no shares in treasury.

Resolution 16 will also be proposed as a special resolution and seeks authority for the Company to make market purchases of its own ordinary shares up to a limit of approximately 10% of the issued ordinary share capital as at 24 October 2012, being 1,026,139 ordinary shares. The authority requested would replace a similar authority granted last year and would expire at the end of the AGM in 2013.

The resolution sets the minimum and maximum amounts which may be paid for such shares. This authority would only be exercised if the directors considered that there was likely to be a beneficial impact on earnings per shares and that it would be in the best interests of the Company as a whole. Shares purchased would either be held as treasury shares or would be cancelled. It is the Company's current intention to satisfy the requirements of its share schemes either by acquiring shares in the market or, subject to institutional guidelines, issuing new shares or using shares held in treasury.

No shares were repurchased and cancelled during the period 1 August 2011 to 24 October 2012. Options to subscribe for 1,052,565 ordinary shares were outstanding under the Company's share schemes as at 24 October 2012, representing 10.26% of the issued ordinary share capital at that date. If Resolution 16 were passed and the directors exercised their power in full to make market purchases, the percentage of issued share capital reserved for the exercise of outstanding options could increase to 11.4%

Resolution 17 is an annual permission request for general meetings, other than the AGM, to be called on 14 clear days' notice. There is no current intention to hold such a meeting but the directors wish to retain the ability to call a meeting on shorter notice if the circumstances should require it. The Companies (Shareholders' Rights) Regulations 2009 specify that approval must be sought from shareholders by special resolution at an annual or subsequent general meeting and the Company would need to make a means of electronic voting available to all shareholders for any general meeting called on less than 21 clear days' notice. If passed, the resolution would remain valid until next year's AGM.

Resolution 18 will be proposed as a special resolution to adopt a new set of articles of association to reflect certain amendments which take account of developing practice and provide increased flexibility for the Board. The new articles of association as proposed to be adopted pursuant to resolution 18 will take effect from the conclusion of the AGM. The principal differences between the new and the existing articles of association are summarised in Appendix 4 to this Notice of AGM. A copy of the Company's existing articles of association, and a copy marked to show the differences between those and the new articles of association as proposed to be adopted pursuant to resolution 18, will be available for inspection up to the time of the AGM at the registered office of the Company during usual business hours and at the place of the AGM from 09.00am until the conclusion of the meeting.

The Company intends to call a poll on all resolutions. This means that the votes of all shareholders, including the majority of our shareholders who cannot attend the meeting but who submit a Proxy Form, can be counted. Please complete and return your Proxy Form as soon as possible as described in the Notes above. Further information is also provided on the Proxy Form itself.

The directors consider the proposed resolutions to be in the best interests of the Company and shareholders as a whole and unanimously recommend that shareholders should vote in favour of all the resolutions.

The Air Partner Share Option Scheme (2012) (“the 2012 Scheme”)

Under the proposed 2012 Scheme options may be granted to eligible employees (including executive directors) within the Air Partner Group, subject to defined limits. There is no present intention of granting options to the executive directors of Air Partner plc but if that position changes the performance conditions set out below will be reconsidered to ensure they remain appropriate. A summary of the principal terms of the 2012 Scheme is provided below.

The 2012 Scheme will comply with the institutional guidelines relating to employee share incentives. Appropriate reference will be made to the Company’s Remuneration Committee (comprising only non-executive directors who are ineligible to participate in the 2012 Scheme) with regard to the establishment of performance conditions at the time (or shortly before) options are granted. These performance conditions, which must be met prior to the exercise of the options, will be designed so that they will only be met in the event of a significant and sustained improvement in the underlying financial performance of the Company. It is intended that, the first one third of the number of shares placed under option to any individual will vest if the Company’s underlying basic earnings per share increases over a fixed period of three consecutive financial years by an average of at least 3% per annum in excess of inflation over the same period as measured by reference to the Retail Prices Index (“RPI”). Vesting of the full number of shares under option will be subject to meeting an increased target of RPI + 7% per annum over that period with straight line vesting in between. There will be no re-testing of performance conditions if they are not met by the end of the relevant performance period.

The 2012 Scheme will also be designed to comply with the institutional guidelines relating to the number of new shares which may be issued or issuable. Detail of the relevant rule is summarized in paragraph 7 below. As an alternative to dilution, awards may be satisfied by the transfer of shares purchased in the market via an Employee Benefit Trust to be established (see summary in Appendix 3 below) should that route be considered to be in the best interests of the Company.

In addition to the dilution limit the Directors (including, where appropriate, the Remuneration Committee) also undertake to ensure that:

- (a) Option grants will comply with the individual limits (summarized in paragraph 5 below); and
- (b) Appropriate arrangements will be put in place regarding the rate at which options are granted in order both to spread the potential creation of new shares reasonably evenly over the life of the 2012 Scheme and to ensure that option grants are phased over a number of years (within the individual limits summarized in paragraph 5 below).

The 2012 Scheme is, therefore, designed to reflect current best practice.

It is proposed to seek your approval for the introduction of the 2012 Scheme at the Annual General Meeting of the Company to be held on 7 December 2012. You will find the relevant resolution, to be proposed as an Ordinary Resolution, set out in the attached Notice of Meeting (Resolution 12). Your attention is also drawn to the enclosed proxy form and the relevant instructions for its completion and return.

Copies of the draft rules of the proposed 2012 Scheme are available for inspection at the Company’s Registered Office during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 7 December 2012 and at the Annual General Meeting convened for that day from at least fifteen minutes prior to the appointed time for the meeting until the meeting is concluded or adjourned.

Summary of the principal terms of 2012 Scheme.

1. Eligibility; Eligible employees (including Executive Directors) of Air Partner plc (“the Company”) and of any designated subsidiary may be selected for participation in the 2012 Scheme at the discretion of the Board (with reference, where appropriate, to the Remuneration Committee of the Board). There is no present intention of including the Executive Directors of the Company in the 2012 Scheme.
2. Grant of options; Options may normally be granted under the 2012 Scheme within the period of 42 days following the date on which the 2012 Scheme is adopted by shareholders in general meeting (subject to HMRC approval for approved options) and/or within the periods of 42 days following the date on which the Company announces its annual or interim results to the London Stock Exchange in any year while the 2012 Scheme subsists.
3. Subscription Price; Options will be granted at a price which represents not less than the middle market quotation of an ordinary share in the Company on the dealing day immediately preceding the date of grant as verified by reference to the Daily Official List of the London Stock Exchange or, if greater, the nominal value of such share.
4. Performance conditions; Options will be granted subject to specified conditions to be determined at or shortly prior to grant as set out above. The effect will be that options will only be exercisable if, in a defined period following grant, the financial performance of the Company so warrants.

5. Limits on participation and normal exercise period; The aggregate subscription price of shares placed under option to an individual (measured at the relevant date or dates of grant) must not exceed:
 - (a) £30,000 (excluding exercised options) or such other limit as may apply under the Income Tax (Earnings and Pensions) Act 2003 from time to time (for HMRC approved options);
 - (b) total grants in any calendar year of 100% of the individual's annual remuneration (excluding non-cash benefits in kind) in respect of his or her office or employment with the Company or Group company (for unapproved options but including any HMRC approved options granted in the same calendar year). In circumstances considered to be exceptional, the limit may be increased to 150% of annual remuneration on a non-recurring basis.

Subject to meeting the performance conditions, options are exercisable not earlier than the third anniversary of grant and then remain exercisable for a maximum period of seven years and lapse, therefore, at the latest, on the tenth anniversary of grant. The exceptions to this are summarised in paragraphs 6 and 8 below, otherwise options lapse on leaving employment.

6. Other exercise periods; Options may be exercised in certain specified events including death, leaving employment due to injury, disability, redundancy or retirement or the divestment of the employing company out of the Group. In the case of death, options may be exercised within the following twelve months. In other cases, options may be exercised within either the six months following the cessation of employment or the six months following the third anniversary of grant.
7. Total number of new shares available; The maximum number of shares which may be issued or issuable (including any commitments to re-issue Treasury Shares), under all employee share schemes operated by the Company, during the period of ten years ending on the relevant date of grant, may not exceed ten per cent. of the issued ordinary share capital of the Company from time to time (currently representing approximately 1,026,139 shares). In order to comply with this limit the proposed Employee Benefit Trust will be used, where appropriate, to obtain (or commit to obtain) shares in the market.
8. Changes in Control and winding-up; In the event of a change in Control of the Company or in the event of the reconstruction or amalgamation of the Company pursuant to Section 899 of the Companies Act 2006, options may be exercised within six months of such event (or such other period as may be appropriate under Sections 979-982 of the Companies Act 2006) or may be released in return for options of equivalent value in the acquiring company. In the event of the voluntary winding-up of the Company options may be exercised within three months of the passing of the appropriate resolution.
9. Restrictions on early exercise; There will be no automatic waiver of performance conditions on early exercise or rollover of options under paragraphs 6 or 8 above. Any exercises will be subject to a review of the extent to which the performance conditions have been met and will be restricted to reflect the number of months of service completed within the relevant performance period.
10. Variation of Capital; If a variation in the capital of the Company shall occur by reason of a rights or capitalisation issue or a sub-division, consolidation, reduction or other variation, the Directors shall make appropriate adjustments to the subscription price and/or the number of shares under option, provided that the Company's auditors (or other independent advisers) shall have confirmed in writing that such adjustments are, in their opinion, fair and reasonable and subject also to the prior approval of HMRC in respect of approved options.
11. Benefits non-pensionable; Benefits under the 2012 Scheme will not form part of a participant's remuneration for pension purposes.
12. Amendment and termination; The principal terms of the 2012 Scheme may only be amended to the advantage of eligible employees or participants with the prior authority of the Company in General Meeting save that any amendment (other than an amendment affecting the number of new shares over which options may be granted) may be made without such authority if:
 - (a) it is a minor amendment to benefit the administration of the scheme; or
 - (b) in respect of approved options, it is to obtain or maintain HMRC approval; or
 - (c) in respect of unapproved options, it is to obtain or maintain favourable tax treatment of the Company, any subsidiary company or of any eligible employee or participant or, in respect of overseas eligible employees or participants, it is necessary or desirable in order to take account of taxation, securities or exchange control laws or regulations or any other relevant requirements of any overseas jurisdiction, provided that the terms of options granted to overseas participants are broadly comparable with the terms of options granted to UK participants.

No options will be granted under the 2012 Scheme later than ten years following its adoption date.

Note;

This appendix provides a summary of the main features of the Rules of the proposed Air Partner Share Option Scheme (2012) but does not form part of the Rules and should therefore not be taken as affecting the interpretation thereof.

The Air Partner Long Term Share Incentive Plan (“the LTIP”)

The Remuneration Committee (“the Committee”) has undertaken a review of long term benefits for the executive directors and other senior employees in conjunction with external remuneration advisers. As a consequence the Committee has, subject to shareholder approval, decided that a new share plan (the LTIP) would more closely align the objectives of the Company with senior executive rewards. The proposed LTIP will reflect current law and market practice and the proposed performance conditions will be based on Total Shareholder Return (“TSR”) and Earnings per Share (“EPS”) as, in the view of the Committee, these remain key performance indicators of the business. A summary of the principal terms of the proposed LTIP is provided below.

In accordance with institutional guidelines the proposed LTIP will comply with the overall dilution limit relating to the number of new shares (including the re-issue of treasury shares) that can be made available to employee share schemes as summarised in paragraph 6 below. As an alternative to dilution, awards may be satisfied by the transfer of shares purchased in the market via an Employee Benefit Trust to be established (see summary in Appendix 3 below) should that route be considered to be in the best interests of the Company.

The Committee, having carefully considered current market practice, intends that the individual limit (summarised in paragraph 3 below) will normally be restricted to 100% of basic salary per annum. However, in circumstances considered by the Committee to be exceptional, the limit may be increased to 150% of basic salary on a non-recurring basis. These are the maximum annual limits and the actual level of awards will be considered each year by the Committee before they are made. The vesting of awards will be subject to challenging TSR and EPS performance conditions being achieved over a minimum period of three years. The conditions it is intended to set for the awards under the LTIP are summarised in paragraph 4 below.

It is proposed to seek your approval for the introduction of the LTIP at the Annual General Meeting of the Company to be held on 7 December 2012. You will find the relevant resolution, to be proposed as an Ordinary Resolution, set out in the attached Notice of Meeting (Resolution 13). Your attention is also drawn to the enclosed proxy form and the relevant instructions for its completion and return.

The full draft rules of the proposed LTIP are available for inspection at the Company’s Registered Office during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 7 December 2012 and at the Annual General Meeting itself from at least 15 minutes prior to the appointed time for the meeting until the meeting is concluded or adjourned.

Summary of the principal terms of the LTIP

1. Introduction; Grants may be made under the LTIP in the form of conditional rights to receive ordinary shares or nil-cost options (“Awards”), subject to the satisfaction of conditions as to the future performance of Air Partner plc (“the Company”) as set out below. Awards may be made within the 42 days following the Annual General Meeting of the Company (“AGM”) to be held on 7 December 2012 or subsequently within the 42 days following the date on which the Company announces its annual or interim results in any year while the LTIP subsists.
2. Participants; Senior employees of the Company (including executive directors) and/or of any group company are eligible for Awards under the LTIP. Awards will be at the discretion of the Committee which is comprised entirely of non-executive directors, none of whom are eligible to participate in the LTIP.
3. Calculation of Awards and restrictions;
 - (a) The number of shares comprised in an Award to any individual in any calendar year will be such number as the Committee determines, provided that such number when multiplied by the share price (established in accordance with (b) below), does not exceed a specified percentage of the individual’s basic annual salary (i.e. excluding bonuses and non-cash benefits if any) at the date of an Award. The normal maximum percentage permitted is 100% of basic annual salary but, in exceptional circumstances, the Committee may award up to 150% of basic annual salary on a non-recurring basis. Awards may be based on lower percentages of basic annual salary, depending on a number of factors including seniority. There is no present intention of exceeding 100% of basic annual salary p.a. for any participant.
 - (b) The Shares comprised in an Award will be based on the market value of an ordinary share in the Company on the business day immediately preceding the date of the Award.
 - (c) No shares will normally be released or issued to participants until the end of a specified performance period of not less than three years (see paragraph 4 below) and only then if the performance conditions have been satisfied and the participant is still in the group’s employment at that time. The exceptions to this are set out in paragraph 5 below.
 - (d) The benefit of Awards will be non-pensionable.

4. Performance conditions; Shares will be released to participants only if the Company's performance so warrants. Initially, Awards will be subject to the following conditions which will be measured over a three year performance period:

- (a) One half of the Award (currently comprising shares to a maximum initial value of 50% of basic annual salary) will be subject to a relative total shareholder return ("TSR") performance condition measured against the FTSE Small Cap Total Return Index (excluding investment trusts). The Company's TSR over the performance period will be compared with the Index over that period (subject to three months averaging) and awards will vest, if at all, in accordance with the following table:

Ranking of the Company's TSR compared to the Index	% of award vesting
Below 50th percentile	Nil
50th percentile	25%
75th percentile or above	100%

For intermediate performance between the 50th and 75th percentiles vesting will occur on a straight-line basis.

- (b) The remaining one half of the Award (currently comprising shares to a maximum initial value of 50% of basic annual salary) will be subject to an earnings per share ("EPS") growth condition which will be in addition to any increase in the Retail Prices Index ("RPI") as follows:

EPS growth	% of award vesting
Below RPI + 5% pa	Nil
RPI + 5% pa	25%
RPI + 10% pa or above	100%

For intermediate performance between RPI + 5% pa and RPI + 10% pa vesting will occur on a straight-line basis.

It is the intention of the Committee, when considering whether to make Awards under the LTIP each year, to review both the size of Awards (subject to the upper limit in paragraph 3(a) above) and the performance conditions to ensure that, at the time of an Award, they are appropriate and challenging taking into account any guidelines issued by organisations representing the interests of institutional shareholders or any other relevant guidelines issued from time to time. Specifically, with regard to the EPS conditions in paragraph 4(b) above, before making any Awards the Committee undertakes to compare the proposed minimum growth target for 25% vesting with current market consensus earnings forecasts (to ensure that they are broadly consistent) and if it considers it appropriate will adjust the minimum growth target prior to any Awards being made. If an adjustment is made, the maximum growth target for 100% vesting will be set 5% pa higher than the adjusted minimum target.

5. Early vesting;

- (a) In the event of a participant ceasing to be employed by the group before the end of the relevant performance period Awards will normally lapse. However, if such cessation of employment is by reason of death, ill-health, injury, disability, redundancy or retirement or the sale or transfer of the employing company, undertaking or part-undertaking out of the group, there are some discretions built into the LTIP that will permit the Committee to recommend the early release of shares subject to an Award. The number of shares released will not exceed an amount proportionate to the length of service during the relevant performance period and will be subject to a judgement as to the performance of the Company between the commencement of the relevant performance period and the date of cessation of employment.
- (b) In the event of a change of control, reconstruction or winding-up of the Company, Awards will lapse unless the Committee exercises its discretion to release shares subject to Awards. In exercising its discretion, the Committee will apply similar restrictions to those set out in paragraph 5(a) above.

6. Share limit; The maximum number of new shares which may be issued or issuable (including any commitments to re-issue Treasury Shares), under all employee share schemes operated by the Company, during the period of ten years ending on the relevant date of grant or award, may not exceed ten per cent. of the issued ordinary share capital of the Company from time to time (currently representing approximately 1,026,139 shares). In order to comply with this limit the proposed Employee Benefit Trust will be used, where appropriate, to obtain (or commit to obtain) shares in the market.

7. Shares and Dividends;

- (a) The shares to be used for the purposes of the LTIP will be fully paid ordinary shares in the capital of the Company.
- (b) Participants will not be eligible to receive dividends in respect of shares subject to an Award except in relation to a record date falling on or after the date on which the shares are transferred or issued to participants pursuant to the vesting of such Awards.

8. Variation provisions;

- (a) On a variation of capital of the Company (including but not limited to a rights or capitalisation issue) or on any distribution to shareholders in cash or in specie which, in the opinion of the Committee, has a significant effect on the value of the Company's ordinary shares, the Committee may adjust the number of shares subject to an Award and/or any rights and conditions attaching thereto provided that the Company's auditors (or other independent advisers) confirm any such adjustments to be, in their opinion, fair and reasonable.
- (b) In relation to any Award, the performance criteria and conditions described in paragraph 4 above may be adjusted by the Committee where they consider that events have occurred which would make the amended criteria a fairer measure of performance provided that the Company's auditors (or other independent advisers) confirm any such adjustments to be, in their opinion, fair and reasonable and provided also that, in the Committee's reasonable opinion, any such adjustments do not result in the performance criteria and conditions being less challenging than originally envisaged.

9. Amendment and termination; The LTIP may be amended by the Directors (or a duly authorised committee thereof) provided that no amendment shall be made to the advantage of participants without the prior consent of shareholders in general meeting except for minor amendments relating to the administration of the LTIP or to take account of changes to legislation or to obtain or maintain favourable tax treatment of participants, the Company or any group company or, in respect of overseas participants, if it is necessary or desirable in order to take account of taxation, securities or exchange control laws or any other relevant requirements of any overseas jurisdiction provided that the terms of awards granted to overseas participants are broadly comparable with the terms of awards granted to UK participants.

No Awards shall be made under the LTIP on or after the tenth anniversary of its adoption by shareholders in general meeting.

Note;

This appendix provides a summary of the main features of the rules of the proposed Air Partner Long Term Share Incentive Plan but does not form part of the rules and should therefore not be taken as affecting the interpretation thereof.

The Air Partner Employee Benefit Trust (“the EBT”)

In addition to the proposal to introduce the 2012 Scheme and the LTIP, the Directors also seek authority to establish the EBT which will provide greater flexibility with regard to the financing of employee share schemes and will enable any options or awards under any employee share scheme operated by the Company to be satisfied by acquiring shares in the market as an alternative to dilution. The EBT will be administered by an independent professional trust company (“the trustee”) all of whose Directors will be independent of the Company. The beneficiaries of the EBT will be the employees and former employees of any group company and their dependants and will therefore include the executive directors of the Company.

The trustee may acquire shares in the Company by market purchase or, subject to the limits set out in Appendices 1 and 2, by subscription at a price not less than the nominal value. There is no present intention of issuing any new shares to the trust. The funds to acquire shares will be provided to the trustee by the Company or by companies within the group (by gift or by loan) or via a third party such as a bank, but guaranteed by the Company or a group company.

The EBT may not hold more than 10% of the issued ordinary share capital of the Company at any time (excluding any shares in respect of which the beneficial interest has been transferred to a beneficiary) and will otherwise comply with institutional guidelines. Having considered the current and potential future commitments to provide share incentives it is the conclusion of the Directors (including the Remuneration Committee) that the 10% limit will provide sufficient flexibility to manage the dilution limits in accordance with institutional guidelines but the EBT limit will be reviewed from time to time with the aim of reducing the limit to 5% of the issued ordinary share capital in due course. Any unvested shares held within the EBT will not be voted at shareholder meetings.

It is also proposed, therefore, to seek your approval for the establishing of the EBT at the Annual General Meeting of the Company to be held on 7 December 2012. You will find the relevant resolution, to be proposed as an Ordinary Resolution, set out in the attached Notice of Meeting (Resolution 14). Your attention is also drawn to the enclosed proxy form and the relevant instructions for its completion and return.

The full draft Trust Deed for the proposed EBT is available for inspection at the Company’s Registered Office during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 7 December 2012 and at the Annual General Meeting itself from at least 15 minutes prior to the appointed time for the meeting until the meeting is concluded or adjourned.

Summary of principle changes to the articles of association

The articles of association are the Company's internal rulebook and regulate the internal management of the Company, setting out how decisions are made and various other matters. It deals with matters such as the right of shareholders, the appointment and removal of directors, the conduct of the board and general meetings and communications by the Company.

The Company proposes to adopt new articles of association at the Annual General Meeting to be held on 7 December 2012. These proposed articles reflect changes in best practice since the last articles were adopted in December 2009. They also provide further clarification on certain aspects of the operation of the existing articles. The changes introduced in the current articles relate to the provisions on use of the Company seal, retirement by rotation, untraced shareholders and non-executive directors' fees.

Details of the proposed changes are summarised below.

Article 14

This amendment allows for certificates to be sealed by electronic means using printed seals as per industry practice for registrars.

Articles 100 and 101

The Existing Articles provide that at each annual general meeting one-third of the directors who are subject to retirement by rotation shall retire from office. However, in accordance with the recommendations of the UK Corporate Governance Code the Board has resolved that, as was the case at last year's AGM, all the Company's directors (other than those standing for election as a result of having been appointed since last year's AGM) will stand for re-election at this year's AGM. It is proposed that the New Articles will include a provision that will allow the Company to function in circumstances where an insufficient number of directors are elected or re-elected at one of the Company's general meetings, thereby leaving the board inquorate. In such circumstances, it is proposed that all the directors would be automatically re-elected for the purposes of filling vacancies and convening general meetings of the Company and to perform such duties as are appropriate to maintain the Company as a going concern and to enable it to comply with its legal and regulatory obligations.

Article 109

In line with guidance from the Association of British Insurers, the Existing Articles contain a monetary cap on the aggregate amount of fees which may be paid to non-executive directors. It is proposed that the cap on the amount of non-executive directors' fees in the New Articles be increased from £200,000 to £400,000. Fees for the financial year ended 2012 amounted to £160,000. The cap was last reviewed in 2005 and it is proposed that it be increased in order to provide the Company with sufficient headroom to recruit further non-executive directors as well as the flexibility to maintain its non-executive directors' fee levels in line with the market.

Article 198

It is proposed that the New Articles will amend the Existing Articles to provide additional flexibility in relation to trying to locate shareholders who are considered untraced after a period of twelve years. The Existing Articles provide that the Company is able to sell the share(s) of an untraced shareholder after a period of twelve years if the conditions for doing so as set out in the Existing Articles have been satisfied. These conditions include a requirement for the Company to give notice of its intention to exercise its power of sale by means of an advertisement in a national newspaper and in a newspaper circulating in the area of the last known address the Company has for the untraced shareholder. It is proposed that the New Articles will provide additional flexibility in relation to trying to locate any such untraced shareholder by removing the requirement for the Company to give notice of its intention to sell the share(s) by advertisement in such newspapers and by providing instead that the Company shall have employed such steps as it deems reasonable in the circumstances to trace such shareholder. This may include the Company employing a professional asset reunification company or other tracing agent to initiate a thorough proactive search for shareholders who have not kept their details up-to-date, or the use of newspaper advertisements or any other means which the Company deems appropriate in addition to sending a notice to the last known address the Company has for the untraced shareholder.

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