

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Coms PLC before the date that the Existing Ordinary Shares are marked “ex-entitlement” to the Open Offer by the London Stock Exchange, please immediately forward this document, together with the accompanying Application Form and Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected. However, this document and any accompanying documents should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa.

The total consideration under the Open Offer will be less than €5,000,000 (or an equivalent amount) in aggregate. Accordingly, this document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (“FCA”), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

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# **Coms PLC**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 05332126)*

## **Open Offer of up to 216,278,701 New Ordinary Shares at 0.5 pence per share**

### **Notice of General Meeting**

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**CHARLES STANLEY SECURITIES**

*Nominated Adviser and Broker*

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You should read the whole of this document. Your attention is drawn in particular to the letter from the Chairman of Coms PLC which is set out in Part I of this document and which contains the unanimous recommendation of the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below. In addition, your attention is drawn to Part II of this document entitled “Risk Factors” which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange. 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 UK Listing Authority. 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. An application will be made to the London Stock Exchange for the New Ordinary Shares to be issued pursuant to the Open Offer to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares to be issued pursuant to the Open Offer will commence at 8.00 a.m. on 22 June 2015.

Notice of a General Meeting of Coms PLC, to be held at 11 a.m. on 19 June 2015 at the offices of Coms PLC Beacon House, Stokenchurch Business Park, Stokenchurch, Buckinghamshire HP14 3FE, is set out at the end of this document. The Form of Proxy for use at the meeting accompanies this document and, to be valid,

**should be completed and returned to the Company's registrars, Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL, as soon as possible and, in any event, so as to arrive by no later than 11.00 a.m. on 17 June 2015. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.**

**The distribution of this document and/or the accompanying documents, and/or the transfer of Open Offer Entitlements or Excess Open Offer Entitlements, in jurisdictions other than the UK, including the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.**

None of the New Ordinary Shares or the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Japan, Canada, Australia, or the Republic of Ireland. Subject to certain exceptions, the New Ordinary Shares and the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements or the Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Australia, Canada or Japan. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part IV of this document.

Charles Stanley, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no-one else in connection with the Placing and Open Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing and Open Offer, or any other matter referred to herein. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange and the Company and not to any other person in respect of his decision to acquire New Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by Charles Stanley as to any of the contents of this document.

**The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 17 June 2015. The procedure for acceptance and payment is set out in Part IV of this document and, where relevant, in the Application Form.**

Qualifying non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 4 June 2015. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 4 June 2015, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

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

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## **DIRECTORS AND ADVISERS**

|  |   |
|--|---|
| <b>Directors</b>   | Frank Beechinor ( <i>Non-Executive Chairman</i> )<br>Diana Dyer Bartlett ( <i>Non-Executive Director</i> )<br>Mark Braund ( <i>Non-Executive Director</i> )<br>Guy Van Zwanenberg ( <i>Non-Executive Director</i> ) |
| <b>Nominated adviser and broker</b>                      | Charles Stanley Securities<br>131 Finsbury Pavement<br>London EC2A 1NT  |
| <b>Legal advisers to the Company</b>                     | BPE Solicitors LLP<br>St. James House<br>St. James Square<br>Cheltenham<br>GL50 3PR   |
| <b>Legal advisers to the nominated adviser</b>           | Reed Smith LLP<br>Broadgate Tower<br>20 Primrose Street<br>London<br>EC2A 2RS   |
| <b>Registrars and Receiving Agent for the Open Offer</b> | Share Registrars Ltd<br>Suite E<br>First Floor<br>9 Lion and Lamb Yard<br>Farnham<br>Surrey GU9 7LL   |

## OPEN OFFER STATISTICS

|  |  |
|--|--|
| Issue Price for each New Ordinary Share  | 0.5 pence  |
| Basis of Open Offer  | 2 New Ordinary Shares for every 9 Existing Ordinary Shares |
| Number of Existing Ordinary Shares in issue as at 29 May (being the date of the announcement of the Capital Raising) | 973,254,153  |
| Number of New Ordinary Shares to be issued pursuant to the Placing (at the Issue Price)                              | 200,000,000  |
| Number of New Ordinary Shares to be issued pursuant to the Open Offer <sup>1</sup> (at the Issue Price)              | 216,278,701  |
| Enlarged Share Capital immediately following completion of the Placing and Proposed Open Offer <sup>1</sup>          | 1,389,532,854  |
| Market capitalisation at Issue Price <sup>1</sup>  | £6.95 million  |
| New Ordinary Shares as a percentage of the Enlarged Share Capital <sup>1</sup>                                       | 30.0 per cent.   |
| Estimated gross proceeds of the Placing and Open Offer <sup>1</sup>  | £2.08 million  |
| Estimated net proceeds of the Placing and Open Offer <sup>1</sup>  | £1.98 million  |

<sup>1</sup> Assuming full take-up under the Open Offer.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

**2015**

|  |                             |
|--|-----------------------------|
| Record Date for entitlement under the Open Offer   | close of business on 28 May |
| Announcement of the Placing and Open Offer   | 29 May                      |
| Ex-entitlement date for the Open Offer   | 3 June                      |
| Posting of this document, Form of Proxy, Ex-Entitlement to Qualifying non-CREST Shareholders only, the Application Form  | 3 June                      |
| Admission effective and dealings commence in the Placing Shares  | 3 June                      |
| Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders  | 8.00 a.m. on 4 June         |
| Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST                                    | 4.30 p.m. on 12 June        |
| Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST   | 3.00 p.m. on 15 June        |
| Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)   | 3.00 p.m. on 15 June        |
| <b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)</b> | 11.00 a.m. on 17 June       |
| <b>Latest time and date for receipt of Forms of Proxy</b>  | 11.00 a.m. on 17 June       |
| Expected time and date of announcement of results of the Open Offer  | 7.00 a.m. on 18 June        |
| General Meeting  | 11.00 a.m. on 19 June       |
| Expected time of announcement of results of the General Meeting  | 4.30 p.m. on 19 June        |
| Admission effective and dealings in the Open Offer Shares expected to commence on AIM  | 8.00 a.m. on 22 June        |
| Expected date for crediting of Placing Shares and Open Offer Shares in uncertificated form to CREST stock accounts   | 8.00 a.m. on 22 June        |
| Expected date of despatch of share certificates in respect of Placing Shares and Open Offer Shares in certificated form  | 30 June                     |

**Notes:**

- (1) If you have any questions on the procedure for acceptance and payment, you should contact Share Registrars Ltd by telephone between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01252 821390 from within the UK or +44(0)1252 821390 if calling from outside the UK. Calls to the 01252 821390 number will be charged at your service provider's network rates. Calls to the +44(0)1252 821390 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that Share Registrars Ltd cannot provide financial advice on the merits of the Placing and Open Offer or as to whether or not you should take up your entitlement.
- (2) The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document and the Application Form may be adjusted by COMS in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.
- (3) All references to time in this document are to local time in London.

## DEFINITIONS

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

|                                       |   |
|---------------------------------------|---|
| “Act”                                 | the UK Companies Act 2006 (as amended from time to time)  |
| “Admission”                           | the admission to trading on AIM of the New Ordinary Shares taking place in accordance with the AIM Rules for Companies  |
| “AIM”                                 | the market of that name operated by the London Stock Exchange   |
| “AIM Rules for Companies”             | the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange  |
| “AIM Rules for Nominated Advisers”    | the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange  |
| “Applicant”                           | a Qualifying Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer                                      |
| “Application Form”                    | the application form which accompanies this document for Qualifying non-CREST Shareholders for use in connection with the Open Offer  |
| “Articles”                            | the articles of association of the Company as at the date of this document  |
| “Board”                               | the board of directors of the Company from time to time   |
| “Business Day”                        | any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading                           |
| “Capital Raising”                     | together the Placing and Open Offer, details of which are set out in this document  |
| “CCSS”                                | the CREST courier and sorting service, established by Euroclear UK & Ireland to facilitate, <i>inter alia</i> , the deposit and withdrawal of certified securities                  |
| “certificated” or “certificated form” | not in uncertificated form  |
| “Charles Stanley”                     | Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited, the Company’s nominated adviser and broker   |
| “Company” or “Coms”                   | Coms PLC, a company incorporated in England and Wales with registered number 05332126   |
| “CREST”                               | the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations |
| “CREST member”                        | a person who has been admitted by Euroclear UK & Ireland 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 payment”                       | shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland   |

|  |  |
|--|--|
| <b>“CREST Regulations”</b>                         | the Uncertified Securities Regulations 2001, as amended  |
| <b>“CREST sponsor”</b>                             | a CREST participant admitted to CREST as a CREST sponsor   |
| <b>“CREST sponsored member”</b>                    | a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)   |
| <b>“Directors”</b>                                 | the directors of the Company at the date of this document whose names are set out on page 11 of this document  |
| <b>“Enlarged Share Capital”</b>                    | the issued ordinary share capital of the Company immediately following Admission   |
| <b>“enabled for settlement”</b>                    | in relation to Open Offer Entitlements or Excess Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear UK & Ireland)  |
| <b>“Euroclear UK &amp; Ireland” or “Euroclear”</b> | Euroclear UK & Ireland Limited, the operator of CREST  |
| <b>“Excess Application Facility”</b>               | the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements   |
| <b>“Excess CREST Open Offer Entitlement”</b>       | in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to that Shareholder’s stock account in CREST, pursuant to the Excess Application Facility, which is conditional on the Shareholder taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document |
| <b>“Excess Open Offer Entitlement”</b>             | an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to that Shareholder’s Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on the Shareholder taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document   |
| <b>“Excess Shares”</b>                             | New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility  |
| <b>“Excluded Territories”</b>                      | the United States, Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations   |
| <b>“Existing Ordinary Shares”</b>                  | the existing Ordinary Shares in issue as at 29 May (being the date of the announcement of the Capital Raising)   |
| <b>“FCA”</b>                                       | the Financial Conduct Authority of the United Kingdom  |
| <b>“Form of Proxy”</b>                             | the form of proxy relating to the General Meeting being sent to Shareholders with this document  |
| <b>“FSMA”</b>                                      | the Financial Services and Markets Act 2000 (as amended)   |



|  |   |
|--|---|
| <b>“General Meeting”</b>                   | the general meeting of the Company convened for 11 a.m. on 19 June 2015 (or any adjournment of it), notice of which is set out at the end of this document  |
| <b>“Group” or “Coms Group”</b>             | the Company and its subsidiary undertakings   |
| <b>“ISIN”</b>                              | International Securities Identification Number  |
| <b>“Issue Price”</b>                       | 0.5 pence per New Ordinary Share  |
| <b>“London Stock Exchange”</b>             | London Stock Exchange plc   |
| <b>“Member Account ID”</b>                 | the identification code or number attached to any member account in CREST   |
| <b>“Money Laundering Regulations”</b>      | the Money Laundering Regulations 2007 (as amended)  |
| <b>“New Ordinary Shares”</b>               | up to 416,278,701 Ordinary Shares to be issued pursuant to the Placing and the Open Offer   |
| <b>“Open Offer”</b>                        | the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms of and subject to the conditions set out or referred to in Part IV of this document and, where relevant, in the Application Form |
| <b>“Open Offer Entitlement”</b>            | the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for 2 Open Offer Shares for every 9 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer                               |
| <b>“Open Offer Shares”</b>                 | the 216,278,701 new Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer  |
| <b>“Ordinary Shares”</b>                   | ordinary shares of 0.1p each in the capital of the Company  |
| <b>“Overseas Shareholders”</b>             | Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom  |
| <b>“Placees”</b>                           | the persons who have conditionally agreed to subscribe for the Placing Shares   |
| <b>“Placing”</b>                           | the conditional placing at the Issue Price of the Placing Shares pursuant to the Placing, as described in Part I of this document   |
| <b>“Placing Agreement”</b>                 | the agreement dated 29 May 2015 between the Company and Charles Stanley relating to the Placing   |
| <b>“Placing Shares”</b>                    | means 200,000,000 new Ordinary Shares which Charles Stanley have agreed to use their reasonable endeavours to place with placees  |
| <b>“Prospectus Rules”</b>                  | the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market  |
| <b>“Qualifying CREST Shareholders”</b>     | Qualifying Shareholders whose Existing Ordinary Shares are held in uncertificated form  |
| <b>“Qualifying non-CREST Shareholders”</b> | Qualifying Shareholders whose Existing Ordinary Shares are held in certificated form  |

|   |   |
|---|---|
| <b>“Qualifying Shareholders”</b>                            | holders of Existing Ordinary Shares on the Company’s register of members at the Record Date other than Overseas Shareholders who are located in or citizens of, or have a registered address in certain overseas jurisdictions (including without limitation, any Excluded Territory) and to whom any part of Paragraph 6 of Part IV applies so as to exclude their participation in the Open Offer |
| <b>“Record Date”</b>  | means the close of business on 28 May 2015  |
| <b>“Registrar”, “Receiving Agent” or “Share Registrars”</b> | Share Registrars Ltd  |
| <b>“Resolutions”</b>  | the resolutions set out in the notice of the General Meeting at the end of this document  |
| <b>“Shareholders”</b>                                       | holders of Existing Ordinary Shares   |
| <b>“stock account”</b>                                      | an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited   |
| <b>“subsidiary”</b>   | a “subsidiary undertaking” as that term is defined in the Act   |
| <b>“Telecoms”</b>   | the Company’s telecoms operations   |
| <b>“UK Listing Authority”</b>                               | the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA   |
| <b>“uncertificated” or “uncertificated form”</b>            | recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST  |
| <b>“United Kingdom” or “UK”</b>                             | the United Kingdom of Great Britain and Northern Ireland  |
| <b>“£” or “Pounds”</b>                                      | UK pounds sterling, being the lawful currency of the United Kingdom   |
| <b>“United States”, “USA” or “US”</b>                       | the United States of America, its territories and possessions and any state of the United States of America and the District of Columbia  |
| <b>“US Securities Act”</b>                                  | the United States Securities Act of 1933, as amended  |

## Part I—Letter from the Chairman

### COMS PLC

(Incorporated and registered in England under the Companies Act 2006 with registered number 05332126)

*Directors:*

Frank Beechinor (*Non-Executive Chairman*)  
Diana Dyer Bartlett (*Non-Executive Director*)  
Mark Braund (*Non-Executive Director*)  
Guy Van Zwanenberg (*Non-Executive Director*)

*Registered Office:*

Beacon House  
Stokenchurch Business Park  
Ibstone Road  
Stokenchurch  
High Wycombe  
Bucks HP14 3FE

3 June 2015

Dear Shareholder,

### Open Offer of up to 216,278,701 new Ordinary Shares at 0.5 pence per share

#### Notice of General Meeting

##### 1. Introduction

On 29 May, the Company announced that Charles Stanley, on behalf of the Company, had agreed to use its reasonable endeavours to place 200,000,000 Placing Shares with institutional and other investors at the Issue Price. The Issue Price represents a 31.0 per cent. discount to the closing middle market price of 0.725 pence per Existing Ordinary Share on 28 May 2015, being the last Business Day before the announcement of the Capital Raising. The new Ordinary Shares to be issued pursuant to the Placing were admitted to trading on AIM on 3 June 2015.

In order to allow all Existing Shareholders to subscribe for Ordinary Shares on the same terms as the Placing, the Company is making available 216,278,701 new Ordinary Shares under the Open Offer at the Issue Price, thus allowing the Company's existing Shareholders the ability to participate in the Capital Raising under the Open Offer.

Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 2 Open Offer Shares for every 9 Existing Ordinary Shares held on the Record Date. Qualifying Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility. Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of £1.08 million for the Company. In aggregate the Placing and Open Offer will raise gross proceeds of £2.08 million (£1.98 million net of expenses) for the Company.

The New Ordinary Shares are to be admitted to trading on AIM at the time of Admission, which is expected to take place on 22 June 2015.

The Open Offer is conditional, *inter alia*, on the passing of Resolutions 1 & 2 by Shareholders at the General Meeting, notice of which is set out at the end of this document. If Resolutions 1 & 2 are passed, the Open Offer Shares will be allotted immediately after the General Meeting and Admission of the Open Offer Shares is expected to occur at 8.00 a.m. on 22 June 2015. Should Shareholder approval not be obtained at the General Meeting the Open Offer will not proceed.

**This letter sets out the reasons for, and provides details of, the Placing and Open Offer.**

##### 2. Background to the Capital Raising and use of proceeds

On 26 May the Company announced that it had exchanged contracts to dispose of the business and certain assets of Telecoms to Timico Limited for an initial consideration of £2.5 million payable in cash and deferred

consideration of up to a further £1 million, payable in cash, based on the trading performance of Telecoms in the period to 30 November 2015. Completion of the Disposal took place on 31 May 2015.

Telecoms consisted of a number of acquisitions that had never been fully integrated. Despite attempts to restructure the business, trading losses continued and the overhead structure was such that the Board concluded it would take significant further investment and considerable management focus for the business to achieve profitability.

The proceeds of the Disposal will be applied to reduce the Group's liabilities and to reduce the Group's overdraft facility from the current £3 million level to below £2 million.

Following the Disposal the Group will comprise Redstone and Darkside Studios.

The Disposal will remove loss making businesses and enable the management team to focus on growing our core infrastructure business, Redstone. The Board plans to develop Redstone's leading Smart Buildings product offering and expand further its successful managed services business. The Board intends to capitalise on accelerating growth in the construction industry and, in particular, the fast growing Smart Buildings sector where Redstone has already delivered strong referenceable solutions to a number of landmark projects. The potential in these markets as they go through both structural and technological change is enormous. Redstone is well positioned to service this opportunity and our focus is to develop this capability through a combination of product development, organic growth and acquisitions.

The net proceeds of the Capital Raising (being approximately £1.98 million assuming the Open Offer is fully subscribed) will be used to pursue this strategy and to augment working capital.

### **3. Details of the Placing and Open Offer**

#### **3.1 *Open Offer Structure***

The Directors have given consideration as to the best way to structure the proposed equity fundraising, having regard to current market conditions, the composition of the Company's shareholder register, the level of the Company's share price and the importance of pre-emption rights to Shareholders. After considering these factors, the Directors have concluded that the structure of the fundraising by way of the Placing and Open Offer is the most suitable option available to the Company and its Shareholders as a whole.

The Open Offer will provide an opportunity for Qualifying Shareholders to participate in the Capital Raising by both acquiring Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares and by subscribing for additional Open Offer Shares pursuant to the Excess Application Facility.

The Issue Price represents a 31.0 per cent. discount to the closing middle market price of 0.725 pence per Existing Ordinary Share on 28 May 2015, being the last Business Day before the announcement of the Capital Raising.

#### **3.2 *Principal terms of the Placing***

The Company has placed 200,000,000 Placing Shares at the Issue Price raising £1 million (before expenses).

All of the Placing Shares have been placed with institutions and other investors and they are not, therefore, being offered to existing Shareholders and do not form part of the Open Offer. The Placing Shares will, upon issue, rank *pari passu* with each other, the Existing Ordinary Shares and the Open Offer Shares in issue following the Placing and Open Offer.

The Directors are fully supportive of the Capital Raising and have all participated in the Placing, as set out in the table below.

| <i>Person</i>   | <i>Number of Existing Ordinary Shares held</i> | <i>Percentage of Existing Ordinary Shares held</i> | <i>Number of Placing Shares acquired</i> | <i>Percentage of Enlarged Share Capital<sup>1</sup></i> |
|---|--|--|--|---|
| Frank Beechinor ( <i>Non-Executive Chairman</i> )     | –  | –  | 9,000,000                                | 0.65%   |
| Diana Dyer Bartlett ( <i>Non-Executive Director</i> ) | –  | –  | 4,000,000                                | 0.29%   |
| Mark Braund ( <i>Non-Executive Director</i> )         | –  | –  | 4,000,000                                | 0.29%   |
| Guy Van Zwanenberg ( <i>Non-Executive Director</i> )  | –  | –  | 3,000,000                                | 0.22%   |

<sup>1</sup> Assuming full subscription under the Open Offer

### 3.3 *Principal terms of the Open Offer*

Subject to the fulfilment of the conditions set out below and in Part IV of this document, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 0.5 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

#### **2 Open Offer Shares for every 9 Existing Ordinary Shares**

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility. Excess applications will be satisfied only to the extent that corresponding applications are not made by other Qualifying Shareholders or are made for less than their *pro rata* entitlements.

The allotment and issue of the Open Offer Shares will also need to be made following and conditional on, *inter alia*, the Shareholder approval referred to above.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of approximately £1.08 million for the Company.

The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares. No temporary documents of title will be issued.

Fractions of Open Offer Shares will not be allotted and each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

### 3.4 *Dilution*

The Placing and Open Offer, if fully subscribed, will result in the issue of 200,000,000 Placing Shares and 216,278,701 Open Offer Shares (representing approximately 30.0 per cent. of the issued share capital of the Company, as enlarged by the Placing and Open Offer assuming full take up under the Open Offer).

Shareholders who do not elect to participate in the Open Offer will suffer a potential maximum dilution as set out in the table below:

| <i>Amount Raised through Placing and Open Offer</i> | <i>Number of New Ordinary Shares to be issued</i> | <i>Maximum dilution to non-participating Shareholders</i> |
|---|---|---|
| £2.08 million <sup>(1)</sup>                        | 416,278,701 <sup>(1)</sup>                        | 42.77%  |

<sup>1</sup> Assuming full subscription under the Open Offer

### **3.5 Excess Application Facility**

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2.10 of Part IV of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 4 June 2015. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 4 June 2015. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 4 June 2015.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part IV of this document.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 17 June 2015. For Qualifying CREST Shareholders the relevant CREST instructions must have been settled as explained in this document by no later than 11.00 a.m. on 17 June 2015.

### 3.6 ***Other information relating to the Placing and Open Offer***

The Open Offer is conditional, *inter alia*, upon:

- (i) the passing of Resolutions 1 and 2; and
- (ii) Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 22 June 2015 (or such later time and/or date as the Company and/or Charles Stanley may determine, not being later than 8.00 a.m. on 30 June 2015).

Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the relevant part or parts of the Open Offer will not proceed.

Admission for the Placing Shares became effective today, 3 June 2015.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 22 June 2015 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 22 June 2015.

## **4. General Meeting**

A notice convening a General Meeting of the Company, to be held at the offices of Coms PLC, Beacon House, Stokenchurch Business Park, Stokenchurch, Buckinghamshire HP14 3FE on 19 June 2015 at 11 a.m. is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

- (1) an ordinary resolution to grant authority to the Directors to allot up to 216,278,701 new Ordinary Shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £216,278.70. The Directors will limit this authority to the allotment of new Ordinary Shares pursuant to the Open Offer;
- (2) subject to and conditional on the passing of the resolution referred to in paragraph 1 above, a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment of up to 216,278,701 new Ordinary Shares with an aggregate nominal amount of up to £216,278.70. The Directors will again limit this authority to the allotment of new Ordinary Shares pursuant to the Open Offer;
- (3) an ordinary resolution to grant a general authority to the Directors to allot up to 458,545,842 new Ordinary Shares or to grant rights to subscribe for or convert any security into shares in the capital of the Company pursuant to section 551 of the Act, being up to an aggregate nominal amount of £458,545.84. This authority will represent 33.0 per cent. of the Enlarged Share Capital. The authority replaces all existing authorities under section 551 of the Act (other than the authority referred to in paragraph (1) above) and will expire at the conclusion of the Annual General Meeting of the Company to be held later this year; and
- (4) a special resolution to disapply the statutory pre-emption rights contained in section 561(1) of the Act in respect of the allotment of up to 277,906,571 equity shares with an aggregate nominal amount of up to £277,906.57. This authority will represent approximately 20.0 per cent. of the Enlarged Share Capital. The authority replaces all existing authorities under section 570 of the Act (other than the authority referred to in paragraph (2) above) and will expire at the conclusion of the Annual General Meeting of the Company to be held later this year.

## **5. Action to be taken by shareholders**

### 5.1 ***General Meeting***

Shareholders will find accompanying this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible and, in any event, so as

to arrive no later than 11.00 a.m. on 17 June 2015. Completion and return of the Form of Proxy will not affect your right to attend and vote in person at the General Meeting if you so wish.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

**In order for the Capital Raising to proceed, Shareholders will need to approve Resolutions 1 and 2 set out in the Notice of General Meeting. If Resolutions 1 and 2 are not passed, the Capital Raising will not proceed in the form currently envisaged, with the result that the anticipated net proceeds of the Capital Raising will not become available to fund proposed business plans and growth prospects may be materially adversely affected as a result (see “Risk Factors – Risks related to the Resolutions not being passed. If Resolution 1 and 2 are not passed, the Company will not be able to proceed with Capital Raising in the form currently envisaged” in Part II of Circular).**

Accordingly it is important that Shareholders vote in favour of Resolutions 1 and 2 in order that the Capital Raising can proceed.

## 5.2 *Open Offer*

### *Qualifying non-CREST Shareholders*

If you are a Qualifying non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4.1.2 of Part IV of this document and on the Application Form itself.

### *Qualifying CREST Shareholders*

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this document and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 4.1.4 of Part IV of this document, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in paragraph 6 of Part IV of this document.

**The latest time for applications under the Open Offer to be received is 11.00 a.m. on 17 June 2015. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part IV of this document.**

**Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.**

## 6. **Overseas Shareholders**

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part IV of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.



**7. Additional Information**

Your attention is drawn to the additional information set out in Parts II to IV (inclusive) of this document.

**8. Directors' recommendation**

**The Directors consider the Capital Raising to be in the best interests of the Company and its Shareholders as a whole.**

**Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.**

Yours sincerely

Frank Beechinor  
*Non-Executive Chairman*

## Part II—Risk Factors

**Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below. The Directors believe that, in particular and in no order of priority, the following risk factors should be considered. Other factors relate principally to an investment in the New Ordinary Shares. It should be noted that this list is not exhaustive and that other risk factors may apply. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group’s business, financial condition and results of operations.**

**An investment in the Company may not be suitable for all recipients of this document. Investors are advised to consult an independent financial adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.**

**If any of the risks set out below actually occur, the Group’s business, financial condition, results or future operations could be adversely affected. In such a case, the price of Ordinary Shares could decline and Shareholders may lose all or part of their investment.**

### *Future funding requirements*

The development of the Group’s strategy may require the Group to obtain additional financing in the longer term through equity financing, debt financing or other means. There is no assurance that the Group will be successful in obtaining such financing. Any additional equity financing raised by the Company may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing operating activities. The Group may be unable to obtain additional financing on acceptable terms if market and economic conditions, the financial condition or operating performance of the Group or investor sentiment are unfavourable.

**If Shareholders do not vote in favour of the resolutions proposed in the circular, the Company will be unable to proceed with the Open Offer.**

### *Dependence on the Directors*

The Group’s future success is dependent on the ability of the Directors to deal effectively with complex risks and relationships and execute Coms’s strategic plan. The success of the Group is, and will continue to be, to a significant extent, dependent on the expertise and experience of the Directors and the loss of one or more of the Directors could have a materially adverse effect on the Group.

### *Attraction and retention of key personnel*

The Company has a small management team, and the loss of a key individual or inability to attract suitably qualified staff could materially adversely impact the business. Further, no assurance can be given that the Company’s investment strategies can be implemented in the future, that individuals with the required skills will continue their association or employment with the Group or that replacement personnel with comparable skills can be found. The Board has sought to and will continue to ensure that the Directors and any key employees are appropriately incentivised. However, their services cannot be guaranteed.

The Company is currently seeking to recruit a Chief Executive Officer and the Board is confident that a suitable candidate with the appropriate skills and expertise will be found. Any difficulties or delay in effecting such recruitment may have a detrimental effect on the future performance of the Group.

### *The Group is dependent on the success of its business strategy*

Although the Group has a focused strategy, there can be no guarantee that its objectives will be achieved or that the Group will achieve the level of success that the Directors expect. Furthermore, the Group may decide to change aspects of its strategy. The Group’s ability to implement its business strategy successfully may be adversely impacted by factors that the Group cannot currently foresee, such as unanticipated costs and expenses or technological changes. The Group’s longer term growth will depend on its ability to continue to provide a service offering and level of professional expertise which is at least in line with market needs.

### *Economic conditions*

The Group could be affected by unforeseen events outside its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Group could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Group may operate.

### *Market risks*

The Group may be affected by general market trends which are unrelated to the performance of the Group itself. The Group's success will depend on market acceptance of the Group's services and there can be no guarantee that this acceptance will be forthcoming. Market opportunities targeted by the Group may change and this could lead to an adverse effect upon its revenue and earnings.

### *Financial, accounting, management, and other information and support IT systems*

The efficient operation and management of the businesses of the Group, whether in whole or in part, depends on the proper operation and performance of financial, accounting, management and other information and support IT systems (such as payroll management and invoicing). A significant performance failure of any of such systems could lead to loss of control over critical business information and/or systems (such as contract costs, invoicing or payroll management) resulting in an adverse impact on the ability of the business to operate effectively and/or fulfill its contractual obligations which may in turn lead to a loss of custom, revenue, and profitability.

### *Sale of Telecoms*

On 1 June 2015 the Company announced that it had completed the disposal of Telecoms. Pursuant to the asset purchase agreement relating to the sale of Telecoms, the Company is entitled to receive up to a further £1 million in deferred consideration based on the trading performance of Telecoms in the period to 30 November 2015. Furthermore, the Company retained certain liabilities of Telecoms, including the two leasehold properties occupied by Telecoms, as part of the sale. There can be no guarantee that the continued performance of Telecoms is such that Coms receives the deferred consideration and the liabilities which the Group is obliged to discharge under the asset purchase agreement may be greater than anticipated. Either of these risks could lead to an adverse material change in the Group's financial position or prospects.

## **Risks relating to the Ordinary Shares**

### *Investment risk relating to AIM*

The Existing Ordinary Shares are traded on AIM rather than the main market of the London Stock Exchange. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange. The market price of the New Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realise less than the original amount invested.

The investment offered in this document may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA and who or which specialises in investments of this kind before making a decision to invest. Although the New Ordinary Shares are to be admitted to trading on AIM, they will not be listed on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed.

### *Taxation*

Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to shareholders or alter post-tax returns to shareholders. Commentaries in this document

concerning the taxation of UK investors in Ordinary Shares are based on current UK tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

#### *Dilution of Shareholders' interests as a result of additional equity issues*

The Group may need to raise additional funds in the future to finance the expansion of its operations and/or the Group may elect to issue Ordinary Shares as consideration for acquisitions. If additional funds are raised through the issuance of new equity of the Group other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the Shareholders may be reduced. An additional offering of Ordinary Shares by the Company could have an adverse effect on the market price of the Group's shares as a whole.

### **Risks relating to the Placing and Open Offer and the New Ordinary Shares**

#### *Future sales of Ordinary Shares could adversely affect the Share Price*

Sales of additional Ordinary Shares into the public market following the Placing and Open Offer could adversely affect the market price of the Ordinary Shares if there is insufficient demand for the Ordinary Shares at the prevailing market price.

#### *There may be volatility in the price of the New Ordinary Shares*

The Issue Price may not be indicative of the market price for the New Ordinary Shares following Admission. The market price of the New Ordinary Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding the Company, the sector or equities generally, any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, news reports relating to trends in the Group's markets or the wider economy and the publication of research analysts' reports regarding the Company or the sector generally.

The Company is principally aiming to achieve capital growth and, therefore, Ordinary Shares may not be suitable as a short-term investment. Consequently, the share price may be subject to greater fluctuation on small volumes of shares traded, and thus the New Ordinary Shares may be difficult to sell at a particular price. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the New Ordinary Shares may not reflect the underlying value of the Company. There can be no guarantee that the value of an investment in the Company will increase. Investors may therefore realise less than, or lose all of, their original investment.

#### *Investment risk*

An investment in the Company is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have substantial financial means and who can afford to hold their ownership interests for an indefinite amount of time.

#### *Dividends*

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors, and will depend on, among other things, the Company's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid and at present, there is no intention to pay a dividend. At present, the Company's dividend policy is that all funds available for distribution should be reinvested in the business of the Company.

#### *Dilution*

The proportionate ownership and voting interest in the Company of Shareholders (who do not acquire Placing Shares as places) will be reduced pursuant to the Placing and Open Offer. In addition, to the extent that Shareholders do not take up the Open Offer Shares under the Open Offer, their proportionate ownership

and voting interest in the Company will be further reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Share Capital will be reduced accordingly.

### **Risk relating to Resolutions not being passed**

*If Resolutions 1 and 2 are not passed, the Company will not be able to proceed with the Capital Raising in the form currently envisaged*

Resolution 1 to be proposed at the General Meeting will be proposed as an ordinary resolution and, in order to be passed, will require the support of a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting.

Resolution 2 to be proposed at the General Meeting will be proposed as a special resolution and, to be passed, will require the support of not less than 75 per cent of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. The Open Offer is conditional, *inter alia*, on the passing of Resolutions 1 and 2.

**In the event that Resolution 1 and 2 are not passed, the Company will not be able to proceed with the Open Offer in the form currently envisaged, with the result that the anticipated net proceeds of the Open Offer will not become available to fund proposed upcoming expenditure and achieve the objectives currently pursued by the Board. The Group's business plan and growth prospects may be materially adversely affected as a result.**

Additionally, in the event that it is unable to proceed with the Open Offer in the form currently envisaged, given its anticipated working capital requirements in 2015/2016 and in order to fund proposed upcoming expenditure and to pursue its business plan, the Group may seek alternative equity and/or debt financing on whatever terms are available to it, which may result in greater dilution of Existing Ordinary Shares and/or in the Company incurring significant indebtedness. Such equity or debt financing may not be made available on terms that are as favourable to the holders of the Existing Ordinary Shares as those envisaged in the Placing and Open Offer, or at all.

**The risks listed above do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. This document contains forward-looking statements that involve unknown risks, uncertainties and other factors that may cause the actual results, financial condition, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in this Part II.**

## Part III—Some Questions and Answers about the Placing and Open Offer

*The questions and answers set out in this Part III of this document are intended to be in general terms only and, as such, you should read Part IV of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

*This Part III deals with general questions relating to the Capital Raising and more specific questions relating principally to the Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements or apply for Excess Shares pursuant to the Excess Application Facility. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

**The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.**

### 1. What is an open offer?

An open offer is a way for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (the open offer) and providing for new investors to acquire any shares not bought by the company's existing shareholders (the placing). The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the placing and open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire an aggregate of up to 216,278,701 Open Offer Shares at a price of 0.5 pence per New Ordinary Share. If you hold Existing Ordinary Shares (provided that you hold 9 or more such shares) on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or another Excluded Territory, you will be entitled to apply for Open Offer Shares under the Open Offer.

**The Open Offer is being made on the basis of 2 Open Offer Shares for every 9 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to apply for an Open Offer Share in respect of any fraction of an Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares will be aggregated and sold by Charles Stanley for the benefit of the Company.**

The Issue Price represents a 31.0 per cent. discount to the closing middle market price of 0.725 pence per Existing Ordinary Share on 28 May 2015, being the last Business Day before the announcement of the Capital Raising. Considering this discount, and while the market value of an Existing Ordinary Share exceeds the Issue Price, the right to subscribe for Open Offer Shares is potentially valuable.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

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

*pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

## **2. What is a placing? Am I eligible to participate in the Placing?**

A placing is where specific investors procured by a Company's agents agree to acquire placed shares. The 200,000,000 Placing Shares to be issued to Placees as part of the Placing are not being offered to Qualifying Shareholders and therefore do not form part of the Open Offer.

Unless you are a Placee, you will not participate in the Placing.

## **3. I hold my Existing Ordinary Shares in certificated form. How do I know whether I am able to acquire Open Offer Shares under the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States or another Excluded Territory, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 3 June 2015 (the time when the Existing Ordinary Shares are expected to be marked "ex-entitlement" by the London Stock Exchange).

## **4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

Subject to Shareholders approving the Resolutions at the General Meeting, if you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or another Excluded Territory, you have been sent an Application Form that shows:

- how many Existing Ordinary Shares you held at on close of business on 28 May 2015 (the Record Date for the Open Offer);
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or one of the Excluded Territories, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class

post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

**5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?**

**(a) *If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is sign and send the Application Form, together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to "Share Registrars Limited a/c COMS plc" and crossed "A/C payee only", in the reply-paid envelope provided, by post or by hand (during normal business hours only) to Share Registrars Ltd to arrive by no later than 11.00 a.m. on 17 June 2015. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 30 June 2015.

**(b) *If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 100 shares but you only want to take up 50 shares, then you should write '50' in Box 2.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '500') by 0.5 pence, which is the price in pounds of each Open Offer Share (giving you an amount of £2.50 in this example). You should write this amount in Box 5, rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or banker's draft for that amount, payable to "Share Registrars Limited a/c COMS plc" and crossed "A/C payee only", in the reply-paid envelope provided, by post, or by hand (during normal business hours only) to Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL, to arrive by no later than 11.00 a.m. on 17 June 2015, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part IV of this document and will be set out in the Application Form.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 30 June 2015.

**(c) *If you want to apply for more than your Open Offer Entitlement***

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up, in Box 2 which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 4 by 0.5 pence, which is the price in pence of each Open Offer Share. You should write this amount in Box 5, rounding down to the nearest whole penny. You should then return your



Application Form together with your cheque or banker's draft for that amount, payable to "Share Registrars Limited a/c COMS plc" and crossed "A/C payee only", in the reply-paid envelope provided by post or by hand (during normal business hours only) to Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL, to arrive by no later than 11.00 a.m. on 17 June 2015, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. As such, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

A definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 30 June 2015.

**(d) *If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are placed, as would happen under a rights issue. Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

If you do not take up your Open Offer Entitlement then, following the issue of the Placing Shares and Open Offer Shares, your interest in the Company will be diluted by approximately per cent (assuming they take up in full the Open Offer. If you do take up your Open Offer Entitlement in full, your interest in the Company will be diluted by approximately 42.8 per cent. as a result of the Placing.

**6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part IV of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

**7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire Open Offer Shares under the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to acquire New Ordinary Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 28 May 2015 and who have converted them to certificated form prior to 4.30 p.m. on 12 June 2015;

- Shareholders who bought Existing Ordinary Shares before or on 28 May 2015 and who hold such ordinary shares in certificated form but were not registered as the holders of those shares at the close of business on 28 May 2015; and
- certain Overseas Shareholders.

**8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?**

If you bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer, as the Existing Ordinary Shares are expected to start trading ex-entitlement on the London Stock Exchange at 8.00 a.m. on 3 June 2015.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Existing Ordinary Shares at or after 8.00 a.m. on 3 June 2015, you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

**9. What if I change my mind?**

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

**10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?**

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

**11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 8 of the Application Form?**

If you want to spend more than the amount set out in Box 8 you should divide the amount you want to spend by 0.5 pence (being the price in pence of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £500 you should divide £500 by 0.5 pence, which comes to 100,000. You should round that down to 100,000 to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 100,000) in Box 4. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (100,000) by 0.5 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £500), in Box 5 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box 8, you should divide the amount you want to spend by 0.5 pence (being the price, in pence, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £100 you should divide £100 by 0.5 pence. You should round that down to the nearest whole number (in this example, 2,000), to give you the number of shares you want to take up. Write that number (in this example, 2,000) in Box 4. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 2,000) by 0.5 pence and then fill in that amount rounded down to the nearest whole penny (in this example being £100 in Box 5 and on your cheque or banker's draft accordingly).

**12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before or on 28 May 2015, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 29 May 2015, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**13. I hold my Existing Shares in certificated form. How do I pay?**

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a UK bank or building society account in the accompanying reply-paid envelope (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom but the Company cannot be held responsible for delays in the postal system. It is recommended that cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares or you may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to "Share Registrars Limited a/c COMS plc". In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

**14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

**15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form and monies in the accompanying reply-paid envelope (from within the United Kingdom) by post or by hand to: Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. You should allow at least four Business Days for delivery if using first class post within the United Kingdom but the Company cannot be held responsible for delays in the postal system.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide whether I want to apply for Open Offer Shares?**

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 17 June 2015. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

**17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?**

It is expected that the Registrar will post all new share certificates by 30 June 2015.

**18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?**

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares on or before 28 May 2015 but were not registered as the holder of those shares on the Record Date for the Open Offer (28 May 2015), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 3 June 2015.

**19. Will the Placing and Open Offer affect dividends on the Existing Ordinary Shares?**

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

**20. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or another Excluded Territory are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV of this document.

**21. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3.00 p.m. on 12 June 2015 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your entitlements into the CREST system, you should refer to Part IV of this document for details on how to pay for the Open Offer Shares.

**22. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part IV of this document)?**

If you are a Qualifying non-CREST Shareholder, if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with a United Kingdom regulated bank or building society you will be deemed to have complied. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying non-CREST Shareholders should refer to paragraph 5.1 of Part IV of this document and Qualifying CREST Shareholders should refer to paragraph 5.2 of Part IV of this document for a fuller description of the requirements of the Money Laundering Regulations.

**23. Further assistance**

Should you require further assistance please call Share Registrars helpline by telephone between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01252 821390 from within the UK or +44(0)1252 821390

if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Calls to the +44(0)1252 821390 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that, for legal reasons, Share Registrars is only able to provide information contained in this document and information relating to Coms's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

## **Part IV—Terms and Conditions of the Open Offer**

### **Open Offer of up to 216,278,701 New Ordinary Shares at a price of 0.5 pence per Share**

#### **1. Introduction**

As explained in Part I of this document, the Company is proposing to issue up to 216,278,701 New Ordinary Shares pursuant to the Open Offer to raise gross proceeds of up to £1.08 million and assuming a full take up under the Open Offer. Upon completion of the Open Offer, assuming a full take up under the Open Offer, the Open Offer Shares will represent approximately 15.6 per cent. of the Enlarged Share Capital. Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire New Ordinary Shares at the Issue Price, being the same price per share as they are being offered to Placees under the Placing, assuming a full take up under the Open Offer under the Placing. The Placing Shares, which represent approximately 48.0 per cent. of the Placing and Open Offer, have been placed with institutional and other investors at the Issue Price and are not being offered to Shareholders and do not form part of the Open Offer

The Issue Price represents a 31.0 per cent. discount to the closing middle market price of 0.725 pence per Existing Ordinary Share on 28 May 2015, being the last Business Day before the announcement of the Capital Raising.

This document and, where relevant, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

#### **2. The Open Offer**

Subject to the terms and conditions set out below and, where relevant, in the Application Form, the Company hereby invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 2 Open Offer Shares for every 9 Existing Ordinary Shares held by them and registered in their names at the close of business on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

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

Fractions of New Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of New Ordinary Shares.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their Open Offer Entitlement, which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement. Accordingly, applications in excess of the Open Offer Entitlements will only be satisfied to the extent that applications made by other Qualifying Shareholders are for less than their full Open Offer Entitlement and may therefore be scaled down *pro rata* to the number of Excess Shares applied for under the Open Offer, or otherwise at the absolute discretion of the Company. Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the Applicant without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, you have an Application

Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

**Not all Shareholders will be Qualifying Shareholders. Overseas Shareholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Excluded Territory) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 6 of this Part IV.**

If you have received an Application Form with this document please refer to paragraph 4.1 and paragraphs 5 to 7 of this Part IV.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4.2 and paragraphs 5 to 7 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and the New Ordinary Shares to be issued pursuant to the Placing and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 22 June 2015 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 22 June 2015. It is expected that the results of the Open Offer will be announced at 7.00 a.m. on 18 June 2015.

**Shareholders should be aware that the Open Offer is not a rights issue. Entitlements to Open Offer Shares will neither be tradeable nor sold in the market for the benefit of Qualifying Shareholders who do not apply for them in the Open Offer.**

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

**Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this document, including in particular the important information set out in the letter from the Chairman of the Company in Part I of this document, as well as this paragraph 2 of this Part IV and the Risk Factors set out in Part II of this document. Shareholders who do not participate in the Open Offer will be subject to dilution of their existing COMS shareholdings. The material terms of the Open Offer are contained in paragraph 11 of Part I of this document.**

### **3. Conditions of the Open Offer**

The Open Offer is conditional, *inter alia*, upon:

- (a) the passing of the Resolutions; and
- (b) Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 22 June 2015 (or such later time and/or date as the Company and/or Charles Stanley may determine, being not later than 8.00 a.m. on 30 June 2015).

### **4. Procedure for application and payment**

Save as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form

in respect of your Open Offer Entitlements, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST account in respect of such entitlements.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. Further information on deposit into CREST is set out in paragraph 4.2.6 of this Part IV.

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

#### 4.1 *Action to be taken if you have an Application Form in respect of your entitlement under the Open Offer*

##### 4.1.1 *General*

Each Qualifying non-CREST Shareholder will have received an Application Form accompanying this document. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying non-CREST Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 2 above. Qualifying non-CREST Shareholders may also apply for less than their maximum Open Offer Entitlements.

The Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders are less than their full Open Offer Entitlements and may therefore be scaled down.

##### 4.1.2 *Procedure for application*

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying non-CREST Shareholders may only be made on the Application Form, which is personal to the Qualifying non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Qualifying non-CREST Shareholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 3 and 4 of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4.1.4 of this Part IV.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents. **However, he or she is strongly encouraged to still complete and return the Form of Proxy to the Registrars.**

The Application Form represents a right personal to the Qualifying non-CREST Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange. Application Forms may be split up to 3.00 p.m. on 15 June 2015 but only to satisfy such *bona fide* market claims. Qualifying non-CREST Shareholders who have before the 'ex' date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation



to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Qualifying non-CREST Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part IV, in the letter from the Chairman of the Company in Part I and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

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

- (i) Application Forms received after 11.00 a.m. on 17 June 2015; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 17 June 2015 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

**If you are a Qualifying non-CREST Shareholder and wish to apply for all or part of the Open Offer Shares to which you are entitled (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only) together with a pounds sterling cheque or banker's draft to the value of the Open Offer Shares applied for on the Application Form, to Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as practicable and, in any event, so as to be received not later than 11.00 a.m. on 17 2015, after which time Application Forms will not be accepted. The cheque or banker's draft must be drawn on a United Kingdom branch of a qualifying bank or building society, as further described below. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the accompanying reply-paid envelope, you are advised to allow at least four Business Days for delivery.**

The Company reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 17 June 2015 from an authorised person (as defined in the FSMA) specifying the Open Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

#### 4.1.3 *Payments*

Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft should be made payable to "Share Registrars Limited a/c COMS plc" and crossed "A/C Payee only". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies and must bear the appropriate sorting code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed on the back of the building society cheque or banker's draft the name of the account holder (which must be the same name as printed on the Application Form) and their title to funds by stamping and endorsing the building society cheque/banker's draft to such effect. Any application or purported application may be rejected unless these requirements are fulfilled. Post dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

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

The Company shall as soon as practicable following 17 June 2015 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

#### 4.1.4 *The Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement to apply for Open Offer Shares.

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

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 216,278,701 Open Offer Shares being made available to Qualifying Shareholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Qualifying non-CREST Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Qualifying non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

#### 4.1.5 *Effect of application*

By completing and delivering an Application Form you (as the Applicant(s)):

- (i) agree that your application, the acceptance of your application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than those contained in this document and the Application Form and you, accordingly, agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (iii) represent and warrant that you are not citizen(s) or resident(s) of an Excluded Territory or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within an Excluded Territory or to a resident of an Excluded Territory or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- (iv) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis; and
- (v) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Excluded Territory, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into an Excluded Territory; (ii) you are not and were not located in an Excluded Territory at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside an Excluded Territory at the time he or she instructed you to submit the Application Form.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid. If you do not wish to apply for Open Offer Shares under the Open Offer you should not complete or return the Application Form.

All enquiries in connection with the Application Form should be addressed to Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Share Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01252 821390 from within the UK or +44(0)1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Calls to the +44(0)1252 821390 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

## 4.2 *Action to be taken if you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

### 4.2.1 *General*

Save as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares to which he is entitled under the Open Offer. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility. Further details of Excess Offer Entitlements can be found in paragraph 4.2.10 of this Part IV.

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

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide, on 3 June 2015, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

**Qualifying CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, please telephone Share Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01252 821390 from within the UK or +44(0)1252 821390 if calling from outside the UK.**

**Calls to the 01252 821390 number are charged at your network provider's standard rates. Calls to the +44(0)1252 821390 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.**

### 4.2.2 *Procedure for application and payment*

The Open Offer Entitlements and Excess Open Offer Entitlements will have a separate ISIN and constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

### 4.2.3 *USE instructions*

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

- (i) the crediting of a stock account of the Receiving Agent under the Participant ID and Member Account ID specified below, with the number of Open Offer Entitlements or Excess CREST Open Offer

Entitlements corresponding to the number of Open Offer Shares applied for (subject to paragraph 4.2.10 of this Part IV); and

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

#### 4.2.4 *Content of USE instructions in respect of Open Offer Entitlements*

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlements, which is GB00BYMT3V44;
- (iii) the Participant ID of the accepting CREST member;
- (iv) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the Participant ID of Share Registrars, in its capacity as a CREST receiving agent, which is 7RA36;
- (vi) the Member Account ID of Share Registrars in its capacity as a CREST receiving agent, which is RECEIVE in respect of the Open Offer Entitlement;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be on or before 11.00 a.m. on 17 June 2015; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 17 June 2015.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 17 June 2015 in order to be valid is 11.00 a.m. on that day.

#### 4.2.5 *Contents of USE instructions in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement, which is GB00BYMT3W50;

- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the Participant ID of Share Registrars, in its capacity as a CREST receiving agent, which is 7RA36;
- (vi) the Member Account ID of Share Registrars in its capacity as a CREST receiving agent, which is RECEIVE;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be before 11.00 a.m. on 17 June 2015; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 17 June 2015.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 17 June 2015 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 22 June 2015 or such later time and date as the Company and Charles Stanley shall agree (being no later than 8.00 a.m. on 30 June 2015), the Open Offer will lapse, the Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days. The Open Offer cannot be revoked once all conditions have been satisfied.

#### 4.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

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

The holder of an Application Form who is proposing so to deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up such entitlements prior to 11.00 a.m. on 17 June 2015.

In particular, having regard to normal processing times in CREST and on the part of the Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application

Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 15 June 2015, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST is 4.30 p.m. on 12 June 2015, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and Excess Open Offer Entitlements prior to 11.00 a.m. on 17 June 2015.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of an Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

#### 4.2.7 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 17 June 2015 will constitute a valid application under the Open Offer.

#### 4.2.8 *CREST procedures and timings*

**CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 17 June 2015. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

#### 4.2.9 *Incorrect or incomplete applications*

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

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

#### 4.2.10 *The Excess Application Facility*

Provided that a Qualifying CREST Shareholder chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Any such applications will be granted at the absolute discretion of the Company.

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

*pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this document.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST, and allocated to the relevant Qualifying Shareholder, will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

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

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

#### 4.2.11 *Effect of valid application*

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

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent’s payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;



- (v) represent and warrant that he is not, nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information or representation other than those contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any information or representation not contained in this document and further agree that having had the opportunity to read this document he will be deemed to have had notice of all the information concerning the Group contained therein; and
- (vii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim.

#### 4.2.12 *Company's discretion as to rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not strictly comply in all respects with the requirements as to validity set out or referred to in this paragraph 4 of this Part IV;
- (ii) accept an alternative properly authenticated, dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

If you have any doubt as to the procedure for acceptance and payment you should contact Share Registrars by telephone between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01252 821390 from within the UK or +44(0)1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Calls to the +44(0)1252 821390 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. This helpline will not provide any financial or tax advice or advice concerning the merits of the Open Offer or whether or not you should make an application under the Open Offer.

#### 4.2.13 Issue of Open Offer Shares in CREST

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after the close of business on 17 June 2015. If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' Open Offer Entitlements with effect from the next business day. The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

## 5. Money Laundering Regulations

### 5.1 Holders of Application Forms

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations (the "Regulations"), the Registrar may require verification of the identity including by electronic means of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity").

The verification of identity requirements pursuant to the Regulations will apply to all applications. If within a reasonable period of time following a request, for verification of identity, but in any event by 11.00 a.m. on 17 June 2015, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 15 June 2015), by the person named in Box 11 on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker's draft, the Applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (ii) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone Share Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01252 821390 from within the UK or +44(0)1252 821390 if calling from outside the UK. Calls to the 01252 821390 number are charged at your network provider's standard rates. Calls to the +44(0)1252 821390 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice;
- (iii) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques may not be accepted unless covered by (i) above.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required.

Neither the Receiving Agent, nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company and Charles Stanley, at such specified time thereafter as may be required to ensure compliance with the Regulations.

## **5.2 *Open Offer Entitlements and Excess Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess Open Offer Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of any failure to provide satisfactory evidence.

## **6. Overseas Shareholders**

### **6.1 *General***

**The distribution of this document and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.**

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

Application Forms will not be sent to and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of persons with registered addresses in an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor

should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

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

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement (and/or a credit of Excess Open Offer Entitlements) to a stock account in CREST, to a member whose registered address would be in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.5 below.

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

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a

registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

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

## **6.2 *United States***

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements have been or will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the New Ordinary Shares and the Open Offer Entitlements and the Excess Open Offer Entitlements may not be directly, or indirectly, offered for subscription or purchase, taken up, sold, delivered, renounced or transferred in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and, subject to certain exceptions, none of this document, the Application Forms or the crediting of Open Offer Entitlements (or Excess Open Offer Entitlements) to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any New Ordinary Shares in the United States. Neither this document nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements (or Excess Open Offer Entitlements) will be credited to, a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares outside the United States.

## **6.3 *Other Excluded Territories***

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

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

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Excluded Territory.

## **6.4 *Other overseas territories***

Application Forms will be sent to Qualifying non-CREST Shareholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders in other overseas territories. Qualifying Shareholders in jurisdictions other than any Excluded Territory may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

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

## **6.5 Representations and warranties relating to Overseas Shareholders**

### **6.5.1 Qualifying non-CREST Shareholders**

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

### **6.5.2 Qualifying CREST Shareholders**

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part IV represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within an Excluded Territory; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares; (iii) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory, or any territory referred to in (ii) above. The Company reserves the right to reject any USE instruction from an Excluded Territory or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within an Excluded Territory or any territory referred to in (ii) above.

## **7. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **8. Further information**

The attention of Shareholders is drawn to the further information set out in this document including the Risk Factors set out in Part II of this document and to the terms and conditions set out on the Application Form.

# NOTICE OF GENERAL MEETING

## Coms PLC

*Incorporated and Registered in England and Wales under the Companies Act 2006 with company number 05332126*

NOTICE is hereby given that a General Meeting of Coms PLC (the “**Company**”) will be held at the offices of Coms PLC on 19 June 2015 at 11 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 3 shall be proposed as ordinary resolutions and resolutions 2 and 4 shall be proposed as special resolutions:

1. THAT, the Directors be and they are hereby authorised pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the “**Act**”) to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £216,278.70 pursuant to the Open Offer (as defined in the circular dated 3 June 2015, of which this notice forms part (“**Circular**”)) This authority shall be in addition to all existing authorities under Section 551 of the Act (in addition to the authority to be granted pursuant to Resolution 3 below) and shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Annual General Meeting of the Company to be held in 2015, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.
2. THAT, subject to the passing of Resolution 1 above, the Directors be and they are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £216,278.70 pursuant to the Open Offer and shall be subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any overseas territory or the requirements of any recognised regulatory body or any stock exchange in any territory. This authority shall be in addition to all existing authorities under Section 570 of the Act (in addition to the authority to be granted pursuant to Resolution 4 below) and shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2015.
3. THAT, the Directors be and they are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Act to allot shares in the Company or grant Rights up to an aggregate nominal amount of £458,545.84 provided that this authority shall be in substitution for all existing authorities under Section 551 of the Act (other than the authority to be granted pursuant to resolution 1 above) and shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Annual General Meeting of the Company to be held in 2015, save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired.
4. THAT, subject to the passing of Resolution 3 above, the Directors be and they are hereby generally empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 3 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - (a) allotments made in connection with offers of equity securities to the holders of ordinary shares in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any overseas territory or the requirements of any recognised regulatory body or any stock exchange in any territory; and



- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities up to an aggregate nominal amount of £277,906.57,

and that this authority shall be in substitution for all existing authorities under Section 570 of the Act (other than the authority to be granted pursuant to resolution 2 above) and shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015 and save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

*By order of the Board*

Diana Dyer Bartlett  
*Secretary*

*Registered Office*

Beacon House  
Stokenchurch Business Park  
Ibstone Road  
Stokenchurch  
High Wycombe  
Bucks HP14 3FE

3 June 2015

**Notes:**

1. Any member entitled to attend, vote and speak at the meeting convened by the above notice is entitled to appoint one or more proxies to attend, speak and vote at the meeting instead of him. A proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share.
2. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the white form of proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. To appoint more than one proxy please see the instructions on the enclosed white form of proxy. All forms must be signed and should be returned together in the same envelope.
3. To be valid, the enclosed white form of proxy for the meeting convened by the above notice and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the Company's registrars' office (Share Registrars Ltd, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL) not less than 48 hours before the time for holding the meeting. Completion and return of the white form of proxy will not preclude members from attending and voting in person at the meeting.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and paragraph 18(c) The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the General Meeting is 11.00 a.m. on 17 June 2015 or, if the meeting is adjourned, 6.00 p.m. on the date two days prior to the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
5. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
6. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.





