

AIREA

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Strictly Private and Confidential

12 April 2018

Dear Employee

Possible offer for Airea plc ("Airea" or the "Company") by James Halstead plc ("James Halstead")

As you know, I briefed the managers and team leaders last Friday that James Halstead plc had put out an announcement on the stock exchange stating that they were at the very early stages of evaluating making an offer for Airea plc. I explained that the announcement triggers a regulatory process. However I made it clear that no bid has been made.

In order to comply with stock exchange regulations and keep all employees informed this letter details below the original announcement by James Halstead, the company response, and the rights of employees and pension trustees in these circumstances. If you have any questions or concerns please speak to your team leader or manager who will pass them on to me or Roger Salt if necessary.

In accordance with Rule 2.11 of the City Code on Takeovers and Mergers (the "City Code"), please find enclosed a copy of an announcement released by the Company on 4 April 2018 regarding the terms of a possible offer to be made by James Halstead, or a subsidiary of James Halstead, for the entire issued and to be issued share capital of Airea, (the "Announcement"). The announcement of the Offer also includes a summary of the provisions of Rule 8 of the Code. Airea's response to the Announcement released on 5 April 2018 is also enclosed. Following release of the Announcement, Airea is now in an offer period as set out in the City Code.

We will make further announcements when appropriate.

Opinions of employee representatives and pension scheme trustees

Airea employees should be aware of the right of their employee representatives and pension scheme trustees under Rule 25.9 of the City Code to have a separate opinion appended to any circular that may be published by Airea in accordance with Rule 25.1 of the City Code. Airea will also be responsible for the costs reasonably incurred by the employee representatives in obtaining the advice required for the verification of the information contained in their opinion and its publication.

Responsibility

The Airea Directors accept responsibility for the information contained in this letter. To the best of the knowledge and belief of the Airea Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

Addresses may be provided to James Halstead

Please note that addresses, electronic addresses and certain other information provided by you for the receipt of communications from Airea (e.g. elections to receive communications in a particular form) may be provided to James Halstead during the offer period as required under Section 4 of Appendix 4 of the Code.

A copy of this letter and the enclosed announcement will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, at www.aireapl.com by no later than 16.00 hours (London time) on 12 April 2018. The content of the website referred to in this letter is not incorporated into and does not form part of this letter.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Neil Rylance', with a stylized flourish at the end.

Neil Rylance
Chief Executive Officer