

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular or as to what action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the UK, or, if not, another appropriately authorised independent financial adviser who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Capital for Colleagues plc prior to 8.00 a.m. on 12 April 2017 (the date upon which the Existing Ordinary Shares were marked ‘ex’ the entitlement to the Open Offer by NEX Exchange), please immediately forward this Circular, together with the accompanying Application Form (in respect of shares held in certificated form), to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This Circular is not a prospectus for the purposes of the Prospectus Rules and has not been drawn up in accordance with the Prospectus Rules. Accordingly, this Circular has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (“FCA”) or any other authority or regulatory body in any jurisdiction.

The Existing Ordinary Shares are admitted to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market. Application will be made for the Open Offer Shares to be admitted to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Open Offer Shares, on the Social Stock Exchange segment of the NEX Exchange Growth Market, will commence on 2 May 2017.

Capital for Colleagues plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 8717989)



**Open Offer of up to 4,812,247 Open Offer Shares at 42p per share
to raise up to £2.02 million**

NEX Exchange Corporate Adviser and Broker



The text of this Circular should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Circular and the Risk Factors in Part II of this Circular.

The latest time and date for application and payment under the Open Offer is 11.00 a.m. on 27 April 2017. The procedure for application and payment is set out in Part III of this Circular and, where relevant, in the accompanying Application Form.

The Directors, whose names appear on page 6 of this Circular, and the Company, accept responsibility both individually and collectively for all the information contained in this Circular. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The NEX Exchange Growth Market, which is operated by NEX Exchange Limited (“NEX Exchange”), a recognised investment exchange, is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. It is not classified as a Regulated Market under EU financial services law and NEX Exchange Growth Market securities are not admitted to the Official List of the United Kingdom Listing Authority. Investment in an unlisted company is speculative and involves a higher degree of risk than an investment in a listed company. The value of investments can go down as well as up and investors may not get back the full amount originally invested. An investment should therefore only be considered by those persons who are prepared to sustain a loss on their investment. A prospective investor should be aware of the risks of investing in NEX Exchange Growth Market securities and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

Capital for Colleagues plc is required by NEX Exchange to retain a NEX Exchange Corporate Adviser at all times. The requirements for a NEX Exchange Corporate Adviser are set out in the Corporate Adviser Handbook. NEX Exchange has not approved the contents of this Circular.

Peterhouse Corporate Finance Limited, which is authorised and regulated by the FCA, is the Company's NEX Exchange Corporate Adviser. Peterhouse Corporate Finance Limited has not made its own enquiries except as to matters which have come to its attention and on which it considered it necessary to satisfy itself and accepts no liability whatsoever for the accuracy of any information or opinions contained in this Circular, or for the omission of any material information, for which the Directors are solely responsible. Peterhouse Corporate Finance Limited is acting for the Company and no one else in relation to the arrangements proposed in this Circular and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person on the content of this Circular.

This Circular does not constitute an offer for sale or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Open Offer Shares to any person in any jurisdiction where such an offer or solicitation is unlawful and, subject to certain exceptions, is not for distribution in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The Open Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan.

The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Open Offer has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Open Offer and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this Circular to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

Subject to very limited exceptions, the Open Offer Shares may not, directly or indirectly, be offered or sold within any territory other than the United Kingdom or offered or sold to a person within any territory other than the United Kingdom. Any failure to comply with these restrictions may constitute a violation of the securities law of any jurisdiction. Persons (including, without limitation, nominees and trustees) receiving this Circular and/or an Application Form should not, in connection with the Open Offer, distribute or send this Circular and/or the Application Form into any jurisdiction when to do so would, or might, contravene local securities laws or regulations or be contrary to the terms and conditions of the Open Offer.

No person has been authorised to make any representations on behalf of the Company concerning the Open Offer which are inconsistent with the statements contained in this Circular and any such representations, if made, may not be relied upon as having been authorised. No person should construe the contents of this Circular as legal, tax or financial advice and recipients of this Circular should consult their own advisers as to the matters described in this Circular.

Copies of this Circular will be available free of charge during normal business hours on any day (except Saturdays and public holidays) at the offices of Peterhouse Corporate Finance Limited, New Liverpool House, 15 Eldon Street, London EC2M 7LD and at the registered office of the Company, 8th Floor, 111 Piccadilly, Manchester M1 2HY until the Open Offer closes. This Circular will also be available on the Company's website, www.capitalforcolleagues.com.

Forward-looking statements

This Circular contains forward-looking statements. These statements relate to the Company's prospects, developments and business strategies.

Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "shall", "will" and other cognate expressions or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this Circular.

The forward-looking statements in this Circular are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Certain risks to and uncertainties for the Company are specifically described in Part II of this Circular headed "Risk Factors". If one or more of these risk factors or uncertainties materialises, or if the underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected by the Directors. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements. It is emphasised that this Circular does not contain any financial projections of the Company and that past performance is not to be treated as a guide to future performance.

These forward-looking statements speak only as at the date of this Circular. Neither the Directors nor the Company undertake any obligation to update forward-looking statements or risk factors other than as required by the NEX Exchange Rules whether as a result of new information, future events or otherwise.

An investment in the Company involves a high degree of risk and, in particular, attention is drawn to the Risk Factors in Part II of this Circular. All statements regarding the Company's business, financial position and prospects should be viewed in the light of such Risk Factors. An investment in the Company may not be suitable for all recipients of this Circular. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The content of this Circular has not been approved by an authorised person within the meaning of FSMA. Reliance on this Circular for the purpose of engaging in any investment activities may expose an individual to a significant risk of losing all of the property or other assets invested.

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Open Offer Statistics

Issue Price	42p per Open Offer Share
Open Offer: Basic Entitlement	1 Open Offer Share for every 2 Existing Ordinary Shares
Number of Ordinary Shares in issue as at the date of this Circular	9,624,526
Maximum number of Open Offer Shares to be issued pursuant to the Open Offer	4,812,247
Enlarged Share Capital on Admission*	14,436,773
Gross proceeds of the Open Offer*	£2.02 million
Estimated net proceeds of the Open Offer receivable by the Company*	£1.98 million
Maximum percentage of the Enlarged Issued Share Capital that the Open Offer Shares will represent	33.33 per cent
ISIN – Open Offer: Basic Entitlements	GB00BYQDFR29
ISIN – Open Offer: Excess Entitlements	GB00BYQDFT43

**Assuming the Open Offer is subscribed in full and no additional new Ordinary Shares are issued to the Subscribers*

If you have any questions on the procedure for acceptance and payment, you should contact Share Registrars Limited on 01252 821390 from within the UK or +44 1252 821390 if calling from outside the UK. 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. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Expected Timetable of Principal Events

2017

Record Date and time for entitlements under the Open Offer	Close of business on 11 April
Announcement of the Open Offer	12 April
Publication of the Circular and Application Forms	12 April
Existing Ordinary Shares marked 'ex' entitlement by NEX Exchange	12 April
Basic Entitlements and Excess Entitlements credited to CREST accounts of Qualifying CREST Shareholders	13 April
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 21 April
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 24 April
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 25 April
Latest time and date for receipt of completed Application Forms from Qualifying Shareholders and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 27 April
Expected date of Admission and commencement of dealings in Open Offer Shares	8.00 a.m. on 2 May
Expected date for CREST accounts to be credited with Open Offer Shares	2 May
Share certificates in relation to Open Offer Shares (where applicable) despatched by	12 May

Save for the date of publication of this Circular, each of the times and dates above is subject to change. Any such change, including any consequential change in the Open Offer Statistics above, will be notified to Shareholders by an announcement on a Regulatory Information Service. All times are London times and each of the times is subject to change.

PART I: LETTER FROM THE CHAIRMAN OF CAPITAL FOR COLLEAGUES

Capital for Colleagues plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 8717989)

Directors:

Richard Charles Bailey (*Non-executive Chairman*)
John Stephen Eckersley (*Chief Executive*)
Alistair Malcolm Thomson Currie (*Executive Director*)
Edmund George Jenkins (*Non-executive Director*)

Registered Office:

8th Floor
111 Piccadilly
Manchester
M1 2HY

12 April 2017

Dear Shareholder

Open Offer of up to 4,812,247 Open Offer Shares at 42p per share to raise up to £2.02 million

Introduction

On 31 March 2017, Capital for Colleagues announced that the Company intended to raise additional equity capital so that the Company could continue to capitalise on the many attractive investment opportunities that the Directors believe still exist in the EOB sector.

The Company announced today that it is raising up to £2.02 million through the issue of up to 4,812,247 New Ordinary Shares at a price of 42p per share in the Open Offer.

The purpose of this Circular is to provide information about the terms of the Open Offer and to explain why the Directors consider it to be in the best interests of the Company.

Background to and reasons for the Open Offer

The Directors believe that Capital for Colleagues has made strong progress in the three years since its admission to trading on the NEX Exchange Growth Market, investing in a diverse portfolio of companies focused on employee ownership and actively promoting the benefits of EO to a wider audience. Recent events have, however, made it appropriate for the Directors to re-examine (and to re-confirm) their belief in the fundamental merits of investing in EOBs.

The news that two of the Company's investee companies, FJH and FJH's wholly-owned subsidiary, HBA, had been placed into administration in February 2017 was particularly disappointing. At the time of the administration, the Company's loans to and investments in FJH and HBA were valued at approximately £1.3 million in aggregate and, as announced in the Company's quarterly portfolio update on 31 March 2017, these loans and investments have now been written down to zero. This write down was the principal reason for the decline in the Company's net asset value from 54.09p per share as at 30 November 2016 to 43.54p per share as at 28 February 2017.

The Board has reflected on the circumstances in which FJH became part of the Company's portfolio and examined whether or not this led to a greater chance of failure than might otherwise have been the case. FJH was one of three investments acquired, immediately prior to the Company's admission to trading on the NEX Exchange Growth Market, from the members of a pre-existing limited liability partnership. Subsequent to that acquisition, it became apparent to the Directors that FJH's commitment to employee ownership was not as deeply embedded as the Company would typically expect from its investee companies. Moreover, the Directors believed that FJH's management were not always receptive to suggestions for improving that company's financial management and performance, despite considerable input being provided to FJH's management by members of the Capital for Colleagues team. Accordingly, a decision to exit the holding was taken by the Company some months prior to the administration referred to above. Regrettably, before an exit could be achieved, apparently in the light of the impact of increasingly tough trading conditions, FJH's management and its secured finance providers engineered a sale of its key businesses and assets to a third party private equity firm, leaving existing equity investors and unsecured finance providers with nothing of value.

Over the last three years, Capital for Colleagues has sourced and executed its investments through a process which delivers a detailed understanding of prospective investee companies (and the people who run them) prior to any investment being made. The Directors are also pleased to

report that the remaining two investments acquired by the Company at the same time as FJH are positively embracing EO and the Company continues to provide active help with their respective EO 'journeys'. Without wishing to deny the significant impact of the failure of FJH and HBA, it has not dimmed the Directors' enthusiasm for seeing through the Company's strategy.

Accordingly, so that Capital for Colleagues can continue to capitalise on the many attractive investment opportunities that the Directors believe still exist in the EOB sector, the Company is raising up to £2.02 million (before expenses) through the Open Offer. The Directors believe that the Open Offer gives Qualifying Shareholders the opportunity to maintain their interest in the Company, by subscribing for their Basic Entitlements, and may also represent a chance to re-base their investment in the Company following the decline in net asset value per share referred to above.

The Directors are pleased to report that the Company has received commitments from Directors and other Qualifying Shareholders to take up 2,739,298 Open Offer Shares, representing 57 per cent of the New Ordinary Shares available in the Open Offer.

The Company has also identified new investors who have expressed an interest in investing approximately £819,000, in aggregate, in the Company, by subscribing for any Open Offer Shares which are not taken up under the Open Offer or, to the extent that there are insufficient such Open Offer Shares, by subscribing for new Ordinary Shares on a non pre-emptive basis. Any such new Ordinary Shares would be subscribed for in cash at the Issue Price.

The proceeds of the Open Offer will be used to make further investments in line with the Company's investment strategy and to provide working capital for the Company's ongoing operations.

The events surrounding FJH were extremely disappointing, but the Directors still believe in the fundamental strength of the EOB sector and the returns that it can deliver. The Directors are satisfied with the performance of the Company's other investee companies and are pleased by the resilience these are demonstrating. Investment in smaller, unquoted companies always carries with it a risk that some investments will fail. The Directors are committed to minimising this risk and they will continue to invest in a diversified range of EOBs, with the intention that these companies will become successful and sustainable, delivering attractive returns to the Company and its Shareholders.

The Directors are therefore optimistic about Capital for Colleagues' prospects and look forward to updating Shareholders on the Company's progress in due course.

Share Incentive Plan

In the context of the developments referred to above, the Directors have also looked carefully at the level of the Company's fixed operating costs and the way in which such costs are met, to ensure that costs overall remain appropriately in line with the Company's present and likely short term asset base. To achieve this, the Executive Directors and certain key employees of the Company have indicated a willingness that, for a period of at least 12 months from May 2017, a proportion of their monthly earnings will not be satisfied in cash but will instead be satisfied by the issue of new Ordinary Shares in the Company, utilising as far as possible a share incentive plan.

Whilst the Company's overheads are far from excessive, the Directors believe that the introduction of this share incentive plan will have a positive impact on the Company's cash resources, whilst underlining the belief of key stakeholders in the Company's investment strategy and its future prospects.

Details of the Open Offer

The Company is raising up to £2.02 million (before expenses) through the issue of up to 4,812,247 Open Offer Shares in the Open Offer at the Issue Price of 42p per share. The Issue Price represents a discount of 3.5 per cent to the Company's net asset value of 43.54p per share as at 28 February 2017.

Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holdings of Existing Ordinary Shares held on the Record Date. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer.

The Open Offer is conditional only on admission of the Open Offer Shares to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market becoming effective on or before 8.00 a.m. on 2 May 2017 (or such later date and/or time as the Company and Peterhouse may agree, being no later than 31 May 2017).

It is estimated that the total expenses payable by the Company in connection with the Open Offer (assuming all Open Offer Shares are subscribed for in full and no new Ordinary Shares are issued to the Subscribers) will amount to approximately £35,000 (excluding VAT). On that basis, the net proceeds of the Open Offer, assuming all Open Offer Shares are subscribed for in full and no new Ordinary Shares are issued to the Subscribers, will be £1.98 million.

Basic Entitlement

Qualifying Shareholders are being given the opportunity to subscribe for Open Offer Shares under the Open Offer at the Issue Price, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the following basis:

1 Open Offer Share for every 2 Existing Ordinary Shares

held by Qualifying Shareholders and registered in their name at the Record Date. The Open Offer is not being made to Overseas Shareholders, as outlined in Part III of this Circular.

The Open Offer Shares must be paid for in full on application. The latest time and date for application and payment in respect of the Open Offer is 11.00 a.m. on 27 April 2017.

Open Offer Entitlements will be rounded down to the nearest whole number of Open Offer Shares and any fractional entitlements to Open Offer Shares will not be allocated and will be disregarded. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlement.

If you have sold or otherwise transferred all of your Existing Ordinary Shares before 12 April 2017 (the date upon which the Existing Ordinary Shares were marked 'ex' the entitlement to the Open Offer by NEX Exchange), you are not entitled to participate in the Open Offer.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that under the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Basic Entitlements in full, to apply for additional Open Offer Shares to the extent that Open Offer Shares are not taken up by other Qualifying Shareholders.

Qualifying Shareholders should refer to paragraph 4 of Part III of this Circular for information on how to apply pursuant to the Excess Application Facility. Applications under the Excess Application Facility will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back on a *pro rata* basis. Accordingly, no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Proposed Subscription

As referred to in "Background to and reasons for the Open Offer" above, the Subscribers have expressed an interest in investing approximately £819,000, in aggregate, for any Open Offer Shares not taken up by Qualifying Shareholders in the Open Offer and, to the extent that the value at the Issue Price of Open Offer Shares not subscribed in the Open Offer is less than such amount, to subscribe for such number of new Ordinary Shares as would take the total amount subscribed by the Subscribers to an amount of approximately £819,000. Any such new Ordinary Shares would be subscribed for in cash at the Issue Price.

Action to be taken in respect of the Open Offer

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part III of this Circular and, for Qualifying Non-CREST Shareholders, on the Application Form. To be valid, Application Forms (duly completed) and payment in full for the Open Offer Shares applied for must be received by the Receiving Agent, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, GU9 7DR, by no later than 11.00 a.m. on 27 April 2017.

If you have any questions on the procedure for acceptance and payment, you should contact Share Registrars Limited on 01252 821390 from within the UK or +44 1252 821390 if calling from outside the UK. 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. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If you are in any doubt as to the contents of this Circular and/or the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under FSMA, if you are in the UK, or, if you are outside the UK, from an appropriately authorised independent financial adviser, without delay.

Directors' Participation in the Open Offer

The Directors have indicated that they will take up 359,054 Open Offer Shares in aggregate, equivalent to approximately 7.5 per cent of the Open Offer Shares and amounting to a total consideration of approximately £150,000, as set out below:

Director	Number of Existing Ordinary Shares	Number of Open Offer Shares to be applied for	Number of Ordinary Shares held on Admission	% of the Enlarged Issued Share Capital*
Richard Bailey	122,246	61,123	183,369	1.3
John Eckersley	314,674	157,337	472,011	3.3
Alistair Currie	230,342	115,171	345,513	2.4
Edmund Jenkins	50,847	25,423	76,270	0.5

* Assuming the Open Offer is taken up in full and no additional new Ordinary Shares are issued to the Subscribers.

Application to the NEX Exchange Growth Market

Application will be made for the Open Offer Shares to be admitted to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence on 2 May 2017.

The Open Offer Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

The Directors have sufficient authority to allot and issue the Open Offer Shares, and any other new Ordinary Shares which may be issued to the Subscribers, following the passing of the Shareholder resolutions at the Company's annual general meeting on 28 February 2017.

Dividend Policy

The Directors do not intend to pay a dividend until the Company has achieved sufficient profitability and its requirements for working capital are such that it is prudent to do so.

Taxation

The New Ordinary Shares do not rank as a qualifying investment for the purposes of the Enterprise Investment Scheme nor as a "qualifying holding" for the purposes of investment by Venture Capital Trusts.

However, shares traded on the NEX Exchange Growth Market are qualifying investments for stocks and shares Individual Savings Accounts ('ISAs') and trades in the New Ordinary Shares on the NEX Exchange Growth Market will be exempt from Stamp Duty.

The taxation treatment of holders of Ordinary Shares depends on their individual circumstances and may be subject to change in the future. If you are in any doubt as to your tax position you should consult your own independent financial adviser immediately.

Further Information and Risk Factors

Your attention is drawn to the further information in this Circular and particularly to the risk factors set out in Part II of this Circular. **Potential investors should carefully consider the risks described in Part II before making a decision to subscribe for Open Offer Shares.**

Additional information about Capital for Colleagues, including a copy of the Company's accounts for the year ended 31 August 2016, the Company's most recent quarterly investment update, the Company's articles of association and details of the Company's significant shareholders, is available on the Company's website at www.capitalforcolleagues.com.

Recommendation

The Directors unanimously believe that the Open Offer is in the best interests of the Company and its Shareholders as a whole and recommend that Qualifying Shareholders take up their Open Offer Entitlements as the Directors intend to do in respect of 359,054 Open Offer Shares in aggregate, equivalent to approximately 7.5 per cent of the Open Offer Shares and amounting to a total consideration of approximately £150,000.

Yours faithfully

Richard Bailey
Chairman

PART II: RISK FACTORS

In addition to all other information set out in this Circular, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities prior to making any investment.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect upon the Company. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost.

The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority.

Risks Relating to the Company's Strategy

Identifying and acquiring suitable investment opportunities

The Company has limited operating history upon which to evaluate its likely performance. The Company's ability to implement its investment strategy will be limited by its ability to identify and acquire suitable investments. Suitable opportunities may not always be readily available. The Company's future investments may be delayed or made at a relatively slow rate because, *inter alia*:

- the Company intends to conduct detailed due diligence prior to approving investments;
- the Company may conduct extensive negotiations in order to secure and facilitate an investment;
- it may be necessary to establish certain structures in order to facilitate an investment;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify attractive investments or such investments may not be available at the rate the Company currently anticipates;
- the Company may be unable to raise bank finance on terms the Directors consider reasonable; and/or
- the Company may need to raise further capital to make investments and/or fund the assets or businesses invested in,

all of which may in turn have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

The Company cannot accurately predict how long it will take to deploy the capital available to it. Precise timing will depend on, amongst other things, the availability of suitable investments, due diligence, negotiations with counterparties and investment structuring conditions.

In addition, the Company may face significant competition from other investors in identifying and acquiring suitable investments, including from competitors who may have greater resources. Competition in the investment market may lead to prices for investments, identified by the Company as suitable, being driven up through competing bids of potential purchasers.

Accordingly, the existence and extent of such competition may have a material adverse effect on the Company's ability to acquire investments at satisfactory prices and otherwise on satisfactory terms, thereby reducing the Company's potential profits.

Success of the strategy not guaranteed

The Company's performance will be reliant upon the successful implementation of its investment strategy. No assurance can be given that the investment strategy will be successful under all or any market conditions, that the Company will be able to identify opportunities meeting the Company's investment criteria, that the Company will be able to invest its capital on attractive terms or that the Company will be able to generate positive returns for Shareholders. If the strategy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Potential loss on investments

The Company's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of an investment will occur or that the objectives of the Company will be achieved. For example, (i) trading difficulties may occur following investment by the Company; or (ii) the Company may not be able to conduct a full investigation of the target prior to investment and adverse matters may only come to light after an investment has been made.

Further issues of Ordinary Shares

It may be desirable for the Company to raise additional capital by way of further issues of Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to Shareholders. There can be no assurance that such funding, if required, will be available to the Company.

Borrowings

The Company may, from time to time, be required to raise capital (whether through the issue of debt or equity) to make investments. There is no guarantee that the Company will be able to obtain financing on appropriate terms and conditions or at all. The companies in which the Company invests may also have borrowings or otherwise be geared or leveraged. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet any such required repayments. There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions, which are beyond the Company's control) may make it difficult for the Company to obtain new financing on attractive terms or even at all. An inability to obtain such facilities may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Company Specific Risks

Short operating history

The Company has limited operating history upon which prospective investors may base an evaluation of the likely performance of the Company. An investor in the New Ordinary Shares must rely upon the ability of the Directors to identify and acquire suitable investments.

Dependence on key personnel

The future success of the Company is substantially dependent on the continued services and continuing contributions of its Directors. The loss of the services of any of its Directors or other key employees could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Dependence on third party services

The Company may rely on products and services provided by third parties, such as due diligence and technical reviews, and the provision of general financial and strategic advice. If there is any interruption to the products or services provided, or failure to perform these services with due care and skill by such third parties, the Company's business could be adversely affected and the Company may be unable to find adequate replacement services on a timely basis, if at all, and/or on acceptable commercial terms. This may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Fluctuations of revenues, expenses and operating results

The revenues, expenses and operating results of the Company could vary significantly from period to period as a result of a variety of factors, some of which are outside of its control. These factors include general economic conditions, adverse movements in interest rates and conditions specific to individual investee companies.

Risk Factors Relating to Investments

Investments in private companies by the Company are subject to a number of risks

The Company may invest in privately held companies or assets. These may (i) be highly leveraged and subject to significant debt service obligations, stringent operational and financial covenants and risks of default under financing and contractual arrangements, which may adversely affect their financial condition; (ii) have limited operating histories and smaller market shares than larger businesses making them more vulnerable to changes in market conditions or the activities of competitors; (iii) have limited financial resources; (iv) be more dependent on a limited number of management and operational personnel, increasing the impact of the loss of any one or more individuals; and (v) require additional capital. All or any of these factors may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Material facts or circumstances not revealed in the due diligence process

Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the investee company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Aborted investments

There can be no guarantee that the Company will successfully effect an investment where there is an identified opportunity and, as a result, resources may be expended on investigative work and due diligence without the investment being completed.

Joint ventures

The Company or a business in which it invests may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the Company or a business in which it invests may therefore suffer additional costs or other losses. It is also possible that the interests of the Company or a business in which it invests and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Company may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

Risks relating to the New Ordinary Shares and trading on the NEX Exchange Growth Market

Investment in NEX Exchange Growth Market securities

The New Ordinary Shares are expected to be admitted to trading on the NEX Exchange Growth Market rather than the Official List or AIM. The NEX Exchange Rules are less demanding than those of the Official List or AIM and an investment in a share that is traded on the NEX Exchange Growth Market may carry a higher risk than an investment in shares listed on the Official List or AIM. The share price of publicly traded companies can be highly volatile.

Investment in shares traded on the NEX Exchange Growth Market is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List of the United Kingdom Listing Authority or on AIM. An investment in New Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the New Ordinary Shares may go down as well as up (including during the course of the Open Offer) and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Suitability

An investment in the New Ordinary Shares may not be suitable for all recipients of this Circular. Investors are accordingly advised to consult an appropriate person authorised under FSMA or that Act's equivalent in another jurisdiction before making their decision.

Share price volatility and liquidity

The share price of early stage companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its sphere of activity and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that an application will be made for the New Ordinary Shares to be traded on the NEX Exchange Growth Market, this should not be taken as implying that there will be a "liquid" market in the New Ordinary Shares. Continued admission to the NEX Exchange Growth Market is entirely at the discretion of NEX Exchange.

Any changes to the regulatory environment, in particular the NEX Exchange Rules, could affect the ability of the Company to maintain a trading facility on the NEX Exchange Growth Market.

Dilution

The interests of those Existing Shareholders who do not take up their entitlement under the Open Offer will be diluted. Shareholders' proportionate ownership and voting interest in the Company will be reduced to the extent that Shareholders do not take up their entitlement to Open Offer Shares.

THE INVESTMENT OPPORTUNITY OFFERED IN THIS CIRCULAR MAY NOT BE SUITABLE FOR ALL RECIPIENTS OF THIS CIRCULAR. INVESTORS ARE THEREFORE STRONGLY RECOMMENDED TO CONSULT A PROFESSIONAL ADVISER AUTHORISED UNDER FSMA, WHO SPECIALISES IN INVESTMENTS OF THIS NATURE, BEFORE MAKING THEIR DECISION TO INVEST.

PART III: TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in the letter set out in Part I of this Circular, the Company is issuing up to 4,812,247 Open Offer Shares at the Issue Price, to raise, assuming that the Open Offer is fully subscribed, up to £2.02 million (before expenses).

Upon completion of the Open Offer, assuming it is fully subscribed and no additional new Ordinary Shares are issued to the Subscribers, the Open Offer Shares will represent approximately 33.33 per cent of the Enlarged Issued Share Capital and the Existing Ordinary Shares will represent approximately 66.67 per cent of the Enlarged Issued Share Capital.

The Record Date for entitlements under the Open Offer for Qualifying Shareholders is the close of business on 11 April 2017. Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 12 April 2017 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 13 April 2017.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 27 April 2017.

This Circular (and, for Qualifying Non-CREST Shareholders only, the Application Form) contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part III which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Company is issuing up to 4,812,247 Open Offer Shares at the Issue Price subject to Admission, in respect of valid applications by Qualifying Shareholders. Application will be made for the Open Offer Shares to be admitted to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence on 2 May 2017.

The Open Offer Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 4,812,247 Open Offer Shares *pro rata* to their current holdings at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Basic Entitlement to the extent that other Qualifying Shareholders do not take up their Basic Entitlement in full.

As referred to in "Background to and reasons for the Open Offer" in Part I of this Circular, the Subscribers have expressed an interest in investing approximately £819,000, in aggregate, for any Open Offer Shares not taken up by Qualifying Shareholders in the Open Offer and, to the extent that the value at the Issue Price of Open Offer Shares not subscribed in the Open Offer is less than such amount, to subscribe for such number of new Ordinary Shares as would take the total amount subscribed by the Subscribers to an amount of approximately £819,000. Any such new Ordinary Shares would be subscribed for in cash at the Issue Price.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Record Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part III.

2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for Open Offer Shares at the Issue Price *pro rata* to their holdings. The Issue Price represents a discount of 3.5 per cent. to the Company's net asset value of 43.54p per share as at 28 February 2017.

Fractions of Open Offer Shares will not be allocated to Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6).

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement.

Qualifying CREST Shareholders will have Basic Entitlements and Excess Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part III for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back.

Please refer to paragraphs 4.1(d) and 4.2(j) of this Part III for further details of the Excess Application Facility.

Following the issue of the Open Offer Shares to be allotted pursuant to the Open Offer, a Qualifying Shareholder who does not take up his entitlement under the Open Offer *pro rata* to his current holding will suffer a dilution of approximately 33 per cent. of his interest in the Company on the basis that all Open Offer Shares are taken up.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit.

Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements may be issued to Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility or may be subscribed for at the Issue Price by the Subscribers in accordance with the arrangements described in Part I of this Circular, with the proceeds retained for the benefit of the Company.

Application will be made for the Basic Entitlements and Excess Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Basic Entitlements and Excess Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 13 April 2017.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. Conditions and further terms of the Open Offer

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 12 May 2017. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST as soon as possible after 8.00 a.m. on 2 May 2017.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest bearing account by the Receiving Agent.

If, for any reason, it becomes necessary to adjust the expected timetable as set out in this Circular, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Basic Entitlement or you have Basic Entitlements and Excess Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive the Application Form, enclosed with this Circular. The Application Form shows the number of Existing Ordinary Shares at the Record Date. It will also show Qualifying Shareholders the number of Open Offer Shares available under their Basic Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 of this Part III.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form or send a USE message through CREST.

4.1. *If you have an Application Form in respect of your Open Offer Entitlements under the Open Offer*

(a) General

Subject as provided in paragraph 6 of this Part III in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the Basic Entitlement allocated to them set out in Box 7. Entitlements to Open Offer Shares are rounded down to the nearest whole number and fractional Open Offer Entitlements have therefore been disregarded. Box 8 shows how much they would need to pay if they wish to take up their Basic Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Basic Entitlement should they wish to do so. If the total number of Open Offer Shares applied for by all Qualifying Shareholders under the Excess Application Facility exceeds the total number of Open Offer Shares available, such applications will be scaled back *pro rata* to existing shareholdings.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 25 April 2017. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States or any other Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) below.

(c) Application procedures

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Basic Entitlement or in addition to their Basic Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Basic Entitlements in full. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds the total number of Open Offer Shares available, applications under the Excess Application Facility will be scaled back *pro rata* to existing shareholdings.

Completed Application Forms should be posted in the accompanying pre-paid envelope or returned by post or by hand (during normal business hours only) to the Receiving Agent, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, GU9 7DR (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 27 April 2017, after which time Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker’s draft made payable to Share Registrars Limited and crossed “A/C Payee Only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker’s drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker’s drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of

the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest, to Applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 27 April 2017; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 27 April 2017 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Registrar shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither the Registrar nor the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-Crest Shareholders.

(d) The Excess Application facility

Provided they choose to take up their Basic Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Open Offer Shares in excess of their Basic Entitlement.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications will be scaled back *pro rata* to existing shareholdings.

Qualifying Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Basic Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the total number of Open Offer Shares available, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the Applicant's sole risk.

(e) Effect of application

By completing and delivering an Application Form the Applicant:

- (i) represents and warrants to the Company that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts

resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a cheque or banker's draft;
- (iii) agrees with the Company that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company that, in making the application, he is not relying on any information or representation in relation to the Company other than that contained in this Circular and the Applicant accordingly agrees that no person responsible solely or jointly for this Circular or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Circular, he will be deemed to have had notice of all information in relation to the Company contained in this Circular;
- (v) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company that, if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Open Offer Shares, to which he will become entitled, be issued to him on the terms set out in this Circular and the Application Form, subject to the articles of association of the Company;
- (viii) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer; and
- (ix) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986.

If you have any questions on the procedure for acceptance and payment, you should contact Share Registrars Limited on 01252 821390 from within the UK or +44 1252 821390 if calling from outside the UK. 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. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 4.2(f) below for more information.

4.2. If you have *Basic Entitlements and Excess Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

(a) General

Subject as provided in paragraph 6 of this Part III in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements will therefore also be rounded down.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Basic Entitlements and/or the Excess Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 5.00 p.m. on 13 April 2017, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Basic Entitlements and Excess Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Circular will be adjusted as appropriate and the provisions of this Circular applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on telephone number +44 (0)1252 821 390. Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether Applicants should take up their Basic Entitlements or apply for Excess Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

Each of the Basic Entitlements and Excess Entitlements will constitute a separate security for the purposes of CREST. Although Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Entitlement security.

(c) Unmatched Stock Event (“USE”) instructions

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlements and their Excess Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements or Excess Entitlements corresponding to the number of Open Offer Shares applied for; and

- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above

(d) Content of USE instruction in respect of Basic Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlement. This is GB00BYQDFR29;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA36;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 27 April 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 27 April 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors should note that the last time at which a USE instruction may settle on 27 April 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 2 May 2017 or such later time and date as the Company determines (being no later than 8.00 a.m. on 31 May 2017), the Open Offer will lapse, the Basic Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) Content of USE instruction in respect of Excess Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess Entitlement. This is GB00BYQDFT43;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;

- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA36;
- (vi) the member account ID of the Registrar in its capacity as a CREST receiving agent. This is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 27 April 2017; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 27 April 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors should note that the last time at which a USE instruction may settle on 27 April 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 2 May 2017 or such later time and date as the Company determines (being no later than 8.00 a.m. on 31 May 2017), the Open Offer will lapse, the Excess Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Basic Entitlements and Excess Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 3.00 p.m. on 24 April 2017. After depositing their Basic Entitlements into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess Entitlements, which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements and Excess Entitlements in CREST, is 3.00 p.m. on 24 April 2017 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST is 4.30 p.m. on 21 April 2017 in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 3.00 p.m. on 24 April 2017.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) Validity of application

An USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 27 April 2017 will constitute a valid application under the Open Offer.

(h) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of an USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 27 April 2017. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) Incorrect or incomplete applications

If an USE instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(j) The Excess Application Facility

The Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Basic Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications will be scaled back *pro rata* to existing shareholdings.

To apply for excess Open Offer Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement(s) be transferred, the Excess Entitlements will not transfer with the Basic Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed the total number of Open Offer Shares available,

resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess Entitlement and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the Applicant's sole risk. Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

(k) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees with the Company that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this Circular, and the Applicant accordingly agrees that no person responsible solely or jointly for this Circular or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Circular, he will be deemed to have had notice of all the information in relation to the Company contained in this Circular;
- (v) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants that, if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Circular, subject to the articles of association of the Company;
- (viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly

burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer; and

- (ix) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986.

(l) Company's discretion as to the rejection and validity of applications

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to an USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of an USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) Lapse of the Open Offer

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 2 May 2017 or such later time and date as the Company may agree (being no later than 8.00 a.m. on 31 May 2017), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

5. Money laundering regulations

To ensure compliance with the Money Laundering Regulations 2007 (the "Regulations") as subsequently amended, it is a term of the Open Offer that the Receiving Agent may, at its absolute discretion, require verification of identity including by electronic means from any person completing an Application Form or sending an USE message through CREST (the "Applicant") and, without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of any person or persons other than the Applicant or (ii) appears to the Receiving Agent to be acting on behalf of some other person.

This may involve verification of the identity of any person on whose behalf the Applicant appears to be acting. Lodging of an Application Form and sending the USE message through CREST with the appropriate remittance constitutes a warranty by the Applicant that the Regulations will not be breached by the acceptance of the remittance and an undertaking to provide such evidence of identity at the time of lodging an Application Form or, in the absolute discretion of the Company,

within a reasonable time thereafter (in each case to be determined at the absolute discretion of the Company and the Receiving Agent) as may be required to ensure compliance with the Regulations.

If satisfactory evidence of identity has not been received by the Receiving Agent within a reasonable period of time, then the Application Form or USE message through CREST in question may be rejected, in which event the application will not proceed any further and the application monies (without interest) will be returned to the bank account on which the cheque was drawn at the Applicant's own risk. Where possible, Applicants should make payment by cheque in their own name. If a banker's draft or building society cheque is used, the Applicant should write his/her name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against his/her name; and ask the bank or building society to endorse on the reverse of the draft or cheque the full name and account number of the person whose account number is being debited and stamp such endorsement.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above).

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1. General

The distribution of this Circular and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of, countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company or any other person to permit a public offering or distribution of this Circular (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this Circular and/or an Application Form and/or a credit of Basic Entitlements or Excess Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Basic Entitlements and Excess Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Circular and/or an Application Form and/or a credit of Basic Entitlements or Excess Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Basic Entitlements or Excess Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Basic Entitlements or Excess Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Circular and/or the

Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor any of its representatives is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Circular and/or an Application Form and/or a credit of Basic Entitlements or Excess Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Circular and/or an Application Form and/or a credit of Basic Entitlements or Excess Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Circular and/or an Application Form and/or transfers Basic Entitlements or Excess Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares, or, in the case of a credit of Basic Entitlements or Excess Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this Circular or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or, where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

No public offer of Open Offer Shares is being made by virtue of this Circular or the Application Forms into the United States or any other Restricted Jurisdiction. Receipt of this Circular and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2. *United States*

The Open Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the Securities Act is available and, subject to certain exceptions, neither this Circular nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this Circular nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Circular or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a nondiscretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the Securities Act.

6.3. *Restricted Jurisdictions*

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements or Excess Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Circular or the Application Forms into any Restricted Jurisdiction.

6.4. *Other overseas territories*

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements and any Excess Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5. *Representations and warranties relating to Overseas Shareholders*

(a) Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to apply was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any application for Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates for Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid application in accordance with the procedures set out in this Part III represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's application will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any other Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to apply was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6. *Waiver*

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and,

in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 28 April 2017. Application will be made for the Open Offer Shares to be admitted to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 2 May 2017.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Basic Entitlements and Excess Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 27 April 2017 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 2 May 2017, the Registrar will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 2 May 2017). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given. Notwithstanding any other provision of this Circular, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for (including Open Offer Shares successfully applied for under the Excess Application Facility) are expected to be despatched by post by 12 May 2017. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to Applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Application Form.

8. Times and Dates

The Company shall, after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for application under the Open Offer and all related dates set out in this Circular and, in such circumstances, shall notify NEX Exchange and make an announcement on a Regulatory Information Service approved by NEX Exchange, but Qualifying Shareholders may not receive any further written communication.

9. Further information

Your attention is drawn to the further information set out in this Circular and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this Circular, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this Circular or the Application Form. By taking up Open Offer Shares, whether by way of their Basic Entitlement or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this Circular and, where applicable, the Application Form, Qualifying Shareholders irrevocably

submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

Definitions

The following definitions apply throughout this Circular, unless the context requires otherwise:

“Act”	the Companies Act 2006
“Admission”	admission of the Open Offer Shares to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market becoming effective in accordance with the NEX Exchange Rules
“AIM”	a market operated by the London Stock Exchange
“Applicant”	a Qualifying Shareholder, or a person entitled by virtue of a <i>bona fide</i> market claim, who lodges an Application Form under the Open Offer
“Application Form”	the application form to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
“Basic Entitlement(s)”	the entitlement to subscribe for Open Offer Shares at the Issue Price, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part III of this Circular
“Business Day”	any day which is not a Saturday, Sunday or a public holiday in the UK
“Capital for Colleagues” or the “Company”	Capital for Colleagues plc, a company incorporated in England and Wales with company registration number 8717989 and whose registered office is at 8th Floor, 111 Piccadilly, Manchester M1 2HY
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“Circular”	this document dated 12 April 2017
“CREST”	the Relevant System (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Member”	a person who has been admitted to Euroclear as a member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a participant (as defined in the CREST Regulations)
“CREST Payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Sponsor(s)”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST sponsored member(s)”	a CREST Member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
“Directors”	the directors of the Company
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company as enlarged by the issue of the New Ordinary Shares
“EO”	Employee Ownership
“EOB”	an Employee Owned Business, i.e. a commercial enterprise directly or indirectly owned to a significant extent by the people who work for it

“EU”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility” or “Excess Entitlement(s)”	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Basic Entitlement provided that they have agreed to take up their Basic Entitlement in full
“Existing Ordinary Shares”	the 9,624,526 Ordinary Shares in issue at the date of this Circular
“Existing Shareholders”	holders of Existing Ordinary Shares
“FCA”	the Financial Conduct Authority
“FJH”	F.J. Holdings Limited, a company incorporated in England and Wales with company registration number 04878424
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“HBA”	Ham Baker Adams Limited, a company incorporated in England and Wales with company registration number 04307534
“Issue Price”	42p
“New Ordinary Shares”	new Ordinary Shares to be issued by the Company under the Open Offer
“NEX Exchange”	NEX Exchange Limited, a recognised investment exchange under section 290 of FSMA
“NEX Exchange Growth Market”	the primary market for unlisted securities operated by NEX Exchange (previously called the ISDX Growth Market)
“NEX Exchange Rules”	the NEX Exchange Growth Market Rules for Issuers, which set out the admission requirements and continuing obligations of companies seeking admission to and whose shares are admitted to trading on the NEX Exchange Growth Market
“Official List”	the list maintained by the UKLA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA
“Open Offer”	the offer to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price, as described in this Circular
“Open Offer Entitlements”	the entitlement of Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price, allocated to Qualifying Shareholders pursuant to the Open Offer
“Open Offer Shares”	up to 4,812,247 New Ordinary Shares which are being offered to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 40p each in the Company
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Peterhouse”	Peterhouse Corporate Finance Limited, a company incorporated in England and Wales with company registration number 2075091, which is NEX Exchange Corporate Adviser and Broker to the Company and which is authorised and regulated by the FCA
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in uncertificated form
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the Record Date (other than Shareholders resident in or citizens of any Restricted Jurisdiction)

“Record Date”	close of business on 11 April 2017
“Restricted Jurisdiction”	the US, Canada, Australia, the Republic of South Africa, the Republic of Ireland, Japan or any other country outside of the United Kingdom where distribution of this Circular and the Application Form may lead to a breach of any applicable legal or regulatory requirements
“Securities Act”	the US Securities Act of 1933, as amended
“Shareholders”	persons registered as the holders of any part of the share capital of the Company
“Social Stock Exchange”	Social Stock Exchange Limited, a company registered in England and Wales with company number 06312190 and whose registered office is at One Royal Exchange, London EC3V 3DG
“Subscribers”	investors who have expressed an interest to subscribe for Open Offer Shares not subscribed in the Open Offer and otherwise for new Ordinary Shares up to, in aggregate, a maximum amount of approximately £819,000 pursuant to the Subscription
“Subscription”	a possible subscription for new Ordinary Shares at the Issue Price, conditional on admission of the new Ordinary Shares to trading on the Social Stock Exchange segment of the NEX Exchange Growth Market
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for listing in the UK
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“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
“USE”	unmatched stock event.

12 April 2017

