

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended). All Shareholders are advised to consult their own professional advisers regarding their own tax position.

Capitalised terms used but not defined herein have the meanings assigned to them in the section “Definitions”.

If you sell or have sold or otherwise transferred all of your Ordinary Shares please send this Circular (but not the relative personalised Tender Form) at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to such purchaser or transferee. These documents, however, should not be forwarded or transmitted in or into any Restricted Jurisdiction.

Applications under the Tender Offer from Shareholders who hold Ordinary Shares in certificated form must be made by means of a Tender Form which is personal to the Shareholder(s) named thereon. Shareholders who hold their Ordinary Shares through CREST must apply electronically by sending a TTE Instruction.

Panmure Gordon, which is authorised and regulated by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Tender Offer. Panmure Gordon is not acting for anyone else in connection with the Tender Offer and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Panmure Gordon or for providing advice in relation to the Tender Offer, the contents of this Circular or any transaction, arrangement or other matter referred to in this Circular.

Memery Crystal (the trading name of RBG Legal Services Limited), which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Company and no-one else and will not be responsible to any other person for providing advice in connection with any matters referred to herein.

The Character Group plc

(incorporated and registered in England with registered no. 03033333)

Proposed Tender Offer to purchase up to 2,142,572 Ordinary Shares at a Tender Price of 630 pence per Ordinary Share

None of the Company, its Directors, officers, employees or advisers or their respective affiliates makes any recommendation to any Qualifying Shareholder whether to tender or refrain from tendering any or all of its, his or her Ordinary Shares in the Tender Offer and none of them has authorised any person to make any such recommendation. Shareholders are urged to evaluate carefully all information in this Circular and the Tender Form, consult their own investment and tax advisers and make their own decisions as to whether to tender Ordinary Shares, and, if so, the number of Ordinary Shares to tender.

This document does not constitute an offer to purchase, or solicitation of an offer to sell, Ordinary Shares in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws.

The Tender Offer will close at 1.00 p.m. on 11 February 2022. The procedure for tendering Ordinary Shares is set out in Part III of this Circular. Further copies of this Circular and the Tender Form are available from the Receiving Agent as set out on page 20 or may be downloaded from the Company’s website at: <http://www.thecharacter.com/>. Any Tender Form downloaded from the Company’s website will not be personalised. Unless you have sold or transferred all of your Ordinary Shares you are recommended to retain this Circular for reference.

Notice to Overseas Shareholders

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Shareholders who are not resident in the United Kingdom should read the paragraph headed "*Overseas Shareholders*" set out in Part III of this Circular and should inform themselves about, and observe, any applicable legal or regulatory requirements.

The Tender Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce, or any facilities of a national, state or other securities exchange, of any Restricted Jurisdiction and participation in the Tender Offer will not be permissible by any such use, means, instrumentality or facility or from or within any Restricted Jurisdiction.

Accordingly, unless otherwise determined by Panmure Gordon and permitted by applicable law and regulation, neither this Circular nor the accompanying Tender Form nor any related document, is being, or may be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent in, into or from any Restricted Jurisdiction, and persons receiving this Circular, the accompanying Tender Form and/or any related document (including without limitation, trustees, nominees or custodians) must not mail or otherwise forward, distribute or send it in, into or from such Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Circular together with the accompanying Tender Form and/or any related document to any jurisdiction outside the United Kingdom, should seek appropriate advice before taking any action.

Jersey

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this Circular. Accordingly, the offer that is the subject of this Circular may only be made in Jersey where the offer is not an offer to public or the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each Qualifying Shareholder in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

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EXPECTED TIMETABLE OF EVENTS

Announcement of the Tender Offer	28 January 2022
Posting of this Circular	28 January 2022
Tender Offer opens	28 January 2022
Latest time and date for receipt of Tender Forms or for settlement of TTE Instructions in respect of the Tender Offer	1.00 p.m. on 11 February 2022
Record Date	6.00 p.m. on 11 February 2022
Announcement of the results of the Tender Offer	14 February 2022
Cheques despatched and CREST accounts credited with proceeds in respect of successfully tendered Ordinary Shares	On or before 21 February 2022
CREST accounts credited with uncertificated Ordinary Shares unsuccessfully tendered and despatch of balance share certificates for unsold certificated Ordinary Shares (if applicable)	On or before 21 February 2022

Notes:

1. The above times and/or dates are indicative only and may change. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement through a Regulatory Information Service.
2. All references to times in this document are to London times unless otherwise stated.

DEFINITIONS

The following definitions apply throughout this Circular and the Tender Form unless the context requires otherwise:

“2006 Act”	the Companies Act 2006 (as amended).
“Basic Entitlement”	10 per cent. of each holding of the Ordinary Shares registered in each Qualifying Shareholder’s name at the Record Date (rounded down to the nearest whole Ordinary Share), subject to certain conditions, and as further described in Part III.
“Board”	the board of directors of the Company and “Director(s)” shall be construed accordingly.
“Business Day”	a day other than a Saturday, Sunday or bank holiday on which clearing banks in the City of London are generally open for business.
“certificated” or “in certificated form”	Ordinary Shares not recorded on the Register as being in uncertificated form in CREST.
“Circular”	this document.
“Closing Date”	11 February 2022 or such other date as may be determined in accordance with paragraph 2.23 of Part III of this Circular.
“Company”	The Character Group plc of Citypoint 16th Floor, One Ropemaker Street, London, England, EC2Y 9AW.
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations).
“CREST Member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations).
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations).
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755) (as amended).
“CREST Sponsor”	a CREST Participant admitted to CREST as a CREST Sponsor.
“CREST Sponsored Member”	a CREST Member admitted to CREST as a sponsored member.
“DTR”	the Disclosure Guidance and Transparency Rules published by the FCA.
“Escrow Agent”	Neville Registrars Limited.
“Euroclear”	Euroclear UK & Ireland Limited (previously CRESTCo Limited).

“FCA”	the UK Financial Conduct Authority.
“Group”	the Company and its subsidiaries.
“ISIN”	international securities identification number.
“LSE”	London Stock Exchange plc.
“Member Account ID”	identification code or number attached to a Participant Account ID in CREST.
“Neville Registrars”	Neville Registrars Limited, of Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD.
“Ordinary Shares”	ordinary shares of 5 pence each in the issued share capital of the Company.
“Overseas Shareholder”	a Shareholder who is resident in, or a citizen of, a jurisdiction outside the United Kingdom.
“Panmure Gordon”	Panmure Gordon (UK) Limited of One New Change, London EC4M 9AF.
“Participant ID”	the identification number used in CREST to identify a CREST Participant.
“Qualifying Shareholders”	Shareholders on the Register at the Record Date other than those who are Restricted Shareholders.
“Receiving Agent”	Neville Registrars Limited.
“Record Date”	6.00 p.m. on 11 February 2022.
“Register”	the Company’s register of members.
“Registrars”	Neville Registrars Limited.
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website.
“Repurchase Agreement”	the agreement dated 28 January 2022 between the Company and Panmure Gordon pursuant to which the Company has agreed to purchase from Panmure Gordon those Ordinary Shares which Panmure Gordon acquires pursuant to the Tender Offer.
“Restricted Jurisdiction”	each of the United States, Canada, Australia, New Zealand, South Africa and Japan and any other jurisdiction where the mailing of this Circular and any related documents into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction.
“Restricted Shareholder”	a Shareholder with a registered address in a Restricted Jurisdiction.
“Shareholders”	holders of Ordinary Shares.

“Takeover Code”	The City Code on Takeovers and Mergers.
“Tender Form”	the tender form issued for use by holders of Ordinary Shares in certificated form in connection with the Tender Offer.
“Tender Offer”	the invitation by Panmure Gordon to Qualifying Shareholders to tender Ordinary Shares for sale to Panmure Gordon on the terms and subject to the conditions set out in this Circular and, in the case of Ordinary Shares held in certificated form, in the Tender Form.
“Tender Price”	630 pence per Ordinary Share.
“Tendering Shareholders”	Qualifying Shareholders participating in the Tender Offer.
“TFE Instruction”	a transfer from escrow instruction (as defined by the CREST manual issued by Euroclear).
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear).
“uncertificated” or “in uncertificated form”	Ordinary Shares which are recorded on the Register 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.
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland.

PART I LETTER FROM THE CHAIRMAN

The Character Group plc

(a company incorporated and registered in England and Wales with company number 03033333)

Directors:

Richard King (*Non-Executive Chairman*)
Jon Diver (*Joint Managing Director*)
Kiran Shah (*Joint Managing Director and Group Finance Director*)
Joe Kissane (*Managing Director – UK Operations*)
Michael Hyde (*Managing Director – Far East Operations*)
Jerry Healy (*Group Marketing Director*)
Clive Crouch (*Senior Non-Executive Director*)
Carmel Warren (*Non-Executive Director*)
David Harris (*Non-Executive Director*)

Registered office:

Citypoint,
16th Floor,
One Ropemaker Street,
London,
EC2Y 9AW

28 January 2022

Dear Shareholder

Proposed purchase of up to 2,142,572 Ordinary Shares representing approximately 10 per cent. of the Company's issued share capital (excluding Ordinary Shares held in treasury) at a price of 630 pence per Ordinary Share

1 Introduction

This letter sets out the background to and reasons for the Tender Offer.

The Company intends to return up to approximately £13.5 million of cash to Qualifying Shareholders by way of the Tender Offer and the subsequent repurchase from Panmure Gordon of the Ordinary Shares successfully tendered. The Tender Offer will be conducted at the Tender Price. If the maximum number of Ordinary Shares under the Tender Offer is acquired, this would result in the purchase of approximately 10 per cent. of the Company's current issued share capital (excluding Ordinary Shares held in treasury).

The Tender Offer will be conducted at a fixed price of 630 pence per Ordinary Share, which represents a premium of 8.4 per cent. to the average middle market closing price of an Ordinary Share for the 60 trading days ended 27 January 2022 (being the latest practicable date prior to the posting of this Circular).

The Company is authorised to buy back up to 3,200,000 Ordinary Shares pursuant to the general authority for the Company to make market acquisitions, including by way of a tender offer, which was granted by Shareholders at the Company's Annual General Meeting on 21 January 2022, since when the Company has not acquired any Ordinary Shares.

The purpose of this document is to explain the mechanics of the Tender Offer and subsequent repurchase of Ordinary Shares, to set out the terms and conditions applicable to the Tender Offer and to explain how Qualifying Shareholders may tender Ordinary Shares, should they wish to do so.

This letter is not a recommendation to Shareholders to sell or tender their Ordinary Shares. Shareholders are not obliged to tender any Ordinary Shares and Shareholders who wish to retain all of their investment in the Company should not return a Tender Form or submit a TTE Instruction. Whether or not Qualifying Shareholders tender any Ordinary Shares will depend on, among other things, their view of the Company's prospects and their own individual circumstances, including their tax position, on which they should seek their own independent advice.

2 Background to and reasons for the Tender Offer

The Company has pursued an active buyback strategy to return surplus cash to Shareholders since 2004 and, since that time, has acquired a total of approximately 39.6 million Ordinary Shares, representing approximately 185 per cent. of the current issued Ordinary Share capital (excluding Ordinary Shares held in treasury). However, following the implementation of the EU's Market Abuse Regulation in the UK from July 2016, the Company's ability to sustain this strategy has been extremely limited and no buybacks have been effected by the Company since October 2019. This has resulted in a significant increase in the Company's cash balances.

On 29 April 2021, the Company announced that the Board had resolved to pursue a new buyback initiative to purchase Ordinary Shares. In an update issued by the Company on 30 September 2021, the Board stated, due to adverse trading conditions, that a tender offer would be deferred until after the announcement of the Group's preliminary results for the financial year ended 31 August 2021. Those preliminary results were announced by the company on 15 December 2021. It is against this background that the Tender Offer is now being made.

Current Trading

On 21 January 2022, the Company provided the following update on trading in the lead up to and through the Christmas 2021 period:

“The Group maintained a steady performance in the lead up to and through the Christmas 2021 period, notwithstanding global logistical challenges which continue to impact the export of product from the Far East to UK and our global markets. Whilst the consequent escalation in freight rates from the Far East has significantly increased costs, the Group has endeavoured, where possible, to raise its prices in the UK and Scandinavia to mitigate the impact on margins. Turnover increased by c. 23% in the four-month period ended 31 December 2021 compared to the previous year (in part benefiting from delayed shipments in August 2021). The bulk of this growth was attributable to sales to the USA and Scandinavia, whilst turnover in the UK and the rest of the world remained largely flat.

Our sales levels are a reflection of the strong portfolio of brands and products that we have at this time. In the UK, retailers have reported good sell through of our products and this bodes well for the rest of the financial year. Our teams are excited to be presenting to our customers at the London Toy Fair at Olympia next week (25 – 27 January) and showcasing the 2022 range and introducing new products, brands and refreshed items.

Assuming no further worsening of the trading conditions, including adverse COVID developments impacting normal commercial activity, the Board believes that the Group will achieve current market expectations for the year ending 31 August 2022.*

Subject to the share buyback authority being renewed at the Annual General Meeting later today, the Company will be proceeding with the tender offer proposed last year and full details of the size, pricing and exact timing of the offer are expected to be announced next week.

Note:

**Current market consensus compiled by the Company for the year ending 31 August 2022, prior to the release of this announcement, is an underlying profit before tax averaging c. £11.275m”*

The ongoing cash-generative nature of the Group's business model has resulted in the Group's cash balances as at 26 January 2022 standing at approximately £27.2 million. This strong cash generation is anticipated to continue through and beyond the current financial year. Taking account of the Group's future working capital expenditure, the funding of the potential future growth requirements of the business and to ensure the Company's ability to maintain a progressive dividend, the Board has estimated the surplus cash in the business to be at least £15.0 million. The Board maintains that a buyback by way of a tender offer provides the most efficient use of the Company's surplus cash at this point in time and a means by which to re-establish a clear and meaningful buyback strategy.

Accordingly, the Board has resolved to seek to return up to approximately £13.5 million to Qualifying Shareholders under the Tender Offer.

3 Benefits of the Tender Offer

The benefits of the Tender Offer, compared to other available options for a return of surplus cash to Shareholders, are that the Tender Offer:

- provides those Qualifying Shareholders who wish to sell Ordinary Shares with the opportunity to do so;
- allows the Company to broaden the return of cash to include those Qualifying Shareholders whose Ordinary Shares might not otherwise be purchased by the Company through a buy-back in the market;
- enables Qualifying Shareholders to decide whether to tender none, some or all of their Ordinary Shares within the overall limits of the Tender Offer;
- enables those Qualifying Shareholders who do not wish to receive capital at this time to maintain their full investment in the Company;
- enables Ordinary Shares to be sold free of commissions or charges that would otherwise be payable if Qualifying Shareholders were to sell their shares through their broker; and
- enhances earnings per share in respect of Ordinary Shares and the percentage holdings of Ordinary Shares of Shareholders not tendered under the Tender Offer.

4 The Tender Offer

Structure of the Tender Offer

The Tender Offer will be implemented on the basis of Panmure Gordon acquiring, as principal, the successfully tendered Ordinary Shares at the Tender Price. The Company will purchase such Ordinary Shares from Panmure Gordon at the same price under the Repurchase Agreement. The Company will cancel the Ordinary Shares purchased by it under the Repurchase Agreement.

Up to 2,142,572 Ordinary Shares will be purchased under the Tender Offer, representing approximately 10 per cent. of the Company's issued Ordinary Share capital (excluding Ordinary Shares held in treasury) as at 27 January 2022, the latest practicable date for such determination prior to the publication of this Circular, for a maximum aggregate consideration of approximately £13.5 million.

The Tender Offer is conditional on receipt of valid tenders in respect of at least 476,191 Ordinary Shares, representing an aggregate value, at the Tender Price, of not less than £3.0 million.

Qualifying Shareholders can decide whether they want to tender all, some or none of their Ordinary Shares in the Tender Offer.

The Tender Offer is being made available to all Qualifying Shareholders who are on the Register at 6.00 p.m. on the Record Date.

The Tender Offer will close at 1.00 p.m. (UK time) on 11 February 2022 and tenders received after that time will not be accepted (unless the Tender Offer is extended).

The Tender Price

A tender price of 630 pence per Ordinary Share ("**Tender Price**") will be applied to all Ordinary Shares purchased by Panmure Gordon pursuant to the Tender Offer.

The Tender Price will allow Panmure Gordon to purchase the maximum number of Ordinary Shares for a total cost not exceeding approximately £13.5 million or, if the aggregate price of all Ordinary Shares validly tendered by Qualifying Shareholders is less than approximately £13.5 million (and not less than £3.0 million), all of the Ordinary Shares validly tendered pursuant to the Tender Offer.

Number of Ordinary Shares to be purchased and scaling-back

Under the Tender Offer, each Qualifying Shareholder is entitled to tender up to 10 per cent. of its, his or her shareholding to be purchased by Panmure Gordon at the Tender Price (being their Basic Entitlement).

Each Qualifying Shareholder's Basic Entitlement will be calculated by the Registrars as at the Record Date by reference to the Qualifying Shareholder's holding of Ordinary Shares as at that date.

In addition, Qualifying Shareholders are entitled to make an application to tender in excess of their Basic Entitlements. The extent to which excess applications can be accepted will depend on the number of Ordinary Shares tendered by other Qualifying Shareholders.

Provided the conditions in paragraph 2.1 of Part III of this Circular are met, if the aggregate value at the Tender Price of all validly tendered Ordinary Shares is less than approximately £13.5 million (and more than £3.0 million), then all Ordinary Shares validly tendered (including applications in excess of Basic Entitlements) will be purchased at the Tender Price.

If the number of Ordinary Shares validly tendered by Qualifying Shareholders is more than 2,142,572, tenders will be accepted in the order set out below:

- a) all Ordinary Shares tendered by Qualifying Shareholders up to their Basic Entitlement will be accepted in full; and
- b) tenders of Ordinary Shares in excess of the Qualifying Shareholders' Basic Entitlements will be satisfied *pro rata* in proportion to the amount tendered in excess of Basic Entitlements (rounded down to the nearest whole number of Ordinary Shares) or otherwise at the discretion of the Board, in agreement with Panmure Gordon.

For the avoidance of doubt, the number of Ordinary Shares to be purchased in the Tender Offer will not, in any event, exceed 2,142,572 Ordinary Shares.

Once lodged (in the case of a Tender Form) or settled (in the case of a TTE Instruction) such tender shall be irrevocable.

Ordinary Shares will be purchased pursuant to the Tender Offer on or around 14 February 2022.

Successfully tendered Ordinary Shares will be purchased free of commission and dealing charges.

Any Ordinary Shares repurchased by the Company from Panmure Gordon following the purchase by Panmure Gordon will be cancelled. Any rights of Ordinary Shareholders who do not tender their Ordinary Shares will be unaffected.

Subject to any applicable rules and regulations, the Company reserves the right at any time prior to the announcement of the results of the Tender Offer, and with the prior consent of Panmure Gordon, to extend the period during which the Tender Offer is open, based on market conditions and/or other factors.

Basic Entitlement

Tenders in respect of up to approximately 10 per cent. of each registered holding of Ordinary Shares of every Qualifying Shareholder on the Record Date will be accepted in full at the Tender Price and will not be scaled down, provided that such Ordinary Shares are validly tendered. This percentage is known as the "**Basic Entitlement**".

Qualifying Shareholders may tender Ordinary Shares in excess of their Basic Entitlement. However, if the Tender Offer is oversubscribed, the tender of such excess Ordinary Shares will only be successful to the extent that other Qualifying Shareholders have tendered less than their Basic Entitlement and may be subject to the scaling-back arrangements described above.

Circumstances in which the Tender Offer may not proceed

The Tender Offer is conditional on the receipt of valid tenders in respect of Ordinary Shares to a value at the Tender Price of not less than £3.0 million, by 1.00 p.m. (UK time) on the Closing Date and the other conditions specified in Part III of this Circular.

The Tender Offer is also conditional on no material adverse change or certain other force majeure events arising prior to the closing of the Tender Offer. Further details of these Conditions are set out in paragraph 2.1 of Part III of this Circular.

Full terms and conditions of the Tender Offer are set out in Part III of this Circular, which Shareholders are recommended to read in full

5 Authority to make market purchases of own shares

A general authority to buy back (including by way of tender offer) up to a maximum of 3,200,000 Ordinary Shares, representing approximately 15 per cent. of the issued Ordinary Share capital (excluding Ordinary Shares held in treasury) at that time, was sought and granted at the Company's Annual General Meeting held on 21 January 2022, since when the Company has not acquired any Ordinary Shares.

6 Repurchase Agreement

The Repurchase Agreement between the Company and Panmure Gordon is dated 28 January 2022. Under this agreement, the parties have agreed that, subject to, amongst other things, the sum of £13,498,203.60 (equal to the Tender Price multiplied by the maximum number of Ordinary Shares that could be repurchased under the Tender Offer) being deposited by the Company into a client account of Panmure Gordon by no later than 5.00 p.m. on 31 January 2022 or such later time and/or date as may be agreed by Panmure Gordon and the Tender Offer becoming unconditional in all respects and not lapsing or terminating in accordance with its terms, Panmure Gordon shall, as principal, purchase, "On Exchange", at the Tender Price, Ordinary Shares successfully tendered to it, up to a maximum aggregate value, at the Tender Price, of approximately £13.5 million.

The Company has agreed that, immediately following the purchase by Panmure Gordon of all Ordinary Shares which it has agreed to purchase as principal under the terms of the Tender Offer, the Company will purchase from Panmure Gordon all such Ordinary Shares at a price per Ordinary Share equal to the Tender Price. All transactions will be carried out on the London Stock Exchange.

Under the Repurchase Agreement, the Company has agreed to cancel any Ordinary Shares purchased by it under the Tender Offer arrangements.

The Repurchase Agreement contains certain warranties from Panmure Gordon in favour of the Company concerning its authority to enter into the Repurchase Agreement and to make the purchase of Ordinary Shares pursuant thereto.

The Repurchase Agreement also contains warranties and undertakings from the Company in favour of Panmure Gordon and incorporates an indemnity in favour of Panmure Gordon in respect of any liability which it may suffer in relation to its performance under the Tender Offer.

7 Dividends

Successfully tendered Ordinary Shares will be cancelled and will not rank for any future dividends. However, the right of Shareholders, recorded on the Register on 14 January 2022, to receive and be paid the final dividend declared at the Annual General Meeting on 21 January 2022 will not be affected by acceptance of the Tender Offer.

8 Overseas Shareholders

The attention of Qualifying Shareholders who are citizens, residents or nationals of countries outside the UK wishing to participate in the Tender Offer is drawn to paragraph 6 entitled "*Overseas Shareholders*" in Part III of this Circular.

9 Taxation

Qualifying Shareholders should be aware that there may be tax considerations that they should take into account when deciding whether or not and/or the extent to which to participate in the Tender Offer. A summary of the taxation consequences of the Tender Offer for UK resident Shareholders is set out in Part IV of this Circular. It should be noted that this tax summary is merely a guide to current tax law and

practice in the UK. **Shareholders are advised to consult their own professional advisers regarding their own tax position.**

10 Notification of interests

Under chapter 5.1.2 of the DTR, certain Shareholders are required to notify the Company of the percentage of voting rights they hold as Shareholders or through their direct or indirect holding of financial instruments within the limits referred to in the DTR. Following any purchase by the Company of Ordinary Shares from Panmure Gordon pursuant to the Repurchase Agreement, the percentage of voting rights held by a Shareholder will change. Such change in the percentage of voting rights held by a Shareholder may give rise to an obligation on the Shareholder to notify the Company as soon as possible, but not later than two trading days, after becoming aware or being deemed to have become aware of such change. If Shareholders are in any doubt as to whether they should notify the Company or as to the form of that notification, they should consult their solicitor or other professional adviser.

11 Action to be taken

Tender Offer

The procedure for tendering Ordinary Shares depends on whether Ordinary Shares are held in certificated form or uncertificated form and is summarised below:

(a) Ordinary Shares held in certificated form

Qualifying Shareholders who hold Ordinary Shares in certificated form and who wish to participate in the Tender Offer should follow the instructions on the Tender Form provided to them and return it to the Receiving Agent to arrive by no later than 1.00 p.m. on 11 February 2022. Qualifying Shareholders who hold their Ordinary Shares in certificated form should also send their original share certificate(s) in respect of the Ordinary Shares tendered with their Tender Form.

(b) Ordinary Shares held in uncertificated form

Qualifying Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST) and who wish to participate in the Tender Offer should tender electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 11 February 2022.

Further details of the procedures for tendering and settlement are set out in Part III of this Circular.

Shareholders who do not wish to participate in the Tender Offer should not complete the Tender Form and should not make or arrange for a TTE Instruction.

12 General

Any repurchase of Ordinary Shares pursuant to the Repurchase Agreement will be financed solely from the Company's existing cash resources. No borrowings will be incurred by the Company in respect of any repurchase of Ordinary Shares pursuant to the Repurchase Agreement.

As at 27 January 2022 (being the latest practicable date prior to the posting of this Circular) the issued Ordinary Share capital of the Company was 21,425,724 Ordinary Shares (excluding the 2,182,777 Ordinary Shares held in treasury by the Company).

Panmure Gordon has given and has not withdrawn its consent to the inclusion of its name in this Circular.

13 Directors' Interests

The interests (all of which are beneficial unless stated otherwise) of the Directors and of persons connected with them (within the meaning of Section 252 of the 2006 Act) in the issued ordinary share

capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as at the date of this circular are as follows:

Name	Position	Number of Ordinary Shares	Percentage of issued share capital
Kiran Shah ⁽¹⁾	Joint Managing Director and Group Finance Director	2,176,478	10.16%
Jon Diver ⁽²⁾	Joint Managing Director	1,428,248	6.67%
Joseph Kissane	Managing Director - Character Options Limited	518,757	2.42%
Richard King	Non-Executive Chairman	336,286	1.57%
Michael Hyde	Managing Director - Far East Operations	268,888	1.25%
Jeremiah Healy ⁽³⁾	Group Marketing Director	73,000	0.34%
David Harris ⁽⁴⁾	Non-Executive Director	68,183	0.32%
Clive Crouch	Non-Executive Director	15,358	0.07%
Carmel Warren	Non-Executive Director	nil	nil

Notes:

- (1) Mr Shah's interests comprise 176,478 Ordinary Shares held personally by Mr Shah and 2,000,000 Ordinary Shares held by Sarissa Holdings Limited.
- (2) Mr Diver's interests comprise 876,381 Ordinary Shares held personally by Mr Diver and 551,867 Ordinary Shares held by Mr Diver's Self Invested Pension Plan.
- (3) Mr Healy's interests comprise 16,000 Ordinary Shares held personally by Mr Healy, 5,000 Ordinary Shares held by Mr Healy's Self Invested Pension Plan, and 52,000 Ordinary Shares held by Mr Healy's wife, Kathleen Ann Healy.
- (4) Mr Harris's interests comprise 16,780 Ordinary Shares held personally by Mr Harris and 51,403 Ordinary Shares held by Mr Harris's Self Invested Pension Plan.

14 Intentions of the Directors in relation to the Tender Offer

The Directors are currently interested, in aggregate, in 4,885,198 Ordinary Shares, representing approximately 22.80 per cent. of the issued Ordinary Share capital of the Company, excluding Ordinary Shares held in treasury). The Directors have indicated their intention to tender their Ordinary Shares (directly or through their connected parties) as follows:

Name	Basic entitlement take-up (Ordinary Shares)	Applications in excess of Basic Entitlement (Ordinary Shares)
Kiran Shah	217,647	217,647
Jon Diver	142,824	142,824
Joseph Kissane	51,875	51,875
Richard King	33,628	33,628
Michael Hyde	26,888	26,888
Jeremiah Healy	7,300	7,300
David Harris	6,818	6,818
Clive Crouch	1,535	1,535
Carmel Warren	nil	nil
Total	488,515	488,515

Excess tenders by the Directors will be subject to the scaling-back arrangement described in paragraph 4 above.

Assuming the maximum number of Ordinary Shares under the Tender Offer is purchased and that the Directors' tenders (including excess tenders) are satisfied in full, the Directors, following completion of the Tender Offer, will be interested, in aggregate, in 3,908,168 Ordinary Shares, representing approximately 20.27 per cent. of the issued Ordinary Share capital of the Company (excluding Ordinary Shares held in treasury).

15 Issued Ordinary Shares following the Tender Offer

Assuming the maximum number of Ordinary Shares under the Tender Offer are bought back by the Company and cancelled, the Company's issued Ordinary Share capital (excluding Ordinary Shares held in treasury) will be reduced by 2,142,572 Ordinary Shares to 19,283,152 Ordinary Shares. An announcement setting out the Company's new issued Ordinary Share capital for the purposes of making DTR 5.1.2 notifications will be made following any purchase by the Company of Ordinary Shares from Panmure Gordon in relation to the Tender Offer.

16 Further Information

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part III of this document.

17 Recommendation

The Directors are making no recommendation to Qualifying Shareholders in relation to participation in the Tender Offer itself. Whether or not Qualifying Shareholders decide to tender their Ordinary Shares will depend, amongst other things, on their view of the Company's prospects and on their own individual circumstances (including their own tax position).

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.

Yours faithfully

Richard King
Chairman

PART II

QUESTIONS AND ANSWERS ON THE TENDER OFFER

To help you understand what is involved in the Tender Offer we have prepared some questions and answers. You should read the whole of this Circular and not rely solely on the summary information in this Part II. Part I of the Circular contains a letter from the Chairman in relation to the Tender Offer and Part III of this Circular sets out the detailed terms and conditions of the Tender Offer. In the event of any inconsistency between the contents of this Part II and the terms and conditions set out in Part III of this Circular, the terms and conditions set out in Part III of this Circular shall prevail.

What is the Tender Offer?

The Tender Offer is the method by which the Company intends to repurchase Ordinary Shares up to a maximum cost of approximately £13.5 million. Qualifying Shareholders are given the opportunity to tender their Ordinary Shares for cash to Panmure Gordon (acting as principal), which will acquire successfully tendered Ordinary Shares at the Tender Price and then sell them to the Company at the same price.

What documents should I have received?

Qualifying Shareholders who hold their Ordinary Shares in **certificated form** should receive:

- this Circular (either by notification of website publication or, if applicable, in hard copy);
- a Tender Form; and
- a prepaid envelope to return the Tender Form (for use in the UK).

Qualifying Shareholders who hold their Ordinary Shares in **uncertificated form** (i.e. in **CREST**) should only receive this Circular or, if applicable, notification of its publication on the Company's website.

If you have not received any of the documents listed please call Neville Registrars on +44 (0) 121 585 1131 during normal business hours.

Is there a meeting to approve the Tender Offer?

No Shareholders' general meeting is required for this purpose. A general authority to buy back (including by way of tender offer) up to a maximum of 3,200,000 Ordinary Shares, representing approximately 15 per cent. of the issued Ordinary Share capital (excluding Ordinary Shares held in treasury) at that time, was sought and granted at the Company's AGM held on 21 January 2022.

Should I tender my Ordinary Shares?

You should make your own decision as to whether or not you participate in the Tender Offer and are recommended to consult an appropriate independent adviser. The Board makes no recommendation to Shareholders in relation to participation in the Tender Offer itself or the Tender Price. Whether or not you decide to tender all or any of your Ordinary Shares will depend on, among other things, your view of the Company's prospects and your own individual circumstances, including your tax position. It cannot be certain whether the Tender Price will be greater or less than the price at which Ordinary Shares could be sold in the market at any time.

What do I need to do next?

You should consider whether you want to tender all or any of your Ordinary Shares.

If you decide to tender Ordinary Shares and you hold those shares in certificated form, you will need to return the Tender Form, completed, signed and witnessed, together with your original share certificate(s) and/or other document(s) of title. Completed Tender Forms (along with your original share certificate(s) and/or other document(s) of title) should be submitted to Neville Registrars by no later than 1.00 p.m. on 11 February 2022, as set out in paragraph 3.2 of Part III of this Circular.

If you decide to tender Ordinary Shares and you hold those shares in uncertificated form, you should read paragraph 3.3 of Part III of this Circular which details specific procedures applicable to the holders of uncertificated Ordinary Shares.

Do I have to tender my Ordinary Shares? What happens if I don't tender?

No, you are not obliged to tender any of your Ordinary Shares. If you choose not to tender your Ordinary Shares under the Tender Offer, your holding will be unaffected, save for the fact that, assuming the successful completion of the Tender Offer and subsequent repurchase of Ordinary Shares by the Company, you will end up owning a greater percentage of the issued ordinary share capital of the Company than you did before the Tender Offer as there will be fewer Ordinary Shares in issue after completion of the Tender Offer and subsequent repurchase of Ordinary Shares. The same will apply if the Tender Offer is successfully completed the Company subsequently repurchases those Ordinary Shares but your tender of Ordinary Shares is unsuccessful.

For the avoidance of doubt, Ordinary Shares may be traded in the normal way during the Tender Offer period.

Who is eligible to participate in the Tender Offer?

The Tender Offer is open to both private and institutional Qualifying Shareholders alike who are on the Register on the Record Date. Shareholders resident outside the UK, or who are nationals or citizens of jurisdictions other than the UK, should read the information set out in paragraph 6 of Part III of this Circular.

If I tender my Ordinary Shares, what price will I receive for each Ordinary Share that I sell?

All Ordinary Shares sold in the Tender Offer will receive the Tender Price (630 pence per Ordinary Share).

The Tender Offer is conditional on receipt of valid tenders in respect of at least an aggregate value, at the Tender Price, of not less than £3.0 million.

When will I receive payment?

Subject to the Tender Offer becoming unconditional, under the expected timetable of events set out on page 4 of this Circular, it is anticipated that, for those Shareholders that hold Ordinary Shares in certificated form (i.e. hard copy), a cheque will be despatched to you for the proceeds of any sale on or before 21 February 2022. Those that hold their Ordinary Shares in CREST, will have their CREST accounts credited on or before 21 February 2022.

What is my Basic Entitlement?

Tenders in respect of up to approximately 10 per cent. of each registered holding of Ordinary Shares of every Qualifying Shareholder on the Record Date will be accepted in full and will not be scaled down, provided that such Ordinary Shares are validly tendered.

What do I do if I have sold or transferred all of my Ordinary Shares?

Please forward this Circular, together with the accompanying documents (but not any personalised Tender Form), at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, those documents should not be forwarded to or sent in or into any Restricted Jurisdiction.

What is the impact on employee share option schemes and share plans?

Options which remain unexercised on the Record Date do not entitle the holders of such options to participate in the Tender Offer. The Tender Offer will not affect the legal rights of the holders of such options.

What happens if I have lost my share certificate(s) and/or other document(s) of title and wish to participate in the Tender Offer?

You will need to provide a letter of indemnity to the Company. This can be obtained by first sending a signed request to the Company's Registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, B62 8HD or by emailing such a signed request to them via info@nevilleregistrars.co.uk. Once received, you will then need to return the duly completed indemnity, to Neville Registrars with your Tender Form prior to the Closing Date.

What if I am resident outside the UK?

Shareholders resident outside the UK, or who are nationals or citizens of jurisdictions other than the UK, should read the additional information set out in paragraph 6 of Part III of this Circular as there may be legal and regulatory restrictions on such Shareholders participating in the Tender Offer.

For legal reasons we are unable to offer Shareholders who are resident in any Restricted Jurisdiction the ability to participate in the Tender Offer.

What if I have any more questions?

If you have read this Circular and still have questions in relation to the procedures for tendering your shares, please telephone Neville Registrars on +44 (0) 121 585 1131 during office hours.

PART III

TERMS OF AND CONDITIONS TO THE TENDER OFFER

1 Introduction

Those Qualifying Shareholders on the register of members as at the Record Date are hereby invited to tender Ordinary Shares for purchase by Panmure Gordon on the terms and subject to the conditions set out in this Circular and, in the case of Qualifying Shareholders holding certificated Ordinary Shares, the Tender Form.

Shareholders do not have to tender any Ordinary Shares if they do not wish to do so. The rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.

Under the Repurchase Agreement, the Company has agreed to repurchase from Panmure Gordon at the Tender Price those Ordinary Shares purchased by Panmure Gordon pursuant to the Tender Offer. The Company will cancel Ordinary Shares acquired by it under the Repurchase Agreement.

Under the Repurchase Agreement and pursuant to the Tender Offer generally, Panmure Gordon will act as principal and not as agent, nominee or trustee.

2 Terms and Conditions of the Tender Offer

2.1 The Tender Offer is conditional on the following (the “**Conditions**”):

- (a) receipt of valid tenders in respect of at least 476,191 Ordinary Shares representing an aggregate value, at the Tender Price, of not less than £3.0 million by 1.00 p.m. on the Closing Date;
- (b) the Tender Offer not having been terminated in accordance with paragraph 2.21 of this Part III;
- (c) in the reasonable opinion of the Directors, having consulted with Panmure Gordon, there has not occurred any material adverse change in national or international, financial, economic, political or market conditions;
- (d) in the reasonable opinion of the Directors, having consulted with Panmure Gordon, there shall not have occurred any material adverse change in the financial position or prospects and/or circumstances of the Company (including without limitation, in relation to the distributable profits of the Company);
- (e) the sum of £13,498,203.60 being deposited by the Company into the client account of Panmure Gordon by no later than 5.00 p.m. on 31 January 2022;
- (f) Panmure Gordon being satisfied at all times up to immediately prior to the announcement of the results of the Tender Offer that the Company has complied with its obligations, and is not in breach of any of the warranties and undertakings given by it, under the Repurchase Agreement; and
- (g) the Repurchase Agreement not having been terminated in accordance with its terms.

Panmure Gordon will not purchase the Ordinary Shares pursuant to the Tender Offer unless the Conditions have been satisfied. The Conditions may not be waived by Panmure Gordon. Subject to paragraph 2.23 below, if the Conditions are not satisfied by 1.00 p.m. on 11 February 2022 (or such later time and/or date as the Company may, with the consent of Panmure Gordon, determine and announce via a Regulatory Information Service), the Tender Offer will lapse.

2.2 Each Ordinary Share may only be tendered under the Tender Offer at the Tender Offer Price.

2.3 The Tender Offer is only available to Qualifying Shareholders on the Register on the Record Date and in respect of the number of Ordinary Shares registered in their names on the Record Date.

2.4 Subject to paragraph 2.23 below, the Tender Offer will close at 1.00 p.m. on the Closing Date and no tenders received after that time will be accepted.

- 2.5 All or any part of a holding of Ordinary Shares may be tendered. Ordinary Shares successfully tendered will be sold to Panmure Gordon fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same.
- 2.6 Tenders in respect of Ordinary Shares held in certificated form must be made on the Tender Form, duly completed in accordance with the instructions set out below and in the Tender Form itself, which together constitute part of the terms of the Tender Offer. Such tenders will only be valid if the procedures contained in this document and in the Tender Form are complied with in full.
- 2.7 Tenders in respect of Ordinary Shares held in uncertificated form must be made by the input and settlement of a valid TTE Instruction in CREST in accordance with the instructions set out in this Part III and the relevant procedures in the CREST Manual, which together constitute part of the terms of the Tender Offer. Such tenders will only be valid if the procedures contained in this document and in the relevant parts of the CREST Manual are followed.
- 2.8 The Tender Offer and all tenders will be governed by and construed in accordance with English law. Delivery of a Tender Form or the input of a TTE Instruction in CREST, as applicable, will constitute submission to the jurisdiction of the English courts in respect of all matters arising out of or in connection with the Tender Offer (including the Tender Form).
- 2.9 Subject to paragraph 2.23 below, the results of the Tender Offer and, if applicable, the extent to which excess tenders will be scaled down, will be announced on 14 February 2022.
- 2.10 All documents and remittances sent by or to Shareholders and all instructions made by or on behalf of a Shareholder in CREST will be sent or made (as the case may be) at the risk of the person entitled thereto. If the Tender Offer does not become unconditional and lapses or is withdrawn:
- (a) in respect of Ordinary Shares held in certificated form, Tender Forms, share certificates and other documents of title will be returned by post not later than ten Business Days after the date of such lapse; and
 - (b) in respect of Ordinary Shares held in uncertificated form, the Escrow Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow balances by TFE Instruction to the original available balances to which those Ordinary Shares relate by not later than ten Business Days after the date of such lapse.
- 2.11 If only part of a holding of Ordinary Shares is successfully tendered pursuant to the Tender Offer, the relevant Qualifying Shareholder will be entitled to receive the following:
- (a) for Ordinary Shares held in certificated form, a certificate in respect of the unsold Ordinary Shares; or
 - (b) for Ordinary Shares held in uncertificated form, the transfer by the Escrow Agent by TFE Instruction to the original available balances of the unsold Ordinary Shares or the credit of the balance of the unsold Ordinary Shares by the Escrow Agent by an AUSN Message.
- 2.12 Further copies of the Tender Form may be obtained on request from Neville Registrars, at +44 (0) 121 585 1131 within normal business hours. Calls to +44 (0) 121 585 1131 from outside the UK are chargeable at the applicable international rates. Please note that calls to these numbers may be monitored or recorded.
- 2.13 If the aggregate value at the Tender Price of all Ordinary Shares validly tendered by Shareholders is more than £3.0 million but less than approximately £13.5 million, then all Ordinary Shares validly tendered will be accepted and purchased at the Tender Price.
- 2.14 All Ordinary Shares validly tendered by Qualifying Shareholders up to their Basic Entitlement will be accepted in full and will not be scaled down. If the application produces a fraction of a share, then the Basic Entitlement shall be rounded down to the nearest whole number of Ordinary Shares (or to nil as the case may be).

2.15 Shareholders may tender Ordinary Shares in excess of their Basic Entitlement. However, they will only successfully tender such excess Ordinary Shares to the extent other Shareholders have tendered less than their Basic Entitlement.

If:

- (a) any Qualifying Shareholder tenders a number of Ordinary Shares in excess of his/her Basic Entitlement (each an **Individual Excess Tender** and, in aggregate, the **Total Excess Tenders**); and
- (b) any Qualifying Shareholder has validly tendered a number of Ordinary Shares less than his/her Basic Entitlement which, upon aggregation of the unused portions of all Qualifying Shareholders' Basic Entitlements, results in a pool of Ordinary Shares available to be allocated between the Individual Excess Tenders (the **Total Available Shares**),

then the Total Available Shares shall be allocated between the Individual Excess Tenders as follows:

- if the Total Excess Tenders exceeds the Total Available Shares, all Individual Excess Tenders will be scaled-back by the application of the following ratio (provided that the total number of Ordinary Shares purchased pursuant to the Tender Offer shall not exceed 2,142,572):

$$\frac{\text{Total Available Shares}}{\text{Total Excess Tenders}}$$

or otherwise at the discretion of Panmure Gordon, in consultation with the Board;

- if the Total Excess Tenders are less than or equal to the Total Available Shares, all Individual Excess Tenders will be satisfied in full (subject to the Tender Offer not being terminated or lapsing prior to its completion and satisfaction of the other terms and conditions set out in this Part III and (where relevant) the Tender Form).

2.16 All Ordinary Shares successfully tendered and accepted will be purchased by Panmure Gordon, as principal and not as agent, nominee or trustee, at the Tender Price.

2.17 Should any fractions arise from any scaling-back, the number of Ordinary Shares accepted pursuant to the Tender Offer shall be rounded down to the nearest whole Ordinary Share.

2.18 All questions as to the number of Ordinary Shares tendered and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by Panmure Gordon and the Company in their sole discretion, which shall be final and binding on all of the parties (except as otherwise required under applicable law). Panmure Gordon reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance or payment for which may, in the opinion of Panmure Gordon, be unlawful. Panmure Gordon also reserves the absolute right to waive any defect or irregularity in the tender of any particular Ordinary Share or any particular holder thereof. No tender of Ordinary Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be despatched (in respect of certificated Ordinary Shares) or made by way of a CREST payment (in respect of uncertificated Ordinary Shares) until after (in the case of certificated Ordinary Shares) the Tender Form is complete in all respects and the share certificates and/or other document(s) of title satisfactory to Panmure Gordon have been received or (in the case of uncertificated Ordinary Shares) the relevant TTE Instruction has settled. None of the Company, Panmure Gordon, the Receiving Agent, or any other person is or will be obliged to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.

2.19 Ordinary Shares will be purchased pursuant to the Tender Offer free of commissions and dealing charges. The maximum aggregate number of Ordinary Shares that Panmure Gordon may purchase pursuant to the Tender Offer is 2,142,572 Ordinary Shares.

- 2.20 The failure of any person to receive a copy of this Circular or the personalised Tender Form shall not invalidate any aspect of the Tender Offer. None of the Company, Panmure Gordon, the Receiving Agent nor any other person will incur any liability in respect of any person failing to receive this Circular and/or for a person who holds Ordinary Shares in certificated form, the personalised Tender Form. Additional copies of this Circular and the Tender Form can be obtained from the Receiving Agent.
- 2.21 The Company reserves the right to require that Panmure Gordon does not proceed with the Tender Offer if the Directors conclude, at any time prior to the announcement of the results of the Tender Offer, that its implementation is no longer in the best interests of the Company and/or Shareholders as a whole. Any such decision to terminate the Tender Offer will be followed as promptly as practicable by a public announcement thereof no later than 1.00 p.m. on the Business Day following the date of such termination.
- 2.22 The Company reserves the right, at any time prior to the announcement of the results of the Tender Offer, with the prior consent of Panmure Gordon, to revise the aggregate value of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements. The Company shall notify Shareholders of any such revision without delay by public announcement through a Regulatory Information Service.
- 2.23 The Company reserves the right, at any time prior to the announcement of the results of the Tender Offer, with the prior consent of Panmure Gordon, to extend the period during which the Tender Offer is open, in which event the term "Closing Date" shall mean the latest time and date at which the Tender Offer, as so extended, shall close. The Company shall promptly notify Shareholders of any extension by public announcement through a Regulatory Information Service.

3 Procedure for tendering

3.1 *Different procedures for Ordinary Shares in certificated and uncertificated form*

If you hold Ordinary Shares in certificated form, you may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3.2 below and the instructions printed on the form itself.

If you hold Ordinary Shares in certificated form, but under different designations, you should complete a separate Tender Form in respect of each designation. Additional Tender Forms are available from Neville Registrars by calling +44 (0) 121 585 1131.

If you hold Ordinary Shares in uncertificated form, you may only tender such Ordinary Shares by TTE Instruction in accordance with the procedures set out in paragraph 3.3 below and, if those Ordinary Shares are held under different member account IDs, you should send a separate TTE Instruction for each member account ID.

3.2 *Ordinary Shares held in certificated form*

To tender your Ordinary Shares held in certificated form you must complete, sign and have witnessed the Tender Form. Tenders may only be made on the Tender Form, which is personal to the Shareholder(s) named on it and may not be assigned or transferred. The Tender Form represents a right to tender Ordinary Shares. It is not a document of title.

The completed, signed and witnessed Tender Form, along with original share certificate(s) and any other evidence of title should then be sent either by post in the reply-paid envelope provided (for use in the UK only) or by hand during normal business hours to the Receiving Agent, Neville Registrars, at Neville House, Steelpark Road, Halesowen, B62 8HD **as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on 11 February 2022. No tenders received after that time will be accepted (unless the Closing Date is extended in accordance with paragraph 2.23 above).** No acknowledgement of receipt of documents will be given. The instructions printed on the Tender Form shall be deemed to form part of the terms of the Tender Offer. Any Tender Form received in an envelope postmarked in any Restricted Jurisdiction or otherwise appearing to the Receiving

Agent to have been sent from any Restricted Jurisdiction may be rejected as an invalid tender. For further information on Overseas Shareholders, see paragraph 6 headed “Overseas Shareholders” below.

The completed and signed Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title. If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above together with any share certificate(s) and/or document(s) of title that you may have available.

In respect of those Ordinary Shares for which your share certificate(s) and/or other document(s) of title is/are unavailable and you have been sent a Tender Form, a letter of indemnity must be obtained by sending a signed request in writing to Neville Registrars at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD or by emailing a signed request to info@Nevilleregistrars.co.uk. If a separate letter of indemnity is completed, this should be returned with the Tender Form as described above so as to be received by the Receiving Agent, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD not later than 1.00 p.m. on 11 February 2022. No Tender Form, Share certificate(s) and/or document(s) of title or indemnity received after that time will be accepted, except at the sole discretion of the Receiving Agent and/or the Company. If you do not provide either a share certificate and/or other documents of title and/or letter of indemnity your Tender Form will not be accepted.

Where you have completed and returned a letter of indemnity in respect of unavailable share certificate(s) and/or other document(s) of title and you subsequently find or obtain the relevant share certificate(s) and/or other document(s) of title, you should immediately send it/them by hand or by post to the Receiving Agent, Neville Registrars, at Neville House, Steelpark Road, Halesowen, B62 8HD.

To accept the Tender Offer, complete Box 1B and, if relevant, Box 3, and sign in Box 2 on page 3 of the Tender Form. Insert the total number of Ordinary Shares that you wish to tender in Box 1B. If the number of Ordinary Shares tendered is less than your Basic Entitlement, such tender will be accepted for that amount of Ordinary Shares which you have tendered.

If the number of Ordinary Shares is more than your Basic Entitlement, such tender in excess of your Basic Entitlement will only be satisfied to the extent that other Shareholders tender less than their Basic Entitlement or do not tender any Ordinary Shares. Tenders in excess of the Basic Entitlement will be satisfied pro rata in proportion to the amount in excess of the Basic Entitlement tendered, rounded down to the nearest whole number of Ordinary Shares.

If you insert the word “ALL” in Box 1B or no number of Ordinary Shares is inserted in Box 1B and you sign Box 2, you will be deemed to have accepted the Tender Offer in respect of your Basic Entitlement.

3.3 Ordinary Shares held in uncertificated form

If your Ordinary Shares are held in uncertificated form, to tender such shares you should take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which you wish to tender under the Tender Offer to the appropriate escrow account, specifying Neville Registrars (in its capacity as a CREST participant under the relevant participant ID(s) and member account ID(s) referred to below) as the Escrow Agent, **as soon as possible and in any event so that the TTE Instruction settles by no later than 1.00 p.m. on 11 February 2022**. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure you time the input of any TTE Instructions accordingly.

The input and settlement of a TTE Instruction in accordance with this paragraph 3.3 shall constitute an offer to sell the number of Ordinary Shares at the price(s) indicated on the terms

of the Tender Offer, by transferring such shares to the relevant escrow account as detailed in paragraph 3.3(v) below (an “**Electronic Tender**”).

If you are a CREST sponsored member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to the Ordinary Shares which you wish to tender.

After settlement of a TTE Instruction, you will not be able to access in CREST for any transaction or charging purposes the Ordinary Shares the subject of such TTE Instruction, notwithstanding that they will be held by Neville Registrars as your agent until completion or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, Neville Registrars will transfer the successfully tendered Ordinary Shares to Panmure Gordon, returning any Ordinary Shares not successfully tendered in the Tender Offer to you.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or your CREST Sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 11 February 2022. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

To tender Ordinary Shares in uncertificated form you should send (or if you are a CREST sponsored member, procure your CREST Sponsor sends) to Euroclear a TTE Instruction in relation to such Ordinary Shares.

A TTE Instruction to Euroclear must be properly authenticated in accordance with Euroclear’s specifications for transfers to escrow and must contain the following additional details:

- (i) the number of Ordinary Shares which you wish to tender and transfer to an escrow account;
- (ii) your Member Account ID;
- (iii) your Participant ID;
- (iv) the participant ID of Neville Registrars, in its capacity as a CREST receiving agent, which is **7RA11**;
- (v) the Member Account ID of Neville Registrars, in its capacity as Escrow Agent, which is **TENDER**;
- (vi) the corporate action ISIN, which is GB0008976119;
- (vii) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on 11 February 2022;
- (viii) input with standard delivery instruction of priority 80;
- (ix) the corporate action number for the Tender Offer which is allocated by Euroclear and can be found by viewing the corporate action details on screen in CREST; and
- (x) the contact name and telephone number inserted in the shared note field.

An appropriate announcement will be made if any of the details contained in this paragraph relating to settlement in CREST are materially altered. Withdrawals of Electronic Tenders are not permitted once submitted.

3.4 Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on 11 February 2022.

3.5 **Validity of tenders**

(a) *Tender Forms*

Notwithstanding the powers in paragraph 2.18 of this Part III, Panmure Gordon reserves the right to treat as valid only Tender Forms which are received entirely in order by 1.00 p.m. on 11 February 2022 and which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof in respect of not less than the entire number of Ordinary Shares tendered. **The Closing Date for the Tender Offer is at 1.00 p.m. on 11 February 2022 (unless extended and notified by means of an announcement through a Regulatory Information Service).**

(b) *Validity of Electronic Tenders*

A Tender Form which is received in respect of Ordinary Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Holders of Ordinary Shares in uncertificated form who wish to tender such shares should note that a TTE Instruction will only be a valid tender as at 11 February 2022 if it has settled on or before 1.00 p.m. on that date.

An appropriate announcement will be made if any of the details contained in this paragraph 3.5(b) are altered.

(c) *General*

Notwithstanding the completion of a valid Tender Form or settlement of a TTE Instruction, as applicable, the Tender Offer may lapse in accordance with the Conditions set out in this Part III or be withdrawn.

The decision of the Company and/or the Receiving Agent as to which Ordinary Shares have been validly tendered shall be conclusive and binding on all Shareholders.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for making a TTE Instruction, please telephone Neville Registrars Limited on +44 (0) 121 585 1131 during normal business hours. You are reminded that, if you are a CREST sponsored member, you should contact your CREST Sponsor before taking any action.

Shareholders should note that, once their Ordinary Shares are tendered, they may not be sold, transferred, charged or otherwise disposed of.

3.6 **Settlement**

Subject to the Tender Offer becoming unconditional, payment of the consideration to which any Qualifying Shareholder is entitled pursuant to valid tenders accepted by Panmure Gordon will be made as follows:

(a) *Ordinary Shares held in certificated form*

Where an accepted tender relates to Ordinary Shares held in certificated form, cheques for the consideration due will be despatched on or before 21 February 2022 by the Receiving Agent by first class post to the person or agent whose name and

address (outside a Restricted Jurisdiction) is set out in Box 1A or, if applicable, Box 3 of the Tender Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named. All payments will be made in Sterling by cheque drawn on a branch of a UK clearing bank.

(b) *Ordinary Shares held in uncertificated form*

Where an accepted tender relates to Ordinary Shares held in uncertificated form, the consideration due will be paid on or before 21 February 2022 by means of CREST by Neville Registrars (acting on behalf of Panmure Gordon) procuring that a CREST payment is made in favour of the tendering Shareholder's payment bank in accordance with the CREST payment arrangements.

4 Tender Forms

Each Shareholder by whom, or on whose behalf, a Tender Form is executed irrevocably undertakes, represents, warrants and agrees to and with Panmure Gordon (for itself and on behalf of the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Tender Form shall constitute an offer to sell to Panmure Gordon such number of Ordinary Shares as are indicated in Box 1B of the Tender Form, or, in the absence thereof, such Shareholder's Basic Entitlement, on and subject to the terms and conditions set out or referred to in this document and the Tender Form, as applicable, and that, once lodged, such tender shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Panmure Gordon, Panmure Gordon will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Panmure Gordon as such Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Ordinary Shares referred to in paragraph (a) above in favour of Panmure Gordon or such other person or persons as Panmure Gordon may direct, and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional, and to do all such other acts and things as may in the opinion of the Attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Panmure Gordon or its nominee(s) or such other person(s) as Panmure Gordon may direct such Ordinary Shares;
- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Panmure Gordon or any of its directors or any person nominated by Panmure Gordon in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) such Shareholder holding Ordinary Shares in certificated form will deliver to the Receiving Agent their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares referred to in paragraph (a) above, or an indemnity acceptable to Panmure Gordon in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than 1.00 p.m. on the Closing Date;
- (f) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (g) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Panmure Gordon to be desirable, in each case

to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;

- (h) such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to him under the laws of the relevant jurisdiction;
- (i) such Shareholder's offer to sell Ordinary Shares to Panmure Gordon, and any acceptance thereof, shall not be unlawful under the laws of any jurisdiction;
- (j) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction and that the Tender Form has not been mailed or otherwise sent in, into or from a Restricted Jurisdiction and such Shareholder is accepting the Tender Offer from outside a Restricted Jurisdiction;
- (k) the despatch of a cheque to a Shareholder as referred to in paragraph 3.6 (headed "Settlement") above, will discharge fully any obligation of Panmure Gordon to pay such Shareholder the consideration to which he is entitled under the Tender Offer;
- (l) if the appointment of attorney provision under sub-paragraph (c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Panmure Gordon the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Panmure Gordon to secure the full benefits of sub-paragraph (c) above;
- (m) on execution the Tender Form takes effect as a deed; and
- (n) the execution of the Tender Form constitutes such Shareholder's submission to the jurisdiction of the courts of England and Wales in relation to all matters, disputes and/or claims arising out of or in connection with the Tender Offer or the Tender Form.

Each Shareholder to which this paragraph 4 applies hereby consents to the assignment by Panmure Gordon of all such benefit as Panmure Gordon may have in any covenants, representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

A reference in this paragraph to a Shareholder includes a reference to the person or persons executing the Tender Form and in the event of more than one person executing a Tender Form, the provisions of this paragraph will apply to them jointly and severally.

5 Electronic Tenders

Each Shareholder by whom, or on whose behalf, an Electronic Tender is made irrevocably undertakes, represents, warrants and agrees to and with Panmure Gordon (for itself and on behalf of the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the input of the TTE Instruction shall constitute an offer to sell to Panmure Gordon such number of Ordinary Shares as are specified in the TTE Instruction, on and subject to the terms and conditions set out or referred to in this document and that, once the TTE Instruction has settled, such tender shall be irrevocable;
- (b) such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Panmure Gordon, Panmure Gordon will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date;

- (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of Panmure Gordon as such Shareholder's attorney and/or agent ("**Agent**"), and an irrevocable instruction to the Agent to complete and execute all or any instruments of transfer and/or other documents or input any instructions into CREST at the Agent's discretion in relation to the Ordinary Shares referred to in such paragraph (a) above in favour of Panmure Gordon or such other person or persons as Panmure Gordon may direct, and to deliver any documents or input any instructions into CREST relating to such Ordinary Shares, for registration within six months of the Tender Offer becoming unconditional, and to do all such other acts and things as may in the opinion of the Agent be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in Panmure Gordon or its nominee(s) or such other person(s) as Panmure Gordon may direct such Ordinary Shares;
- (d) such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by Panmure Gordon or any of its directors or any person nominated by Panmure Gordon in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Panmure Gordon to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (f) such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to him under the laws of the relevant jurisdiction;
- (g) such Shareholder's offer to sell Ordinary Shares to Panmure Gordon, including the input of the TTE Instruction, and any acceptance thereof, shall not be unlawful under the laws of any jurisdiction;
- (h) such Shareholder has not received or sent copies or originals of this document, the Tender Form or any related documents in, into or from a Restricted Jurisdiction and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction at the time of the input of and settlement of the relevant TTE Instruction(s) and that the TTE Instruction has not been sent from a Restricted Jurisdiction and such Shareholder is accepting the Tender Offer from outside of a Restricted Jurisdiction;
- (i) the input of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in the paragraph headed "Settlement" above will discharge fully any obligation of Panmure Gordon to pay to such Shareholder the consideration to which he is entitled under the Tender Offer;
- (j) the input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with the Tender Offer;
- (k) if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to the Closing Date, converted into certificated form, the Electronic Tender in respect of such Ordinary Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out in this Part III in respect of the Ordinary Shares so converted, if he wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer; and
- (l) if the appointment of Agent provision under paragraph (c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Panmure Gordon the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Panmure Gordon to secure the full benefits of paragraph (c) above.

Each Shareholder to which this paragraph 5 applies hereby consents to the assignment by Panmure Gordon of all such benefit as Panmure Gordon may have in any covenants, representations and warranties in respect of the Ordinary Shares which are successfully tendered under the Tender Offer.

6 Overseas Shareholders

General

- 6.1 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.
- 6.2 The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or to custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. If an Overseas Shareholder is in Jersey their attention is drawn to paragraph 6.7 below. It is the responsibility of any such Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Shareholder will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and Panmure Gordon and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extending of the Tender Offer or the distribution of the Tender Form in any territory outside the United Kingdom.
- 6.3 In particular, the Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction.
- 6.4 Accordingly, copies of this document, the Tender Forms and any related documents must not be mailed or otherwise distributed or sent in, into or from a Restricted Jurisdiction, including to Shareholders with registered addresses in a Restricted Jurisdiction, or to persons who are custodians, nominees or trustees holding Ordinary Shares for persons in a Restricted Jurisdiction.
- 6.5 Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and so doing will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender Forms should not be postmarked in a Restricted Jurisdiction or otherwise despatched from a Restricted Jurisdiction and all accepting Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or return of Tender Forms and share certificates and/or other document(s) of title.
- 6.6 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related documents in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such

persons should (a) inform the recipient of such fact; (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (c) draw the attention of the recipient to this paragraph.

- 6.7 In relation to Qualifying Shareholders in Jersey, consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this Circular. Accordingly, the offer that is the subject of this Circular may only be made in Jersey where the offer is not an offer to public or the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. By accepting this offer each Qualifying Shareholder in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.
- 6.8 Overseas Shareholders will only be entitled to participate in the Tender Offer if by the Closing Date they provide evidence to the satisfaction of Panmure Gordon that participation in the Tender Offer will not constitute a violation of the laws of such jurisdiction.
- 6.9 The provisions of this paragraph and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by Panmure Gordon in its absolute discretion, but only if Panmure Gordon is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law.
- 6.10 The provisions of this paragraph headed "Overseas Shareholders" supersede any terms of the Tender Offer inconsistent herewith.

PART IV TAXATION

1 Introduction

1.1 The comments below are intended only as a general guide to the current tax position under the laws of the United Kingdom and practice of HM Revenue & Customs in respect of persons who are resident in the United Kingdom for tax purposes and not employees of the Company or any of its subsidiaries and who hold their Ordinary Shares beneficially as investments (and not on trading account) and did not acquire their shares in connection with any employment.

1.2 **Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult their professional adviser. Shareholders are advised that tax treatment depends on the individual circumstances of each Shareholder and that tax treatment remains subject to change in the future.**

2 The Tender Offer

2.1 The sale of Ordinary Shares under the Tender Offer will be on-market sale in accordance with CA 2006.

2.2 Since Panmure Gordon will be acting as principal, an individual Shareholder who tenders Ordinary Shares to Panmure Gordon pursuant to the Tender Offer should be treated, for the purposes of United Kingdom taxation of chargeable gains (“**CGT**”), as though he had sold them in the ordinary way to a third party.

2.3 Therefore, if the Ordinary Shares are held as a capital asset by the Shareholder, the sale will constitute a disposal for the purposes of CGT with basic rate taxpayers paying CGT at the rate of 10 per cent. on any gain and higher and additional rate taxpayers paying CGT at the rate of 20 per cent., in both cases, subject to any available exemptions or reliefs.

2.4 A corporate Shareholder is taxable on all of its chargeable gains, subject to available losses. Corporate Shareholders are entitled to indexation allowance on the cost of their investment up to the date the chargeable gain is realised. A Shareholder whose allowable expenditure in relation to his Ordinary Shares exceeds their gross proceeds of sale would realise a capital loss (although a loss cannot be created or increased by indexation allowance). If an allowable loss arises to a Shareholder on the sale of Ordinary Shares pursuant to the Tender Offer, such Shareholder is recommended to seek professional advice on the potential utilisation of such allowable loss.

2.5 A corporate Shareholder who owns 10 per cent or more of the Ordinary Shares may qualify for the substantial shareholdings exemption and is recommended to seek professional advice.

2.6 Tax exempt Shareholders, such as pension funds and charities, are exempt from tax on any gain made on the sale of the Ordinary Shares.

3 Anti-avoidance provisions

3.1 Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals and others subject to income tax), HM Revenue & Customs can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HM Revenue & Customs to the Tender Offer, the general effect would be to tax some or all proceeds as income.

3.2 However, having consulted its professional advisers, the Company does not expect the above provisions to apply to Qualifying Shareholders who participate in the Tender Offer on the basis that not all the relevant conditions are present. Accordingly, the Company has not applied to HM Revenue & Customs for clearance under these provisions.

4 Stamp Duty and Stamp Duty Reserve Tax

No stamp duty or stamp duty reserve tax will be payable by Qualifying Shareholders on the proceeds payable to Qualifying Shareholders by Panmure Gordon under the Tender Offer.