

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

The Company's Existing Ordinary Shares are currently admitted to trading on Main Market for listed securities of the London Stock Exchange. Application will be made to the London Stock Exchange for both the Existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. It is expected that admission of the Existing Ordinary Shares and the Placing Shares will become effective and dealings in the Existing Ordinary Shares and the Placing Shares will commence on AIM on or around 12 August 2015. The Existing Ordinary Shares and the Placing Shares will not be admitted to trading on any other investment exchange. The Placing Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The Company and the Directors, whose names and functions appear on page 3 of this document, accept responsibility, individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case) the information contained in this document, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

HORNBY PLC

(incorporated and registered in England and Wales with registered number 01547390)

Appendix to the Schedule One Announcement

Further Information relating to Hornby PLC in connection with its proposed Admission to trading on AIM

Numis Securities Limited *Nominated Adviser and Broker*

This document has been prepared in accordance with the requirements of Schedule One (including the supplement for quoted applicants) of the AIM Rules that for a quoted applicant all information that is equivalent to that required for an admission document which is not currently public shall be made public. Information which is public includes, without limitation, all regulatory announcements made by the Company to the London Stock Exchange (available at www.londonstockexchange.com), all information available in respect of the Company on the FCA's National Storage Mechanism (available at www.morningstar.co.uk/uk/NSM), all information available on the Company's website (www.hornby.plc.uk) and the contents of this document (together comprising the "**Company's Public Record**").

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority (being the FCA acting as competent authority for the purposes of Part VI of FSMA) ("UKLA"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List of the UKLA.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company for the purposes of the AIM Rules and, as such, its responsibilities are owed solely to the London Stock Exchange plc and are not owed to the Company or any Director or any other entity or person and no one else in connection with this document. Numis Securities Limited will not regard any person other than the Company (whether or not a recipient of this document) as its client in relation to this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities Limited or for providing advice in relation to this document or any transaction matter or arrangement referred to in this document. Numis Securities Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Numis Securities Limited nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. Numis Securities Limited disclaims all and any responsibility or liability whether arising

in tort, contract or otherwise which it might otherwise have in respect of this document. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Numis Securities Limited may have under FSMA or the regulatory regime established thereunder.

This document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy securities to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation. In particular, this document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries.

This document contains (or may contain) certain forward-looking statements with respect to the Company and certain of its goals and expectations relating to its future financial condition and performance which involve a number of risks and uncertainties. No forward-looking statement is a guarantee of future performance and actual results could differ materially from those contained in any forward-looking statements. All statements, other than statements of historical facts, contained in this document, including statements regarding the Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward-looking statements in this document use words such as "aim", "anticipate", "target", "expect", "estimate", "plan", "goal", "believe", "will", "may", "could", "should", "future", "intend", "opportunity", "potential", "project", "seek" and other words having a similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of changes in interest rates and foreign exchange rates, changes in legislation, changes in consumer habits and other factors outside the control of the Company, that may cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements contained in this document are based upon information available to the Directors at the date of this document and the posting or receipt of the document shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the relevant Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

| | |
|--|--|
| Directors | Richard Jonathan Ames (<i>CEO</i>) Roger Timothy Canham (<i>Chairman</i>) Stephen Andrew Cooke (<i>Finance Director</i>) David Alexander Robertson Adams (<i>Non-Executive Director</i>) Charles Jerome Caminada (<i>Non-Executive Director</i>) |
| Registered Office | Westwood Margate Kent CT9 4JX |
| Company Secretary | Amy Stacey |
| Financial Adviser and Broker | Numis Securities Limited 10 Paternoster Square London EC4M 7LT |
| Auditor to the Company | PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH |
| Solicitors to the Company | Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA |
| Solicitors to Numis Securities | Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH |
| Registrars and Receiving Agents | Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU |

DEFINITIONS

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

| | |
|-----------------------------------|---|
| "Act" | the Companies Act 2006 (as amended) |
| "Admission" | the admission of the Existing Ordinary Shares and the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules |
| "AIM" | the Alternative Investment Market, a market operated by the London Stock Exchange |
| "AIM Rules" | the AIM Rules for Companies published by the London Stock Exchange from time to time |
| "Amended RCF" | the amended and restated revolving credit facility agreement, further details of which are contained in the circular issued to shareholders of the Company dated 18 June 2015 |
| "Articles" | the articles of association of the Company |
| "Barclays" | Barclays Bank PLC |
| "Board" or "Directors" | the directors of the Company whose names are set out on page 3 of this document |
| "Closing Price" | the closing middle market quotation of the Existing Ordinary Shares, as derived from the Daily Official List of the London Stock Exchange |
| "Company" | Hornby PLC |
| "Delisting" | the proposed cancellation of the listing of the Existing Ordinary Shares on the Official List and from trading on the Main Market |
| "Existing Ordinary Shares" | the 39,164,100 existing ordinary shares of 1 pence each in the capital of the Company as at 13 July 2015 (being the latest practicable date prior to the date of publication of this document) |
| "FCA" | the Financial Conduct Authority (and its predecessor, the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the premium segment of the Official List |
| "FSMA" | the Financial Services and Markets Act 2000 (as amended) |
| "Group" | the Company and its subsidiary undertakings |
| "HMRC" | HM Revenue & Customs |
| "London Stock Exchange" | London Stock Exchange plc |

| | |
|---------------------------------|--|
| "Main Market" | the London Stock Exchange's main market for listed securities |
| "Numis Securities" | Numis Securities Limited, the Company's nominated advisor and broker in connection with the Delisting, Admission and Placing |
| "Official List" | the Official List of the FCA |
| "Ordinary Shares" | the ordinary shares of 1 pence each in the share capital of the Company |
| "Placing" | the proposed conditional placing by Numis Securities on behalf of the Company of new Ordinary Shares with certain investors and existing Shareholders pursuant to the Placing Agreement |
| "Placing Agreement" | the agreement dated 18 June 2015 entered into between the Company and Numis Securities in respect of the Placing |
| "Placing Shares" | the 15,789,474 Ordinary Shares to be placed for cash in connection with the Placing |
| "Public Record" | information which is in the public domain and which includes, without limitation, all information accessed on www.londonstockexchange.com , all information included on the National Storage Mechanism on www.hemscott.com/nsm.do and all information available on Company's website on www.hornby.plc.uk |
| "Shareholders" | the holders of Existing Ordinary Shares |
| "Statutes" | the Companies Acts as defined in section 2 of the Act and includes every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under such Companies Acts. |
| "UKLA" | the UK Listing Authority comprising the FCA acting in its capacity as the competent authority for the purposes of Part V of FSMA |
| "United Kingdom" or "UK" | the United Kingdom of Great Britain and Northern Ireland |

INFORMATION RELATING TO HORNBY PLC

1 RESPONSIBILITY

The Company and the Directors, whose names and functions appear on page 3 of this document, accept responsibility, individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (having taken all reasonable care to ensure that such is the case) the information contained in this document, for which they are responsible, is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 25 February 1981 with registered number 01547390 as a private limited company with the name Wiltminster Limited. The Company was changed from a private limited company to a public limited company on 29 October 1986. The Company changed its name to Hornby Group PLC on 5 November 1986 and subsequently to Hornby PLC on 19 August 1996.
- 2.2 The principal legislation under which the Company operates and which the Placing Shares will be issued is the Act and regulations made thereunder. The Company is a public limited company and, accordingly, the liability of its members is limited to the amount paid up or to be paid up on their shares.
- 2.3 The Company's legal and commercial name is Hornby PLC.
- 2.4 The registered and head office of the Company is at Westwood, Margate, Kent CT9 4JX. The telephone number of the Company's registered office is 01843 233525. The Company is domiciled in the United Kingdom.
- 2.5 The business of the Group and its principal activity is the development, production and supply of hobby and toy products. The Group distributes its products through a network of specialist and multiple retailers throughout the United Kingdom and overseas.
- 2.6 The address of the Company's website which discloses the information required by Rule 26 of the AIM Rules is www.hornby.plc.uk.

3 SHARE CAPITAL OF THE COMPANY

- 3.1 The Company has no authorised share capital. The issued fully paid up share capital of the Company: (i) as at 13 July 2015 (being the latest practicable date prior to the date of this document); and (ii) as it is expected to be immediately following Admission, is as set out below:

| | <i>Number of Ordinary Shares</i> | <i>Amount</i> |
|------------------------------|---|---------------|
| At the date of this document | 39,164,100 with a nominal value of £0.01 each | £391,641 |
| On Admission | 54,953,574 | £54,953.57 |

- 3.2 There are no shares in the Company which are held by, or on behalf of, the Company and the Company's subsidiaries do not hold any shares in the Company.
- 3.3 Save as disclosed in the Company's Public Record, no person has any rights to purchase the unissued share capital of the Company.
- 3.4 As at 13 July 2015, there were no outstanding options over the Ordinary Shares. Details of the Company's employee share option schemes are set out in the Company's annual report and accounts for the period ended 31 March 2015, which form part of the Company's Public Record.
- 3.5 The Company's major shareholders, as disclosed in the Schedule One announcement to which this document is appended, do not have different voting rights.

4 **ARTICLES OF ASSOCIATION**

The Articles contain provisions, amongst other things, to the following effect:

4.1 **Objects**

The Company has unrestricted objects in accordance with the Act.

4.2 **Voting rights**

Subject to the rights or restrictions referred to in paragraph 4.3 below and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (i) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (ii) every proxy appointed by a member shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

4.3 **Restrictions on voting**

A member of the Company is not entitled, either in person or by proxy, in respect of any share held by him or her, to be present at any general meeting of the Company unless all amounts payable by him in respect of that share have been paid.

A member of the Company will not, if the directors determine, be entitled to attend general meetings and vote or to exercise rights of membership if he or she or another person appearing to be interested in the relevant shares has failed to comply with a notice given under section 793 of the Act within 14 days. The restrictions will continue for the period specified by the board provided that such period will end not later than seven days after the earliest of (i) due compliance to the satisfaction of the board with the section 793 notice; or (ii) receipt by the Company of notice that the shareholding has been sold to a third party pursuant to an arm's length transfer.

4.4 **Dividends**

The Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profits. The directors may pay such interim dividends as appear to the board to be justified by the financial position of the Company. No dividends payable in respect of an

Ordinary Share will bear interest. The directors may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive further Ordinary Shares, credited as fully paid instead of cash in respect of all or part of a dividend (a "**scrip dividend**"). The directors may, pursuant to the provisions of the Articles relating to disclosure of interests, withhold dividends or other sums payable in respect of shares which are the subject of a notice under section 793 of the Act and which represent 0.25 per cent. or more in nominal value of the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of that notice and the member holding those shares may not elect, in the case of a scrip dividend, to receive shares instead of that dividend.

The Company or its directors may fix a date as the record date for a dividend provided that the date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared. A dividend unclaimed for a period of 12 years from the date when it became due for payment will be forfeited and cease to remain owing by the Company.

4.5 **Return of capital**

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by the Statutes (as defined in the Articles), divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division will be carried out as between the members or different classes of members. The liquidator may with the same sanction, vest the whole or any part of the assets in trustees on trusts for the benefit of the members as the liquidator, with the same sanction, thinks fit but no member will be compelled to accept any assets on which there is any liability.

4.6 **Variation of rights**

All or any of the rights attaching to a class of shares in the Company may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of the relevant class (excluding any shares of the class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting is two persons holding, or represented by proxy, not less than one-third in nominal value of the issued shares of the relevant class (excluding any shares of the class held as treasury shares).

4.7 **Transfer of shares**

Subject to the restriction described in this paragraph, any member may transfer all or any of his or her shares in any manner which is permitted by the Statutes or in any other manner approved by the board. A transfer of a certificated share shall be in writing in the usual common form or in any other form permitted by the Statutes or approved by the board. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Statutes and is from time to time approved by the board.

The directors have a discretion to refuse to register a transfer of a certificated share which is not fully paid (provided that this does not prevent dealings in the shares from taking place on an open and proper basis). The directors may also decline to register a transfer of shares in certificated form unless (i) the instrument

of transfer is deposited at the office of the Company or such other place as the board may appoint, accompanied by the certificate for the shares to which it relates if it has been issued and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer and if the transfer is signed by some other person on his behalf, the authority of that person so to do; (ii) the instrument of transfer is in respect of only one class of share and (iii) is in favour of no more than four transferees. The directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under section 793 of the Act and which represent at least 0.25 per cent. of the issued shares of their class (calculated exclusive of treasury shares), and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

Save as aforesaid, the Articles contain no restrictions as to the free transferability of fully paid shares.

4.8 **Alteration of capital and purchase of own shares**

The Company may alter its share capital in accordance with the provisions in any manner permitted by the Statutes.

4.9 **General meetings**

4.9.1 *Annual general meetings*

The board will convene and the Company will hold annual general meetings in accordance with the requirements of the Statutes.

4.9.2 *Convening of general meetings*

All meetings other than annual general meetings will be called general meetings. The board may convene a general meeting whenever it thinks fit. The board may also summon a general meeting for the purpose of appointing additional directors where there is a vacancy in the number of directors and such number of directors is less than the minimum fixed as the quorum. A general meeting will also be convened by the board on the requisition of members pursuant to the provisions of the Statutes or, in default, may be convened by such requisitions, as provided by the Statutes. The board will comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

4.9.3 *Orderly conduct of meetings*

The board may, both prior to and during any general meeting, make any arrangements and impose any restrictions which it considers appropriate to ensure the security and/or the orderly conduct of any such general meeting, including, without limitation, arranging for any person attending any such meeting to be searched, for items of personal property which may be taken into any such meeting to be restricted and for any person (whether or not a member of the Company) who refuses to comply with any such arrangements or restrictions to be refused entry to or excluded from any such meeting.

4.9.4 *Notice of general meetings*

Subject to the provisions of the Statutes, an annual general meeting and all other general meetings of the Company will be called by at least such minimum period of notice as is prescribed under the Statutes for the type of meeting concerned.

The notice will specify the place, day and time of the meeting and the general nature of the business to be transacted.

Notice of every general meeting will be given to all members other than any who, under the provisions of the Articles or the terms of issue of the shares which they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each director.

Every notice of meeting will state with reasonable prominence that a member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and vote at that meeting instead of him and that a proxy need not be a member of the Company.

4.9.5 *Quorum*

No business, other than the appointment of a chairman, will be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting.

Except as otherwise provided by the Articles two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or by proxy or a duly authorised representative of a corporation which is a member will be a quorum. If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) from the time appointed for the commencement of a general meeting a quorum is not present, or if during the general meeting a quorum ceases to be present, the meeting, if convened by or on the requisition of members, will be dissolved. In any other case, it will stand adjourned to such other day, time and place as the chairman may, subject to the Statutes, determine. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, or if during the general meeting a quorum ceases to be present, the adjourned meeting will be dissolved.

4.9.6 *Chairman*

At each general meeting, the chairman of the board or, if he is absent or unwilling, the deputy chairman will preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for the commencement of the general meeting, or if neither the chairman nor the deputy chairman is willing to act as chairman, the directors present will choose one of their number to act, or if one director only is present he shall preside as chairman of the meeting if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman of the meeting.

4.9.7 *Directors entitled to attend and speak*

Each director will be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

4.9.8 *Adjournment*

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting will) adjourn the meeting either sine die or to another time or place.

In addition, the chairman of the meeting may, at any time without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) either sine die or to another time or place if, in his opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting. Any such member may nevertheless appoint a proxy for the adjourned meeting in accordance with this Articles.

4.9.9 *Method of voting and demand for poll*

At a general meeting, a resolution put to the vote of the meeting will be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) any two directors; or
- (c) not less than five members present in person or by proxy having the right to vote on the resolution; or
- (d) a member or members present in person or by proxy representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or
- (e) a member or members present in person or by proxy holding shares conferring the right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares),

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

4.9.10 *Taking a poll*

If a poll is demanded (and the demand is not withdrawn), it will be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members).

4.9.11 *Proxies*

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

4.9.12 *Form of proxy*

An appointment of a proxy will be in writing in:

- (a) hard copy in any usual form or in any other form which the board may approve, signed by the appointor, or his agent duly authorised in writing, or, if the appointor is a corporation, will either be executed under its common seal or be signed by some agent or officer authorised to sign it; or
- (b) electronic form.

4.9.13 *Deposit of proxy*

The appointment of a proxy will:

- (a) if in hard copy form, be delivered by hand or by post to the office or such other place within the UK as may be specified by or on behalf of the Company for that purpose in the notice convening the meeting or in any form of proxy sent by or on behalf of the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;
- (b) if in electronic form, be received at an address specified (or which is deemed by a provision in the Act to have been specified) by or on behalf of the Company for the purpose of receiving documents or information in electronic form in the notice convening the meeting or in any form of proxy sent by or on behalf of the Company in relation to the meeting or in any invitation to appoint a proxy issued by or on behalf of the Company in relation to the meeting or not less than 48 hours before the time appointed for holding the meeting or adjourned meeting to which it relates;
- (c) in the case of a poll which is taken more than 48 hours after it is demanded, be delivered or received as aforesaid not less than 24 hours before the time appointed for the taking of the poll; or
- (d) in the case of a poll which is not taken at the meeting at which it is demanded but is taken not more than 48 hours after it was demanded, be delivered in hard copy form at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.

The board may at its discretion determine that in calculating the periods mentioned above, no account will be taken of any part of a day that is not a working day as defined in the Statutes.

In relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of a proxy to be made by electronic means in the form of an uncertificated proxy instruction.

An appointment of a proxy relating to more than one meeting (including any adjournment thereof) having once been so received for the purposes of any meeting will not require to be received again for the purposes of any subsequent meeting to which it relates.

4.9.14 *Notice of revocation of proxy*

Notice of the revocation of the appointment of a proxy may be given in any lawful manner which complies with the regulations (if any) made by the directors to govern the revocation of a proxy.

4.10 **Directors**

4.10.1 *Number*

Unless otherwise determined by ordinary resolution of the Company, the number of directors (other than alternate directors) will not be less than two but there will be no maximum number of directors.

4.10.2 *Appointment of directors*

Subject to the provisions of the Articles, any person who is willing to act to be a director, either to fill a vacancy or as an additional director may be appointed by:

- (a) the Company by ordinary resolution; or
- (b) the board of directors of the Company,

but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. Any director so appointed by the board shall retire at the next annual general meeting and shall then be eligible for re-appointment.

No person (other than a director retiring in accordance with the Articles) will be appointed or re-appointed a director at any general meeting unless:

- (a) he is recommended by the board of directors of the Company; or
- (b) not less than seven nor more than 42 clear days before the date appointed for the meeting notice in writing has been given to the Company by a member entitled to vote at the meeting (other than the person to be proposed) has been given to the Company of the member's intention to propose that person for appointment or re-appointment together with confirmation in writing by that person of his willingness to be appointed or re-appointed and the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors.

4.10.3 *Remuneration*

The directors (other than any director who for the time being holds an executive office of employment with the Company or a Subsidiary of the Company) will be paid out of the funds of the Company by way of remuneration for their services as directors such fees not exceeding in aggregate £500,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable shall be distinct from any remuneration or other amounts payable to a director under other provisions of the Articles and will accrue from day to day. The directors will be paid all reasonable travelling, hotel and other expenses properly incurred in connection with the exercise of their powers and discharge of their duties including expenses of travelling to and from meetings of the board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

4.10.4 *Retirement of directors by rotation*

- (a) At every annual general meeting any director:
 - (i) who has been appointed by the board since the previous annual general meeting;
 - (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
 - (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,

will be required to retire from office and may offer himself for re-appointment by the members.

- (b) The names of the directors to retire by rotation will be stated in the notice of the annual general meeting or in any document accompanying the notice. The directors to retire on each occasion will be determined (both as to number or identity) by the composition of the board on the day which is 14 days prior to the date of the notice convening the annual general meeting and no directors will be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time but before the close of the meeting.

4.10.5 *Position of retiring directors*

A director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to continue to act, be re-appointed. If he is re-appointed he is treated as continuing in office throughout. If he is not re-appointed, he will retain office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to re-appoint the director is put to the meeting and lost.

4.10.6 *Removal of directors*

The Company may by ordinary resolution, of which special notice has been given in accordance with the Statutes, remove any director before his period of office has expired notwithstanding anything in the Articles or in any agreement between him and the Company.

4.10.7 *Vacation of office of director*

Without prejudice to the provisions of the Articles for retirement or removal, the office of a director will be vacated:

- (a) if he ceases to be a director by virtue of any provision of the Statutes or is removed from office pursuant to the Articles;
- (b) if he is prohibited by law from being a director;
- (c) if he becomes bankrupt or he makes any arrangement or composition with his creditors generally;
- (d) if a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become

physically or mentally incapable of acting as a director and may remain so for more than three months;

- (e) if for more than six months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the board, from meetings of the board held during that period and the board resolves that his office be vacated; or
- (f) if he serves on the Company notice of his wish to resign, in which event he will vacate office on the service of that notice on the Company or at such later time as is specified in the notice.

4.10.8 *Executive Directors*

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the Company (including that of chairman, chief executive or managing director) for such period (subject to the provisions of the Statutes) and on such terms as the board may decide any may revoke or terminate any appointment so made without prejudice to any claim for damages for breach of any contract of service between the director and the Company.

A director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a director.

4.10.9 *Power to appoint alternate directors*

Each director may appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director will be subject to the approval of a majority of the directors or a resolution of the board.

An alternate director will be entitled to receive notice of all meetings of the board and of all meetings of committees of which the director appointing him is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of the Articles will apply as if he were a director.

Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he will count as only one for the purpose of determining whether a quorum is present.

4.10.10 *Conflicts of interest requiring board authorisation*

- (a) A "**conflict of interest**" means, in relation to any person, an interest or duty which that person has which directly or indirectly conflicts or may conflict with the interests of the Company or the duties owed by that person to the Company but excludes a conflict of interest arising in relation to a transaction or arrangement with the Company (to which the provisions of paragraph 1.10.10 apply).
- (b) The board may, subject to the quorum and voting requirements set out in this Article, authorise any matter which would otherwise involve a director

breaching his duty under the Statutes to avoid conflicts of interest ("**Conflicts**").

- (c) A director seeking authorisation in respect of a Conflict shall declare to the board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the board with such details of the relevant matter as are necessary for the board to decide how to address the Conflict together with such additional information as may be requested by the board.
- (d) Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal and any authority given by the board shall be effected in the same way that any other matter may be proposed to and resolved upon the board under the provisions of the Articles save that:
 - (i) the relevant director and any other director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and
 - (ii) the relevant director and any other director with a similar interest may, if the other members of the board so decide, be excluded from any board meeting while the Conflict is under consideration.
- (e) Where the board gives authority in relation to a Conflict, or where any of the situations described in paragraph 1.10.10 applies in relation to a director (a "**Relevant Situation**"):
 - (i) the board may (whether at the relevant time or subsequently) (i) require that the relevant director is excluded from the receipt of information, the participation in discussion and/or the making of decisions (whether at meetings of the board or otherwise) related to the Conflict or Relevant Situation; and (ii) impose upon the relevant director such other terms for the purpose of dealing with the Conflict or Relevant Situation as it may determine;
 - (ii) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the board in relation to the Conflict or Relevant Situation;
 - (iii) the board may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
 - (iv) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and
 - (v) the board may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.
- (f) The directors may authorise a matter which may give rise to a Conflict on the part of a person who is proposed to be appointed as a director to the

board and any authorisation of such matter by the directors shall promptly be communicated to such person and shall apply to him on his appointment as a director.

- (g) A director shall not be regarded as having a Conflict by reason of his also being a director of or holding any other position with another Group Company and the director shall not be in breach of any duty to the Company by reason of his disclosure of any information to the other Group Company or by anything done by the other Group Company including the exploitation of any property, information or opportunity following any such disclosure to it by the director. The directors may resolve that a specified company shall no longer be treated as a Group Company for the purposes of this Article.

4.10.11 *Other conflicts of interest*

- (a) If a director is in any way, directly or indirectly, interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Statutes.
- (b) Provided he has declared his interest in accordance with paragraph 1.10.11(a), a director may:
 - (i) be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest;
 - (ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the board may decide, either in addition to or in lieu of any remuneration under any other provision of the Articles;
 - (iii) act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as auditor);
 - (iv) be or become a director or other officer of, or employed by or otherwise be interested in any holding company or subsidiary company of the Company or any other company in which the Company may be interested; and;
 - (v) be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a conflict of interest at the time of his appointment as a director of that other company.

4.10.12 *Quorum and voting requirements*

- (a) A director shall not vote on (or be counted in the quorum) in relation to any resolution of the board concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or

varying its terms), or the termination of the appointment, of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each director and in that case each of the directors concerned (if not otherwise debarred from voting under this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

(b) A director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save:

(i) where the other directors resolve that the director concerned should be entitled to do so in circumstances where they are satisfied that the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(ii) in any of the following circumstances:

(A) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by the director or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(B) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has himself assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(C) the giving to him of any other indemnity, where all other directors are also being offered indemnities on substantially the same terms;

(D) the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors are being offered substantially the same arrangements;

(E) any contract concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer the director is or may be entitled to participate as a holder of securities or he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(F) any contract in which the director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;

(G) any contract concerning any other company in which the director is interested, directly or indirectly and whether as

an officer, shareholder, creditor or otherwise, unless the company is one in which he has a relevant interest;

- (H) any contract relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (I) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company and/or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
 - (J) any contract concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death, or disability benefits scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to employees to which the fund or scheme relates; and
 - (K) any contract concerning the purchase or maintenance of insurance against any liability, for the benefit of persons including directors.
- (c) A company shall be deemed to be one in which a director has a relevant interest if and for so long as he (together with persons connected with him within the meaning of sections 252 to 255 of the Act) to his knowledge holds an interest in shares (as determined pursuant to sections 820 to 825 of the Act) representing 1 per cent. or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company or if he can cause 1 per cent. or more of those voting rights to be exercised at his direction; and
- (d) Where a company in which a director has a relevant interest is interested in a contract, he shall also be deemed interested in that contract.

4.10.13 *Benefits*

Subject to the provisions of the Statutes a director shall not be disqualified by his office from entering into any contract with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise. Subject to the interest of the director being duly declared, a contract entered into by or on behalf of the Company in which any director is in any way interested shall not be liable to be avoided; nor shall any director so interested be liable to account to the Company for any benefit resulting from the contract by reason of the director holding that office or of the fiduciary relationship established by his holding that office.

4.10.14 *Powers of the board*

The business of the Company will be managed by the board which may exercise all the powers of the Company, subject to the provisions of the Statutes and, the Articles. No alteration of the Articles will invalidate any prior act of the board which would have been valid if the alteration had not been made.

4.10.15 *Borrowing powers*

Subject to the provisions of the Statutes and the Articles, the board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the Company's undertaking, property, assets (both present and future) and uncalled capital and to issue debentures and other securities to give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The board will restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Group (as defined in the Articles) (exclusive of any Group Company's borrowings which are owed to another Group Company) will not, without the previous sanction of the Company in general meeting, exceed £50,000,000.

For the purpose, "**adjusted capital and reserves**" and "**borrowings**" shall have the meanings given to them in the Articles.

4.10.16 *Indemnity of officers*

Subject to the provisions of and so far as may be permitted by and consistent with the Statutes each current or former director or other officer (other than an auditor) of the Company or any Associated Company (as defined in the Articles) may be indemnified out of the assets of the Company against:

- (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company other than in the case of a current or former director:
 - (i) any liability to the Company or any Associated Company; and
 - (ii) any liability of the kind referred to in section 234(3) of the Act; and
- (b) any liability incurred by or attaching to him in connection with the activities of the Company or any Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) other than a liability of the kind referred to in section 235(3) of the Act; and
- (c) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers.

For the purpose of this provision in the Articles, references to "**liability**" will include all costs and expenses incurred by the current or former director or other officer (other than an auditor) in relation thereto.

4.10.17 *Funding of defence proceedings*

Subject to the provisions of and so far as may be permitted by the Statutes, the board may exercise all the powers of the Company to:

- (a) provide any current or former director or other officer (other than an auditor) of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company, or in connection with any application for relief under the provisions mentioned in section 205(5) of the Act; and
- (b) do anything to enable any such person to avoid incurring expenditure,

but so that the terms set out in section 205(2) of the Act shall apply to any such provision of funds or other things so done. For the purpose of this provision of the Articles references to "**director**" in section 205(2) of the Act are to be deemed to include references to a former director or other officer (other than an auditor) of the Company.

4.10.18 *Directors' and Officers' liability insurance*

The board may purchase and maintain for or for the benefit of any person who holds or has at any time held a relevant office (as defined in the Articles), insurance against any liability or expense incurred by him in relation to the Company or any Associated Company or any third party in respect of any act or omission in the actual or purported discharge of his duties or otherwise in connection with holding his office.

4.10.19 *Delegation to individual directors*

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation. The power to delegate contained in this provision of the Articles shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain provisions of the Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

4.10.20 *Committees*

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) including without prejudice to the generality of the foregoing all powers, authorities and discretions whose exercise involves or may involve the payment of remuneration to, or the conferring of any other benefit on, all or any of the directors to any committee consisting of such person or persons (whether directors or not) as it thinks fit, provided that the majority of the members of the committee are directors and that no meeting of the committee will be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors.

4.10.21 *Board meetings*

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

4.10.22 *Notice of board meetings*

Notice of a board meeting will be given to each director and will be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in hard copy form to him at his last known address or any other address given by him to the Company for this purpose or sent in electronic form to him at an address given by him to the Company for this purpose.

4.10.23 *Quorum*

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, will be two. Subject to the provisions of the Articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

4.10.24 *Voting*

Questions arising at any meeting will be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting will have a second or casting vote, unless he is not, in accordance with the Articles, to be counted as participating in the decision-making process for quorum, voting or agreement purposes.

4.10.25 *Telephone and video conference meetings*

A meeting of the board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- (a) to hear each of the other participating directors addressing the meeting; and
- (b) if he wishes, to address all of the other participating directors simultaneously, whether by conference telephone or by video conference or by any other form of communications equipment (whether in use when the Articles are adopted or developed subsequently) or by a combination of any such methods.

A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

4.10.26 *Resolutions in writing*

Any director may propose a directors' written resolution and the secretary must propose a written resolution if a director so requests. A resolution in writing signed by all the directors who are entitled to notice of a meeting of the board, to attend such meeting and to vote on such resolution will be as valid and effective as if it had been passed at a meeting of the board duly called and constituted provided that the number of directors signing the resolution is not less than the number of directors required for a quorum necessary for the transaction of the business of the

board. The resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the directors concerned.

5 **RISK FACTORS**

The risk factors contained in Part 2 of the circular issued to shareholders of the Company dated 18 June 2015 are incorporated by reference into this document.

6 **INFORMATION ON THE DIRECTORS**

6.1 As at the date of this document and immediately following Admission, the interests (including related financial products as defined in the AIM Rules) of the Directors (including persons connected with the Directors within the meaning of section 252 of the Act and any member of the Director's family (as defined in the AIM Rules)) in the issued share capital of the Company are as follows:

| <i>Name of Director</i> | <i>Number of Ordinary Shares held at 13 July 2015 (being the latest practicable date prior to the date of this document)</i> | <i>Percentage of issued Ordinary Share capital at 13 July 2015 (being the latest practicable date prior to the date of this document)</i> | <i>Number of Ordinary Shares to be held immediately following Admission</i> | <i>Percentage of enlarged issued Ordinary Share capital immediately following Admission</i> |
|--------------------------------|---|--|--|--|
| Richard Ames | 36,983 | 0.09% | 36,983 | 0.07% |
| Roger Canham | 40,000 | 0.10% | 40,000 | 0.10% |
| Steve Cooke | - | - | - | - |
| David Adams | 10,000 | 0.03% | 10,000 | 0.0002% |
| Charlie Caminada | 32,325 | 0.08% | 32,325 | 0.06% |
| Total | 119,308 | 0.21% | 119,308 | 0.23% |

6.2 As at 13 July 2015 (being the latest practicable date prior to the date of this document) none of the Directors have been granted options under the Company's share option schemes which are outstanding.

6.3 Save as stated above or as otherwise disclosed in the Company's Public Record:

(a) none of the Directors (nor any person connected with any of them within the meaning of section 252 of the Act) has any interest, whether beneficial or non-beneficial, in the share or loan capital in the Group or in any related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares;

- (b) there are no outstanding loans granted or guarantees provided by any member of the Group to or for the benefit of the Directors or provided by any Director to any member of the Group;
- (c) none of the Directors has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group;
- (d) none of the Directors has any option or warrant to subscribe for any shares in the Company; and
- (e) none of the Directors has any interest, direct or indirect, in any contract or arrangement which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole, which were effected by any member of the Group and which remains in any respect outstanding or unperformed.

6.4 In addition to their directorships in the Group, the Directors hold, or have during the five years preceding the date of this document held, the following directorships or partnerships:

| <i>Director (age)</i> | <i>Current Directorships /Partnerships</i> | <i>Past Directorships/ Partnership</i> |
|------------------------------|--|--|
| Richard Ames (45) | Alkrington Green Ltd | 49'S Limited Association of British Bookmakers Limited Ganton House Investments Limited Ladbroke (Course) Limited Ladbroke Leasing (South East) Limited Ladbrokes Betting & Gaming Limited Ladbrokes plc Ladbrokes PT Limited Lucky Choice Limited |
| Roger Canham (51) | Asta Court Management Limited Coppice Lane Management Limited County Property Limited CPPGroup plc Easternrose Limited Gatebrand Limited MAF Properties (Midlands) Limited Phoenix Asset Management | Northampton Road Management Company Limited St Gilbert's Church Of England Primary School |

Partners Limited
Rutland Homes Limited

Steve Cooke (49)

Advance Mortgage Funding Limited
Barnwoods Limited
BDS Mortgage Group Limited
E.Surv Limited
Energy-Assessors.com Limited
First Complete Limited
First2protect Limited
Hawes & Co (Thames Ditton) Limited
Hawes & Co Limited
Homefast Property Services Limited
Lending Solutions Holdings Limited
Lending Solutions Limited
Linear Financial Services Holdings Limited
Linear Financial Services Limited
Linear Mortgage Network Holdings Limited
Linear Mortgage Network Limited
LSL Corporate Client Services Limited
LSL Property Services plc
LSLI Limited
LSL-One Limited
Marsh & Parsons (Holdings) Limited
Marsh & Parsons Limited
New Daffodil Limited
Reeds Rains Limited
St Trinity Limited
Your-move.co.uk Limited

David Adams (60) Conviviality Retail plc
EVGH Limited
Ecovision (Group) Limited
Fevertree Drinks plc
Halfords Group PLC

Alexon Group plc
BCC Realisations Limited
Blane Leisure Limited
BRC Trading Limited
HMV Group plc

| | |
|-----------------------------------|------------------------------|
| Park Cameras Limited | Jessops PLC |
| Stafford Place Consulting Limited | JGLCC Camera Company Limited |
| Walk The Walk In Action Limited | JJB Sports plc |
| Walk The Walk Worldwide | Mackinnon's of Dyce Limited |
| Walkwear Limited | Mayfind Limited |
| Wine Rack Ltd | Musto Bidco Limited |
| | Musto Limited |
| | Musto Midco Limited |
| | Musto Topco Limited |
| | Snap Equity Limited |
| | Tecno Limited |
| | Woc Realisations Limited |

| | | |
|--------------------------|-------------------------------|-----------------------------|
| Charlie Caminada (57) | 5 Rosary Gardens Limited | Ludorum Enterprises Limited |
| | 61 Albert Bridge Road Limited | Ludorum plc |
| | Heathfield School | |
| | Shoe Zone plc | |
| | Tanglin Enterprise Limited | |

6.5 David Adams has been a director of:

- (a) HMV Group plc from 1 June 2012. The company was placed into administration on 15 January 2013 and was subsequently placed into creditors' voluntary liquidation on 9 July 2014;
- (b) Mayfind Limited from 21 August 2012. The company was placed into creditors' voluntary liquidation on 20 March 2013;
- (c) BCC Realisations Limited from 16 April 2008. The company was placed into administration on 23 December 2008 and was subsequently placed into creditors' voluntary liquidation on 4 November 2009;
- (d) Woc Realisations Limited since 27 May 2008. The company was placed into administration on 23 December 2008 and was subsequently placed into creditors' voluntary liquidation on 4 November 2009; and
- (e) JJB Sports plc from 29 January 2010. The company was placed into administration, which remains ongoing, on 1 October 2012.

6.6 David Adams was also a director of:

- (a) Mackinnon's of Dyce Limited since 28 May 2010. A winding up order against the company was made on 22 February 2011 and the company was dissolved on 9 January 2015; and
- (b) David Adams was a director of Alexon Group plc from 1 September 2010. The company was placed into administration on 29 September 2011 and dissolved on 24 December 2014.

- 6.7 Save as disclosed at paragraphs 6.5 and 6.6 above or on the Company's Public Record, none of the Directors has:
- (a) any unspent convictions relating to indictable offences;
 - (b) had a bankruptcy order made against him or entered into any individual voluntary arrangements;
 - (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding, such events;
 - (d) been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding, such events;
 - (e) had any asset belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; or
 - (f) been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 6.8 The Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise(s) or could exercise control of the Company or any arrangements the operation of which may, at a subsequent date, result in a change in the control of the Company.
- 6.9 There is no arrangement under which any Director has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

7 **DIVIDEND POLICY**

Assuming that sufficient distributable reserves are available at the time, the Board intends to adopt a progressive dividend policy which reflects the long-term earnings and cash flow potential of the Group. The Company may revise its dividend policy from time to time. Under the Amended RCF, a dividend cap of 60 per cent. of distributable profits in any relevant financial period has been implemented. A similar restriction on share buy-backs has been put in place.

8 **LITIGATION AND ARBITRATION**

Neither the Company nor any member of the Group is, nor has it been at any time during the 12 months immediately preceding the date of this document, involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability and there are no such proceedings of which the Company is aware which are pending or threatened.

9 THE TAKEOVER CODE AND THE COMPANIES ACT

9.1 Mandatory takeover bids

9.1.1 The Takeover Code applies to all takeover and merger transactions in relation to the Company, and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Takeover Code provides an orderly framework within which takeovers are conducted and the Panel has now been placed on a statutory footing.

9.1.2 The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the Takeover Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

9.1.3 There are not in existence any current mandatory takeover bids in relation to the Company.

9.2 Squeeze out

Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent. of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

9.3 Sell out

Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less than 90 per cent. in value of all the voting shares in the Company and carry not less than 90 per cent. of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights

under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

10 UK TAXATION

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and in the case of individual Shareholders domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than under an individual savings account), and who are the absolute beneficial owners of both their Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring Ordinary Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) or trustees and beneficiaries as regards shares held in trust is not considered.

Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK is strongly recommended to consult their own professional advisers.

10.1 Taxation of chargeable gains

10.1.1 UK tax resident Shareholders

Disposals

- (a) If a Shareholder sells or otherwise disposes of all or some of the Ordinary Shares, he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to tax on any chargeable gains.
- (b) HMRC have confirmed that securities dealt with on AIM will not be treated as listed or quoted securities for tax purposes. There are a number of tax reliefs available for unquoted securities (subject to a number of different requirements in each case) and anyone who requires further information on their availability should consult an appropriate professional adviser.

10.1.2 Non-UK tax resident Shareholders

- (a) A Shareholder who is not resident for tax purposes in the UK will not generally be subject to CGT on a disposal of Ordinary Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Ordinary Shares are used, held or acquired.
- (b) Such Shareholders may be subject to foreign taxation on any gain under local law.
- (c) An individual Shareholder who has ceased to be resident for tax purposes in the UK for a period of less than five tax years and who disposes of all or

part of his Ordinary Shares during that period may be liable to CGT on his return to the UK, subject to available exemptions or reliefs.

10.2 **Taxation of dividends**

10.2.1 The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

10.2.2 An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a tax credit equal to one-ninth of the amount of the dividend received, which is equivalent to 10 per cent. of the aggregate dividend received and the tax credit (the "gross dividend"), and will be subject to income tax on the gross dividend. An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10 per cent., so that the tax credit will satisfy the income tax liability of such a Shareholder in full. A Shareholder who is subject to income tax at the higher rate will be liable to income tax on the gross dividend at the rate (currently) of 32.5 per cent. to the extent that such sum, when treated as the top slice of the Shareholder's income, falls above the threshold for higher rate income tax. After taking into account the 10 per cent. tax credit, a higher rate taxpayer will therefore be liable to additional income tax of 22.5 per cent. of the gross dividend, equal to 25 per cent. of the net dividend. Where the tax credit exceeds the Shareholder's tax liability the Shareholder cannot claim repayment of the tax credit from HMRC.

10.2.3 An individual Shareholder who is resident for tax purposes in the UK and who is liable to tax at the "additional" rate will be liable to tax on the gross dividend at the rate of 37.5 per cent.

10.2.4 Corporate Shareholders who are UK resident should note that legislation has been enacted that has made significant changes to the corporation tax treatment of dividends. The legislation removes the previous blanket exemption from corporation tax that generally applied to dividends paid by one UK resident company to another and replaces it with more limited classes of exemption. Although it is likely that most dividends paid on the Ordinary Shares to UK resident corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax the exemptions are not universal and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own professional advisers.

10.2.5 UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

10.2.6 Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the tax credit attaching to dividend received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

10.3 **UK Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

10.3.1 No stamp duty or SDRT will arise on the issue or allotment of new Ordinary Shares by the Company pursuant to the Placing nor on transfers or agreements to transfer

Ordinary Shares by virtue of the exemption from 28 April 2014 from stamp duty and SDRT on shares traded on AIM (and not listed on a stock exchange).

- 10.3.2 The statements in this paragraph 10.3 apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

11 **GENERAL**

- 11.1 It is estimated that the total costs and expenses payable by the Company in connection with or incidental to the Placing and Admission including London Stock Exchange fees, printing, advertising and distribution costs, legal, accounting and corporate finance fees are estimated to amount to approximately £1 million (excluding any VAT payable thereon).
- 11.2 Numis Securities has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which it is included.

14 July 2015